

# Sustainability Report | 2020

Non-financial report



# TOPICS OVERVIEW



## Chapter Governance

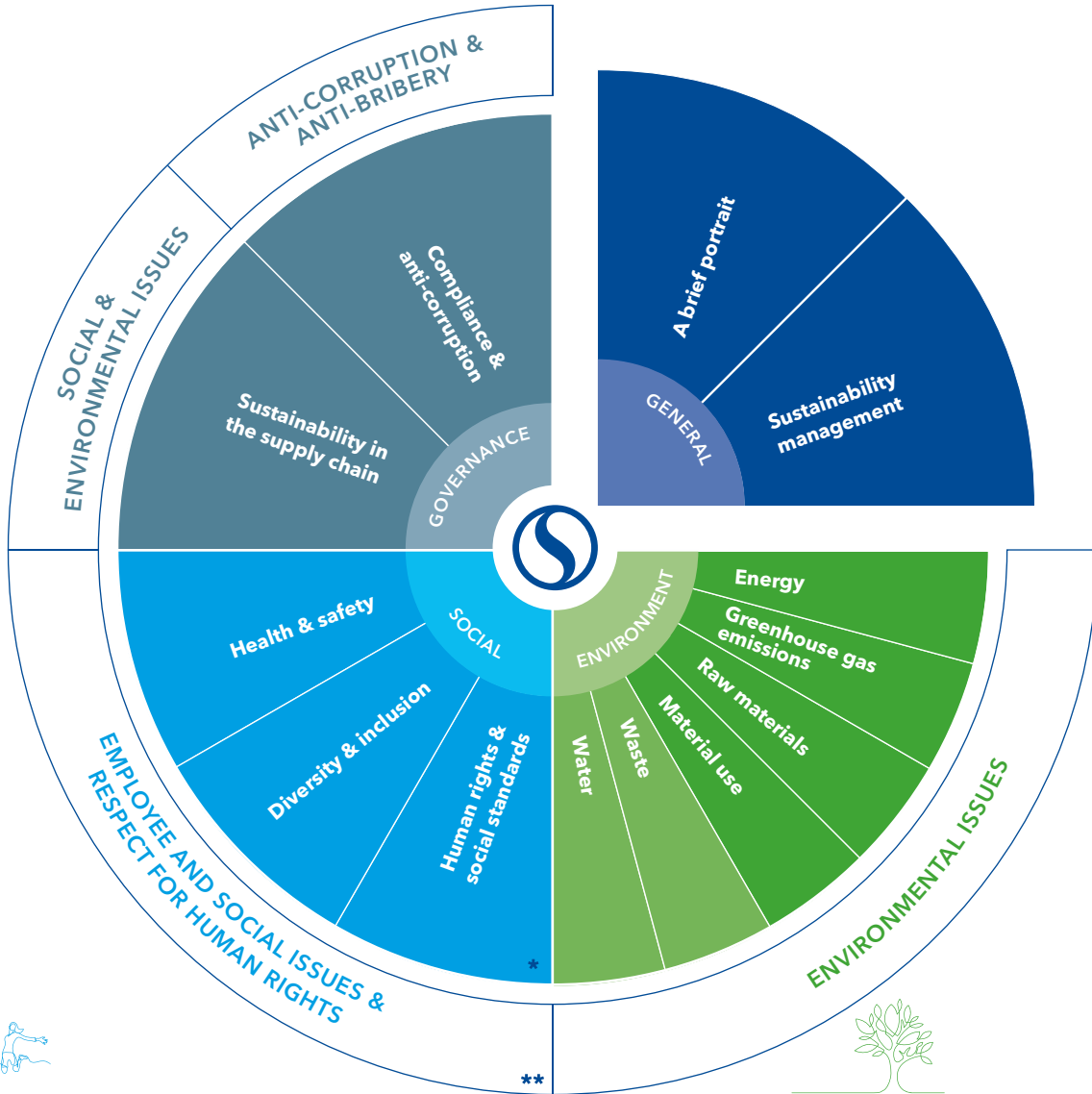


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## Chapter Semperit Group

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## Chapter Social



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## Chapter Environment & Climate



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- \* Material topics according to GRI (Global Reporting Initiative) are energy, greenhouse gas emissions, raw materials, material use, human rights & social standards, diversity & inclusion, health & safety, sustainability in the supply chain, anti-corruption. Other topics of significance for Semperit are waste and water.
- \*\* Issues relating to the Sustainability and Diversity Improvement Act (Nachhaltigkeits- und Diversitätsverbesserungsgesetz - NaDiVeG)

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# Foreword of the Executive Board

## Dear readers,

Last year can most pointedly be summed up in the words: "What a year!" That says a lot, but it is still not nearly enough to describe the special challenges of 2020 for the Semperit Group. Last year was an extremely exceptional and challenging year, but also very successful for the Semperit Group. On the one hand, COVID-19 and the resulting global effects had a significant impact on our work. In line with the principle of "better safe than sorry", we developed numerous measures, shifted our cooperation within the company into the virtual space as far as possible and placed great emphasis on transparent communication accompanying our measures in order to address the concerns of all those affected in the best possible way. It was important to ensure at all times that our employees and other stakeholders were optimally protected. As the low number of COVID-19 cases to date shows, we have been very successful so far. Thanks to the low infection rate, joint efforts, strict protection guidelines and great discipline on the part of our employees, the core of our company, the continuation of production, and thus the supply of our customers was ensured throughout the year with only some minor restrictions. This is not least due to the close and good cooperation of various company divisions. On the other hand, our restructuring efforts have now also had a clear effect in the Medical Sector: Without the operational improvements and efficiency enhancement, we would never have been able to cope with the strong increase in demand for medical protective gloves due to the pandemic.

But we not only mastered the challenges of COVID-19 excellently, we also successfully continued to accelerate the transformation process of the Semperit Group. This was not always easy under the given circumstances, which in some cases led to very contrasting effects. However, it was precisely in this time of tension that we not only managed to grow, but also to successively accelerate the transformation towards a sustainable corporate culture. In this sense, 2020 was a very important year from a sustainability perspective: at the beginning of the year, we renewed our materiality matrix and worked together with our most important stakeholders to develop the sustainability topics that are paramount for Semperit. On this basis, we have begun to develop a Group-wide sustainability strategy in a second step and for the first time in the company's history, which we will roll out in an appropriate manner in 2021. The strategy includes targets in the fields of energy, emissions and diversity, as well as business ethics and the sustainable design of the supply chain. Our Code of Conduct was also revised and published in 2021, as was our Modern Slavery Act Statement. And we also decided to make our commitment to sustainability more visible to the outside world by joining the UN Global Compact and the "Together for Sustainability" initiative to accelerate sustainable development together with other companies worldwide. You can read about other efforts we pursued on the following pages.

In conclusion, it remains for us to say: we look back with pride on a year that was as intense as it was successful, and we are pleased that you continue to accompany us on our journey!

Vienna, 17 March 2021  
The Executive Board



**Dr Martin Füllenbach**  
CEO



**Gabriele Schallegger**  
CFO



**Kristian Brok**  
COO

# SEMPERIT GROUP

**6** A brief portrait

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# Global presence of Semperit Group

## Sempermed

- 1 Vienna, AT, HQ
- 2 Wimpassing, AT
- 3 Allershausen, DE
- 8 Waldböckelheim, DE
- 9 Levallois, FR
- 15 Budapest, HU
- 16 Sopron<sup>2)</sup>, HU
- 17 Shanghai<sup>2)</sup>, CN
- 24 Kamunting, MY
- 25 Nilai, MY
- 26 Singapore, SG
- 31 Brighton, New Jersey, US
- 32 Clearwater, Florida, US
- 33 Coppel, Texas, US
- 35 Ontario, California, US

## Semperflex

- 2 Wimpassing, AT
- 8 Waldböckelheim, DE
- 14 Odry, CZ
- 17 Shanghai<sup>2)</sup>, CN
- 21 New Delhi, IN
- 26 Singapore, SG
- 27 Hat Yai, TH
- 34 Fair Lawn, New Jersey, US

## Semperform<sup>3)</sup>


- 2 Wimpassing, AT
- 5 Deggendorf, DE
- 6 Hückelhoven<sup>1)</sup>, DE
- 9 Levallois, FR
- 11 Birmingham, GB
- 16 Sopron<sup>2)</sup>, HU
- 17 Shanghai<sup>2)</sup>, CN
- 34 Fair Lawn, New Jersey, US

## Sempertrans


- 1 Vienna, AT, HQ
- 2 Wimpassing, AT
- 7 Moers, DE
- 9 Levallois, FR
- 10 Béthune, FR
- 12 Bełchatów, PL
- 13 Warsaw, PL
- 18 Chennai, IN
- 19 Delhi, IN
- 20 Kolkata, IN
- 21 New Delhi, IN
- 22 Roha, IN
- 23 Jakarta, ID
- 28 Winnipeg, CA
- 29 Querétaro, MX
- 30 Atlanta, Georgia, US
- 36 Perth, AU
- 37 Thornton, AU


## Semperseal<sup>3)</sup>

- 2 Wimpassing, AT
- 4 Dalheim<sup>1)</sup>, DE
- 5 Deggendorf, DE
- 6 Hückelhoven<sup>1)</sup>, DE
- 17 Shanghai<sup>2)</sup>, CN
- 34 Fair Lawn, New Jersey, US
- 36 Perth, AU
- 37 Thornton, AU

 1 Headquarters of Semperit AG Holding


 Production site Medical

 Sales office Medical

 Production and sales office Medical

 Production site Industrial

 Sales office Industrial

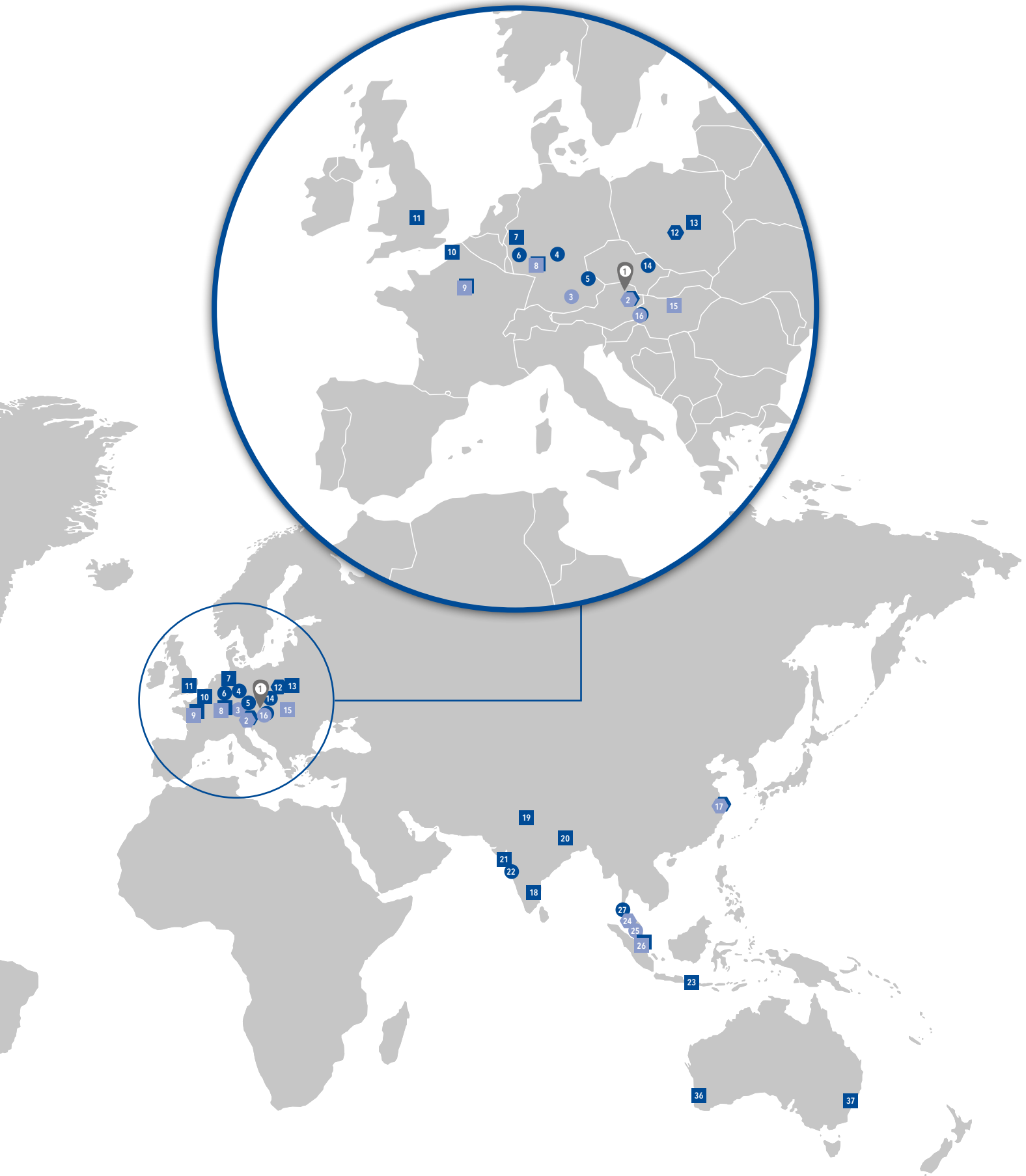
 Production and sales office Industrial



1) The Dalheim site was merged with the Hückelhoven site in 2019.

2) Two separate production sites

3) The business units Profiles and Rubber Sheeting were separated from the Semperform segment and are operated as a segment of their own under the name Semperseal as of 1 January 2020.





**Dr Walter Koppensteiner**  
Chairman of the  
Supervisory Board



*A sustainable corporate orientation gains more and more in importance every day. It is essential to make this change tangible for everyone. It is important to act out of conviction and not for marketing reasons. The Semperit Group is currently working intensively on integrating the topic of sustainability at various levels, and it is both a pleasure and a great concern to me to accompany the company on this path.*

## A brief portrait

The publicly listed company Semperit AG Holding is an internationally-oriented group that develops, produces, and sells in more than 100 countries highly specialised rubber products for the medical and industrial sectors. The product range includes, among other things, hydraulic and industrial hoses, conveyor belts, escalator handrails, construction profiles, cable car rings, and products for railway superstructures and examination and surgical gloves. The headquarters of this long-standing Austrian company, which was founded in 1824, are located in Vienna. The Semperit Group employs around 6,900 people worldwide, including about 3,800 in Asia and about 900 in Austria (Vienna and production site in Wimpassing, Lower Austria). The Group has 14 manufacturing facilities worldwide and numerous sales offices in Europe, Asia, Australia, and America. In 2020, the group generated revenue of EUR 928 million and an adjusted EBITDA (without one-off effects) of EUR 208.6 million.

The shares of the Semperit Group are traded on the Vienna Stock Exchange. In 2020, the majority shareholder, B&C Privatstiftung, held more than 54%. The free float was slightly below 46% on the balance sheet date.

### Corporate Strategy

In autumn 2017, the Semperit Group started a restructuring and transformation process. The comprehensive and successfully implemented measures have led to a significant reduction in complexity and an increase in profitability. The Executive Board will continue to pursue this path with all due consistency.

In addition, at the beginning of 2020 as part of its strategic realignment, Semperit decided its future focus would be on the identifiable potential in the Industrial Sector and to complete the transformation into an industrial rubber specialist. Consequently, the Semperit Group will separate from its medical business. The Industrial Sector will gain additional clout through a significant increase in customer proximity, a more market-oriented alignment of the overall organisation and a stronger focus on applications. The goal is to serve existing and future markets faster and more effectively.

The effects of the global corona pandemic in 2020 on the Medical Sector are considered to be of limited sustainability. For this reason, the fundamental strategic decision to focus on the industrial rubber business in the future and separate from the medical business remains valid, regardless of the developments recently observed in the wake of the corona crisis. However, the implementation of this decision has been delayed because, on the one hand, Semperit's primary concern as an Austrian company is the security of supply of medical protective gloves to this country and, on the other hand, there is currently no reason from an economic perspective to implement the decided separation: The temporary goal is to benefit as long and as comprehensively as possible from the attractive earnings contributions from the medical business.





**Dr Martin Füllenbach**  
CEO



2020 was an extremely exceptional and challenging year, but also a very successful one for the Semperit Group. Despite COVID-19 and its effects, the transformation process of the Semperit Group was successfully accelerated. We look back with pride on a very intensive year in which we achieved a great deal together - especially with regard to sustainability.

**Key performance figures and balance sheet key figures in EUR million**

**Key performance figures in EUR million**

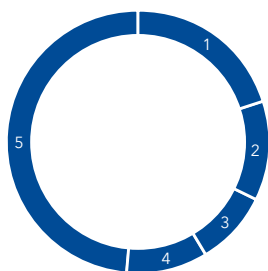
|   | 2020  | 2019   | 2018   |
|---|-------|--------|--------|
| Revenue                                   | 927.6 | 840.6  | 878.5  |
| EBITDA                                    | 208.6 | 67.8   | 46.4   |
| EBITDA margin                             | 22.5% | 8.1%   | 5.3%   |
| EBIT                                      | 237.8 | -16.5  | -47.7  |
| EBIT margin                               | 25.6% | -2.0%  | -5.4%  |
| Earnings after tax                        | 194.6 | -44.9  | -80.4  |
| Earnings per share <sup>1)</sup> , in EUR | 9.1   | -2.5   | -4.13  |
| Gross cashflow                            | 193.7 | 46.7   | 37.4   |
| Return on equity <sup>2)</sup>            | 58%   | -16.3% | -24.2% |

**Balance sheet key figures in EUR million**

|   | 2020  | 2019  | 2018  |
|---|-------|-------|-------|
| Balance sheet total                           | 764.4 | 701.8 | 768.8 |
| Equity <sup>2)</sup>                          | 332.3 | 273.4 | 329.5 |
| Equity ratio                                  | 43.5% | 39.0% | 42.9% |
| Investments in tangible and intangible assets | 28.5  | 31.4  | 81.1  |
| Employees (at balance sheet date)             | 6,943 | 6,902 | 6,773 |

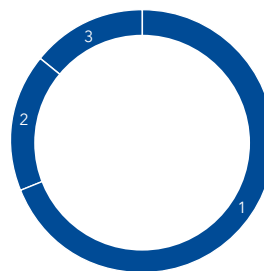
1) Earnings per share are attributable to the core shareholders of Semperit AG Holding (excl. remuneration from hybrid capital).  
2) Attributable to the shareholders of Semperit AG Holding (excl. non-controlling interests)

**Revenue split by segment in 2020 (2019)**



1. Semperflex **20%** (26%)
2. Sempertrans **12%** (16%)
3. Semperform **9%** (23%)
4. Semperseal **10%** (-)
5. Sempered **48%** (35%)


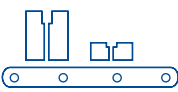
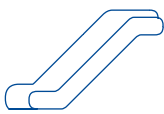
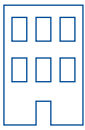

**Revenue split by region in 2020 (2019)**




1. Europe **69%** (69%)
2. North and South America **17%** (15%)
3. Asia, Africa and other countries **14%** (16%)

## The Semperit segments


At the end of 2020, the Semperit Group consisted of the five segments Semperflex, Sempertrans, Semperform, Semperséal and Sempermed, which are allocated to the Industrial and the Medical Sectors.

| Sector   | Industry  |   |  |  | Medical  |
|----------|---|---|--|--|--|
| Segments | Semperflex  | Sempertrans   | Semperform   | Semperséal   | Sempermed  |
|          | <br>Hydraulic and industrial hoses | <br>Conveyor belts | <br>Handrails, cable car rings, ski foils | <br>Window profiles | <br>Examination and protective gloves |


### Semperflex

 The Semperflex segment develops, manufactures and markets hydraulic and industrial hoses worldwide based on identical global quality standards. Industrial hoses serve to transport a wide variety of media and are primarily used in the construction and transport industries as well as in industrial and agricultural engineering. Hydraulic hoses are used as power transmission and energy transport in hydraulic systems, primarily in the construction, agricultural and mining industries as well as for high-pressure cleaning.

### Sempertrans


 The Sempertrans segment is one of the leading manufacturers of conveyor belts. Conveyor belts are primarily used in mining, the steel and cement industries as well as in port facilities. The product portfolio can be divided in two main areas: textile and steel belts. Characteristics such as abrasion resistance, heat and oil resistance as well as the associated product life are decisive. Design and specification of the individual products are often developed in close cooperation with the customers.

### Semperform

 As one of the leading European manufacturers of moulded and extrusion products made of rubber and plastic, the Semperform segment comprises

a comprehensive product portfolio ranging from insulation for window profiles and escalator handrails to ski foils. In addition to worldwide production sites, the Semperform segment is, above all, successfully positioned in Europe.

### Semperséal

 Semperséal is one of the leading European manufacturers of construction and industrial profiles and rubber sheeting. The know-how based on many years of experience is the basis for a multitude of developments and innovative solutions. As a competent partner for a large number of original equipment manufacturers (OEMs), Semperséal offers development, production and service of user-specific solutions, which often make a decisive contribution to the success of overall solutions. Cooperation is usually project-oriented and takes place via a central contact person.

### Sempermed

 Sempermed has produced gloves in Austria for more than 100 years and in Asia since the 1980s. Above all, the Medical Sector is characterised by high product requirements such as quality, sterility and allergic compatibility. In addition, legal provisions, primarily in the field of medical devices, hygiene and occupational safety, have an impact on the production and packaging of various products.

## Employees

Employees are the decisive factor when it comes to securing the long-time success of a company. Social developments such as demographic change, increasing internationalisation or the shortage of skilled workers are challenges that have an impact on the personnel area. Semperit focuses on the combination of expertise, commitment and integrity and makes sure to create an appropriate environment to foster these key attributes. This includes health protection and occupational safety as well as a wide range of training and development opportunities. The company-wide principles and goals for employees are stipulated in the People Policy ([www.semperit-group.com/fileadmin/img/holding/pdf\\_dateien/Sustainability/people\\_policy/People\\_Policy\\_1812017\\_EN.PDF](http://www.semperit-group.com/fileadmin/img/holding/pdf_dateien/Sustainability/people_policy/People_Policy_1812017_EN.PDF)), which is publicly accessible on the website.

At the end of 2020, the Semperit Group comprised around 6,900 employees (full-time equivalent), around 3,000 of them in Europe, approximately 3,800 in Asia and about 60 in America (incl. the rest of the world). 22 percent of them

were women and 201 contingent workers. The turnover rate\* was approximately 19 percent and is determined by the high proportion of Semperit employees in Asia, a region with a fundamentally higher employee turnover. Semperit employs a small number of contingent workers, who are primarily deployed during peak order periods.

For Semperit, retaining existing employees is equally important as creating an interesting offer to attract new employees. In order to drive this forward, there are clear objectives in the field of employees, such as the zero-accident policy or increasing the internal replacement rate for management positions. Through various initiatives such as the People Days, the Technical Development Path or the Talent Academy (see chapter on diversity & inclusion on page 62) as well as the "Internal Job Market", which informs current employees about new vacancies, specialists can be developed, and positions can be filled internally.

\* The turnover rate includes employee turnover (voluntary terminations) as well as terminations by the company, expirations of fixed-term contracts and retirements.

## Employee indicators

|  | <b>2020</b>  | <b>2019</b>  | <b>2018</b>  |
|--|--------------|--------------|--------------|
| <b>Number of employees at year-end (FTE)</b>   | <b>6,943</b> | <b>6,902</b> | <b>6,773</b> |
| <b>Employees by region (FTE)</b>               |              |              |              |
| Female Europe                                  | 795          | 818          | 809          |
| Male Europe                                    | 2,272        | 2,351        | 2,390        |
| <b>Total Europe</b>                            | <b>3,067</b> | <b>3,169</b> | <b>3,199</b> |
| Female Asia                                    | 685          | 567          | 592          |
| Male Asia                                      | 3,127        | 3,101        | 2,919        |
| <b>Total Asia</b>                              | <b>3,812</b> | <b>3,668</b> | <b>3,510</b> |
| Female America (incl. rest of the world)       | 25           | 24           | 22           |
| Male America (incl. rest of the world)         | 39           | 42           | 42           |
| <b>Total America (incl. rest of the world)</b> | <b>64</b>    | <b>66</b>    | <b>64</b>    |
| <b>Percentage of employees by gender</b>       |              |              |              |
| Female   | 22%          | 20%          | 21%          |
| Male   | 78%          | 80%          | 79%          |
| <b>Employees by age groups (FTE)</b>           |              |              |              |
| < 30   | 2,419        | 2,417        | 2,150        |
| 30-50  | 3,455        | 3,394        | 2,874        |
| > 50   | 1,069        | 1,091        | 1,072        |

For more employee indicators see pages 64-66.

Note: Rounding differences in the totalling of rounded amounts and percentages may arise from the use of automatic data processing.

FTE = full time equivalent

HC = headcount

The employee data is collected directly at the individual locations.

Key figures 2020:

include all employees from the fully consolidated companies of the Semperit Group.

Key figures 2019:

include all employees from the fully consolidated companies of the Semperit Group, except the indicators turnover rate and new employees, excluding the sites in Nilai (Malaysia) and Hat Yai (Thailand) for which no data was available.

Key figures 2018:

include all employees from the fully consolidated companies of the Semperit Group, with the exception of Hat Yai, Thailand, and Nilai, Malaysia.

The key figures number of employees at year-end (by segments), employees by region and percentage of employees by gender include all employees from the fully consolidated companies of the Semperit Group.

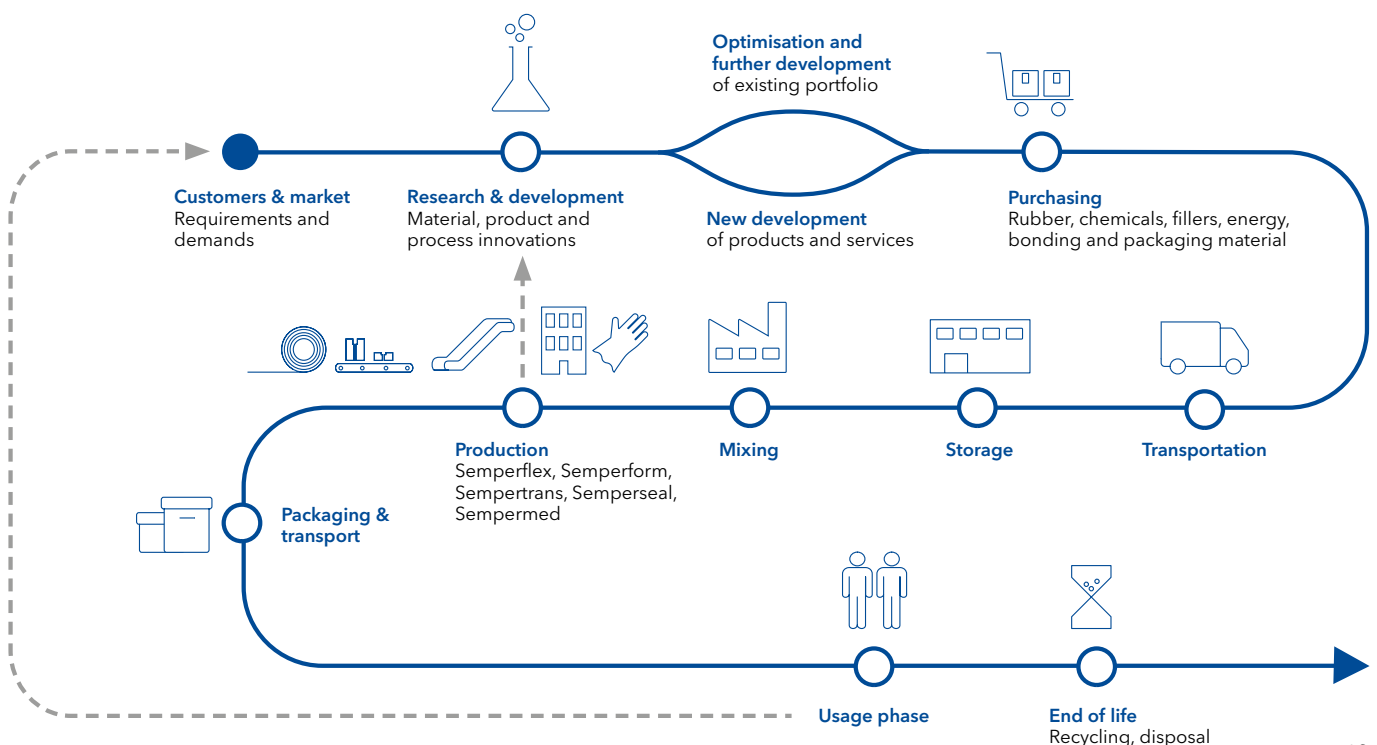
## Value chain

The orientation of the Semperit Group and its activities is driven by market requirements and customer needs. Future trends and current demand impact the product range and thus the corresponding processes. Semperit attaches great importance to close cooperation with customers and suppliers, and at the same time pays attention to the development of new markets. Based on the knowledge generated through stakeholder dialogues and targeted market observation, the research and development work starts in the areas of materials, products and processes. The research and development department (R&D) of the Semperit Group develops the various formulations for rubber compounds, which form the starting point for all further steps. In addition to the continuous improvement of the raw materials, new and further development of products and production processes as well as a corresponding range of services are in the foreground of R&D work and the strategic orientation of the company.

The centrally organised purchasing department is then responsible for the procurement of the most important starting materials for production, such as raw and secondary raw materials, process chemicals, energy, bonding and packaging materials as well as the necessary infrastructure such as machines or vehicles. Purchasing is followed by storage, which has to be aligned with the required chemicals and raw materials.

Subsequently, production starts. Production is roughly divided into three core activities: mixing, production and packaging. In a first step, the starting product - the rubber compound - is produced. The composition of the respective compound depends on the future purpose of use. Depending on the segment, the compounds can then be processed into hoses, conveyor belts, window seals or gloves. As far as possible, materials are recycled in mixing or production. The finished products are packaged and delivered. Production works closely with the research and development department during every step. Knowledge generated in this process is internally passed on directly and is an essential part of ongoing operational innovation management.

After the packaging and shipping of the products there is the usage phase. In this context, too, Semperit attaches great importance to a close cooperation with its customers. At the end of the usage phase, products and production waste are recycled, used thermally or disposed of in accordance with the requirements, depending on their composition. For example, rubber products are processed into flooring or used as fillers in road construction or the tyre industry.



# Sustainability management

## Materiality analysis 2020

In the reporting year, Semperit carried out an update of the materiality analysis prepared in 2016, as announced. The chosen approach complies with the legal requirements of the Sustainability and Diversity Improvement Act and the standards of the Global Reporting Initiative (GRI).

The goal of the process is to evaluate the various sustainability issues that arise along the entire value chain as a result of the Semperit Group's business activities. Their impact on the environment and society is taken into account, as is their importance for Semperit's various stakeholders. In addition to the social and ecological impact, the economic significance of the topics for Semperit was also discussed. The involvement of the various stakeholder interests serves to obtain a comprehensive and, as far as possible, complete picture in order to correctly set future priorities in the field of sustainability as a company.

In addition, it is planned to review the topicality of the main issues annually and adjust them if necessary, in order to respond to possible changes and trends in the business environment.

In the course of the process, Semperit decided to collect the various stakeholder interests using qualitative interviews. The decision to conduct interviews was helpful from the company's perspective, as information on materiality could be generated in the course of the conversation. It was also possible to ask additional questions or clarify open points bilaterally and to identify moods and overarching trends.

### Changes in the thematic landscape

The following changes were made in the area of material topics: The topic of sustainability as innovation was removed as a material topic. The main reason for this change is that innovation is seen as a tool that helps to advance material topics and objectives or to make them possible in the first place. Content, news and the usual key figures from the area of innovation continue to be reported in appropriate places such as the chapter on the selection of raw materials. For the most part, the topic of innovation was not evaluated by the stakeholders, as it is considered an important tool on the path to a sustainable corporate orientation.

The topics of greenhouse gas emissions and compliance & anti-corruption were defined as new material topics. The Semperit Group already addressed these topics in recent years. Emission reporting has been continuously deepened and improved for the last few years. Compliance and integrity have always formed the basis of Semperit's corporate activities and are an important component of the value landscape.

In the area of materials, topics are specified in 2020. The material topic of "raw materials & material use" was divided into two separate blocks in 2020, which are reported separately. In terms of employee topics, the interviews revealed that the topic of "attractive employment" is becoming increasingly important compared to classic human resource topics such as "training and education". The topic of diversity & inclusion became essential based on survey results and is reported for the first time this year.

## The way to the materiality matrix



In a first step, the various social and ecological issues arising from the business activities of the Semperit Group were identified along the entire value chain, taking into account global trends as well as thematic and legal requirements. The range of topics includes the selection and purchase of raw materials and the various production parameters, the usage phase and the disposal of the products. The selected topics reflect the entire value chain of the Semperit Group. In this respect, ecological aspects are just as important as social aspects.

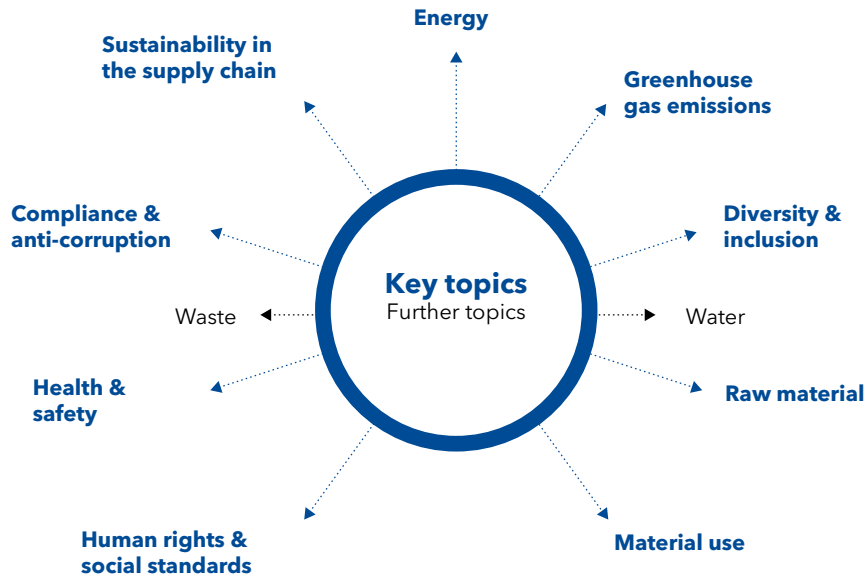
In a second step, the various experts and topic managers subjected the 21 pre-selected core topics to a quantitative evaluation. In a joint workshop, the topics were evaluated and compared with regard to their impact on the environment, society and the economy.

Following the impact assessment, the importance of the topics from the stakeholders' point of view was surveyed by means of qualitative interviews. Among others, the following stakeholder groups were interviewed: customers, suppliers, activists (NGOs), financial experts, media representatives, sustainability experts, students and universities of applied sciences, external consultants, the works council, the Supervisory Board and Semperit employees.

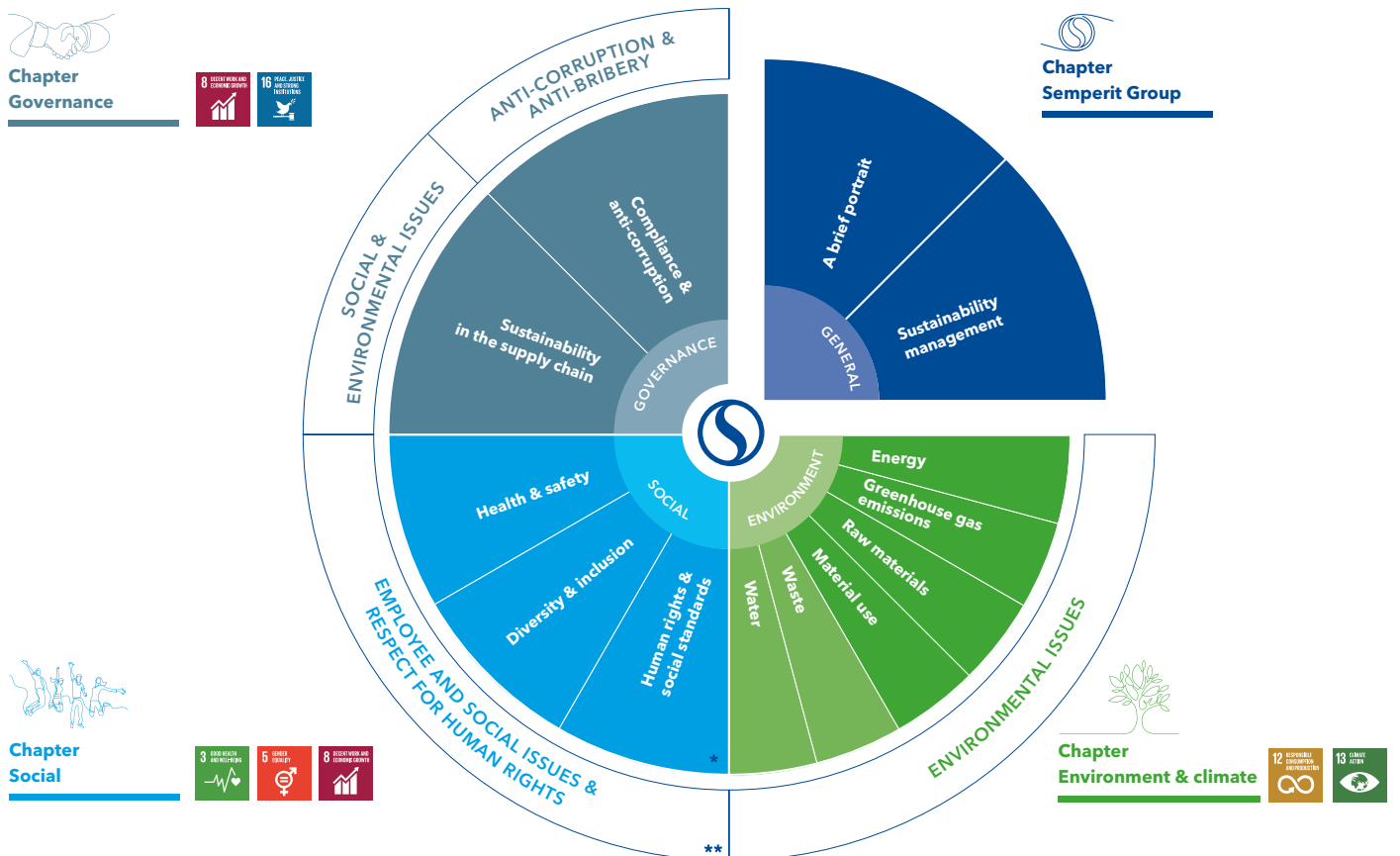
Based on the information obtained, the individual sustainability topics were related to each other and weighted. The two key parameters for creating the matrix were the extent of the identified impacts on the environment, society and the economy as well as the respective significance for the stakeholders. Using this prioritisation, it was possible to distinguish the major and thus currently most important topics from other topics.

In the course of the process, nine of the 21 initial topics were declared to be material for the Semperit Group. The internal validation of these topics was carried out by the Sustainability Council and was approved by the Executive Board and the Supervisory Board.

## Sustainability topics of the Semperit Group



## Interlocking Semperit topics with the concerns of the Sustainability and Diversity Improvement Act



\* Material topics according to GRI (Global Reporting Initiative) are energy, greenhouse gas emissions, raw materials, material use, human rights & social standards, diversity & inclusion, health & safety, sustainability in the supply chain, anti-corruption. Other topics of significance for Semperit are waste and water.

\*\* Issues relating to the Sustainability and Diversity Improvement Act (Nachhaltigkeits- und Diversitätsverbesserungsgesetz - NaDiVeG)



## Key topics

|  | <b>Chapter</b>                          | <b>Interests according to NaDiVeG</b>           | <b>GRI aspect</b>                                   | <b>Boundaries of primary impact</b>         | <b>Stakeholders</b>  |
|--|---|---|---|---|--|
| <b>Energy</b>                              | Energy use & consumption                | Environment                                     | GRI 302   | Within the company                          | Semperit, investors, employees, customers, authorities and politics            |
| <b>Greenhouse gas emissions</b>            | Greenhouse gas emissions                | Environment                                     | GRI 305   | Within the company, upstream and downstream | Semperit, customers, suppliers, investors, employees, authorities and politics |
| <b>Raw materials</b>                       | Selection of raw materials              | Environment                                     | GRI 301   | Within the company, upstream                | Semperit, customers, suppliers, employees, authorities and politics            |
| <b>Material use</b>                        | Material use & waste management         | Environment                                     | GRI 301   | Within the company                          | Semperit, customers, suppliers, investors, employees                           |
| <b>Health &amp; safety</b>                 | Occupational safety & health protection | Employees                                       | GRI 403   | Within the company                          | Semperit, employees, investors, authorities                                    |
| <b>Diversity &amp; inclusion</b>           | Diversity & inclusion                   | Employees                                       | GRI 403<br>GRI 405                                  | Within the company                          | Semperit, suppliers, employees, customers                                      |
| <b>Human rights &amp; social standards</b> | Human rights & social standards         | Respect for human rights, social issues         | GRI 401<br>GRI 405<br>GRI 412                       | Within the company, upstream                | Semperit, employees, suppliers, customers, NGOs, media                         |
| <b>Sustainability in the supply chain</b>  | Sustainability in the supply chain      | Environment & social issues                     | GRI 308<br>GRI 414                                  | Upstream                                    | Semperit, suppliers, customers, investors, NGOs                                |
| <b>Compliance &amp; anti-corruption</b>    | Compliance & anti-corruption            | Social issues, anti-corruption and anti-bribery | GRI 205<br>GRI 206<br>GRI 307<br>GRI 406<br>GRI 419 | Within the company, upstream and downstream | Semperit, customers, suppliers, investors, employees                           |

## Other topics

|              |                                 |             |         |                                |  |
|--------------|---------------------------------|-------------|---------|--------------------------------|--|
| <b>Waste</b> | Material use & waste management | Environment | –       | Within the company, downstream | Semperit, employees, investors, authorities and politics |
| <b>Water</b> | Water                           | Environment | GRI 303 | Within the company             | Semperit, neighbours and residents, authorities          |

## Stakeholder involvement

Continuous stakeholder involvement includes the help of a wide range of dialogue forms such as face-to-face meetings, the Internet, workshops, surveys, expert talks, training courses and the participation in national and international initiatives and is a fixed component of the company's business understanding. Semperit stands for open and continuous dialogue. This not only creates trust, but also enables early identification

of the issues that are and will be significant for Semperit today and in the future. Beyond these formats, Semperit enters the dialogue on special and current topics with relevant stakeholders. The most important stakeholders are those who may be affected by the activities, business practices and strategic goals of the Semperit Group and who therefore have a significant interest in or influence on these topics.

| Stakeholder groups  | Topics  | Frequency  | Integration and dialogue formats   |
|---|---|------------|--|
| <b>Capital market (shareholders, capital providers, etc.)</b> | ESG ratings, objectives & risks in the field of sustainability, greenhouse gas emissions, future business alignment (Green Deal, green investments, etc.) | Continuous | Individual and group interviews, conferences, information events, road shows, telephone meetings, Annual General Meeting, annual press conference          |
| <b>Employees</b>  | Social standards, diversity, attractive employer, waste, energy, greenhouse gas emissions, etc.   | Continuous | Employee dialogues & surveys, internal media, townhall meetings, management calls, employee events, staff meetings, mentoring programmes, group conference |
| <b>Customers</b>  | Raw material selection, greenhouse gas emissions, certificates & audits, responsibilities, health & safety, water and waste                               | Continuous | Customer meetings, customer surveys, social media, fairs, media  |
| <b>Suppliers, business partners</b>                           | Raw material selection, energy, greenhouse gas emissions, certificates & audits, efficiency, market development   | Continuous | Dialogue, events, trainings, speeches, supplier surveys, audits  |
| <b>Civil society, NGOs</b>                                    | Recycling & waste management, human rights & social standards, green deal   | Continuous | Dialogue, one-to-one meetings, specialist events, answers to inquiries, media  |
| <b>Local stakeholders</b>                                     | Health & safety, waste, water, corporate management, emissions, employee key figures  | Continuous | Personal conversations, factory tours, neighbourhood meetings, press conference  |
| <b>Political decision makers</b>                              | Greenhouse gas emissions, energy, innovative performance, employee key figures  | Continuous | Events, submissions  |
| <b>Science, research</b>                                      | Recycling management, raw material selection, smart technologies  | Continuous | Round tables, R&D cooperation, speeches, discussions   |
| <b>Media</b>  | Future alignment of the company and the product portfolio, recycling management, effects caused by climate change   | Continuous | Press meetings, releases and conferences, fairs, interviews, individual interviews, phone calls, informal exchange   |
| <b>Networks, associations</b>                                 | Greenhouse gas emissions, recycling management, human rights, supply chain, material use, social standards  | Continuous | Participation of Executive Board members, managers or technical experts in initiatives, forums and events, memberships in initiatives                      |

## Global Sustainable Development Goals (SDG) and the principles of UN Global Compact

### Semperit and the SDGs

In 2015, the “Agenda 2030 for Sustainable Development” was adopted at the summit meeting of the United Nations (UN). All 193 member states of the United Nations committed themselves to work towards implementing Agenda 2030 with its 17 Sustainable Development Goals (SDGs) on national, regional and international level by 2030. Semperit has analysed the 17 development goals in terms of their significance for its business activities. The goals, which Semperit is influencing,

are presented in the chart on page 16 and assigned to the corresponding topic areas. The versatile business activities and the diverse product portfolio of the Semperit Group also have an impact on other SDGs that are not explicitly listed here. The reason is that the impact in the field of these objectives is not understood as primary. Other SDGs are mentioned in the content part of the report.

#### Good health and well-being



Health and safety of employees have top priority. Semperit makes a significant contribution to SDG 3 on a wide variety of levels.

With the help of a comprehensive catalogue of services and measures, the occupational safety and health protection of employees is continuously improved. This includes a diverse range of additional benefits or a comprehensive safety system to prevent accidents of any kind. This also includes, among other things, the procurement, storage and handling of hazardous substances and chemicals. In addition, by producing examination and surgical gloves Semperit contributes directly to the supply of medical products and thus the protection of society.

#### Gender equality



Diversity and equal opportunity are important components of successful employee management. For Semperit, diversity and respect are integral and indispensable components of the corporate culture, and are taken into account when filling all positions, among other things. Over the past three years, Semperit has made step-by-step progress towards its goal of “steadily increasing the percentage of women in management” and has increasingly attracted women to management positions. In addition to promoting diversity and equality, Semperit works intensively to avoid all forms of discrimination.

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#### Decent work and economic growth



Through long-term investments and the corresponding innovative performance, the Semperit Group promotes the local economy,

contributes to regional value creation and thus creates numerous secure jobs. The health and safety of employees and respect for human rights always have top priority. Semperit attaches great importance to issues such as future-oriented work, fair pay, development opportunities and a diverse working environment and continuously works on them.

#### Responsible consumption and production



Semperit continuously strives to extend the properties and thus the service life of its products. This not only satisfies customer needs, but also makes a significant contribution to issues such as resource efficiency and durability. In addition, Semperit strives to optimise the use of secondary materials, to keep material waste as low as possible and the internal recycling rate as high as possible within production.

#### Climate action



The Semperit Group is continuously working on optimising its production processes. The associated activities aim at using resources more efficiently, promoting the use of clean and environmentally friendly technologies, and sustainably increasing innovation potential. With the help of broad-based research and development activities and cooperation with renowned research institutions, Semperit makes a significant contribution to innovation and development of a high-quality, reliable and resilient infrastructure.

#### Peace, justice and strong institutions



Integrity and compliance are the prerequisite and basis for success and sustainable cooperation. Internal compliance mechanisms ensure that there is no place for corruption and bribery. In addition, Semperit is aware of its responsibility in the supply chain and constantly works to align it with ecological and social criteria.

### The ten principles of UN Global Compact

The United Nations Global Compact is the world’s largest and most important initiative for responsible corporate governance. The vision of UN Global Compact is an inclusive and sustainable global economy based on the 10 universal principles. The goal of the worldwide movement of economy, politics and civil society: to make globalisation more social and ecological.

The central element of UN Global Compact are 10 universal principles and the support of the 17 Sustainable Development Goals (SDGs). In 2020, Semperit decided to join the network and contribute to the promotion of and compliance with the ten guiding principles.

**Principle 01  
Human rights**

Businesses should support and respect the protection of internationally proclaimed human rights

**Principle 02  
Human rights**

Businesses should make sure that they are not complicit in human rights abuses.

**Principles 03  
Labour**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principles 04  
Labour**

Business should stand up for the elimination of all forms of forced and compulsory labour.

**Principle 05  
Labour**

Businesses should stand up for the effective abolition of child labour.

**Principle 06  
Labour**

Businesses should stand up for the elimination of discrimination in respect of employment and occupation.

**Principle 07  
Environment**

Businesses should support a precautionary approach to environmental challenges.

**Principle 08  
Environment**

Businesses should undertake initiatives to promote greater environmental responsibility.

**Principle 09  
Environment**

Businesses should encourage the development and diffusion of environmentally friendly technologies.

**Principle 10  
Anti-corruption**

Businesses should work against corruption in all its forms, including extortion and bribery.

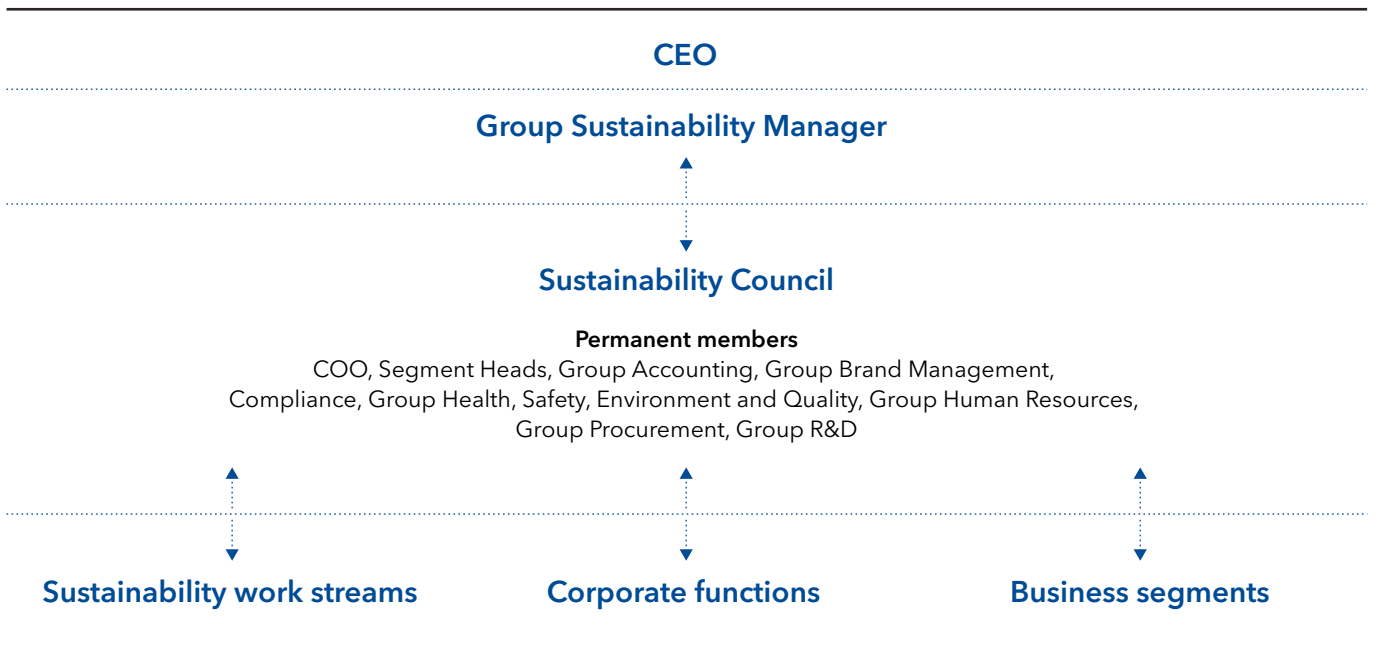
**WE SUPPORT**



## Organisational anchoring of sustainability

The Group brand management department is responsible for coordinating the sustainability agendas. The highest authority within the scope of sustainability is the Chairman of the Executive Board of Semperit AG Holding. He will be regularly informed by the Sustainability Council on current topics. The Sustainability Council consists of managers of central corporate areas and business segments. The members are responsible for defining priorities, appropriate activities and the promotion of current topics. The Executive Board of the Semperit Group regularly informs the Supervisory Board of current sustainability issues and the progress of sustainability activities in addition to financial, operational and strategic topics.

In the reporting year 2020, sustainability work primarily focused on updating the materiality analysis as an important step towards the future sustainability strategy, which is to be completed in 2021. In addition to the survey of the main topics and possible objectives in the field of the strategy, the ongoing resource management, the topic of human rights & social standards as well as current developments and trends at the regulatory and legal levels of the Semperit Group were primarily discussed. ESG risk management (Environment, Social and Governance) was another component of the Council's work. For more details see page 73ff. Another topic that was discussed more intensively were the slowly changing market requirements with regard to sustainability, which are becoming noticeable above all due to increasing customer requests.



## Perspective 2021

### Progress of the Semperit Group at a glance

In order to be successful in the longer term, lasting partnerships enabling excellence must be developed. The combination of conscious and sustainable action, of the corresponding innovation performance and economic efficiency is decisive in this respect. In 2018, the Semperit Group defined six key topics that span all areas of the value chain and are supported

by objectives and measures. These objectives are also called "Perspective 2021" (also see page 99). The update of the materiality analysis carried out in the reporting year 2020 resulted in a new assignment of the objectives according to the major topics updated in 2020.

#### Topics of the Perspective 2021

(Objectives from 2019)

| Topic                                     | Description   | Target until 2021   | Indicator   |
|---|---|---|---|
| <b>Energy</b><br>(page 36ff)              | Promotion of an efficient and responsible use of energy in production   | → Annual target: improvement in the energy intensity until 2021 by segment-specific reference sites<br>3% location Odry (Semperflex)<br>2% location Deggendorf (Semperform)<br>2% location Bełchatów (Sempertrans)<br>5% location Kamunting (Sempermed) | → Energy intensity <sup>1</sup>   |
| <b>Raw materials</b><br>(page 42ff)       | Promotion of innovative power, taking ecological criteria into account in material, process and product development; increased customer involvement in order to achieve a positive environmental and social impact on the customer side | → Increase in recycled materials proportion (based on 2017) in Mixing <sup>2</sup> by 25%   | → Recycled materials proportion   |
| <b>Material use</b><br>(page 47ff)        | Promotion of an efficient and responsible use of resources along production   | → Annual target: improvement in waste and scrap rates by segment<br>6% Semperflex<br>3% Semperform<br>5% Sempertrans<br>4% Sempermed  | → Waste & Scrap Rate <sup>3</sup>   |
| <b>Health &amp; safety</b><br>(page 56ff) | The safety and health of employees, but also of residents, must be ensured at all times. Compliance with all legal requirements is the basis for this.  | → No accidents<br>→ 100% of accidents were documented and evaluated<br>→ 100% of the corresponding counter measures were implemented<br>→ 100% of the lessons learned have been processed and disseminated  | → Percentage of documented accidents<br>→ Percentage of implemented counter measures<br>→ Percentage with regard to internal dissemination of learnings |

1) Energy intensity = energy use (kWh)/produced unit (kg or pcs)

2) The objectives relate to Mixing; 2017 = reference year

3) Waste & scrap rate = total weight of waste & scrap (kg)/produced unit (kg)








This resulted in the following changes:

The goal to increase the share of recycled materials, which was previously listed under "Sustainability & innovation", is now part of the topic "Selection of raw materials". The objectives of social standards and working conditions can now be found under the topic of diversity & inclusion. The objectives,

motivation and corresponding measures have not changed. In addition, the perspective 2021 has been supplemented by a new target in the field of compliance & anti-corruption.



In the following year, the Perspective 2021 will be replaced by the Group-wide sustainability strategy and the related targets.

| Focus & results 2020  | Outlook 2021  | Field of action  | Sustainable Development Goals   |
|---|---|--|---|
| <ul style="list-style-type: none"> <li>→ Target achieved through process optimisation in two of four segments</li> </ul>  | <ul style="list-style-type: none"> <li>→ Further optimisation measures to continuously improve the parameters</li> <li>→ Implementation of PV system in Wimpassing, Austria</li> <li>→ Know-how development in energy efficiency</li> </ul>   | <ul style="list-style-type: none"> <li>→ Within the company</li> </ul>                     |   |
| <ul style="list-style-type: none"> <li>→ Increased use of recycled materials</li> <li>→ Successful material innovations in the field of "green products"</li> <li>→ Development focus on recycling options of products</li> <li>→ Increased cooperation with suppliers in the field of recycled carbon black</li> </ul>   | <ul style="list-style-type: none"> <li>→ Further development of product and process innovations to gradually increase the proportion of recycled materials</li> <li>→ Intensification of supplier cooperation</li> <li>→ Increased research and development performance in the field of "green products"</li> </ul>                           | <ul style="list-style-type: none"> <li>→ Upstream</li> <li>→ Within the company</li> </ul> |   |
| <ul style="list-style-type: none"> <li>→ Target achieved through process adjustments in three of four segments</li> </ul>   | <ul style="list-style-type: none"> <li>→ Continuation of optimisation measures to further improve key indicators</li> <li>→ Further development of waste management</li> <li>→ Waste reporting according to GRI</li> </ul>  | <ul style="list-style-type: none"> <li>→ Within the company</li> </ul>                     |   |
| <ul style="list-style-type: none"> <li>→ Intensification of internal communication with regard to lessons learned</li> <li>→ Interlocking of relevant HSE (Health, Safety and Environment) key figures with the target agreements of the management</li> <li>→ Further reduction of accident rates, particularly in factories with rates above average</li> </ul> | <ul style="list-style-type: none"> <li>→ Increased focus on COVID-19 measures</li> <li>→ Implementation of improvement programmes to further decrease accident rates (per site)</li> <li>→ Increased communication measures to include employees</li> <li>→ Integration of key indicator reporting in Group-wide software solution</li> </ul> | <ul style="list-style-type: none"> <li>→ Within the company</li> </ul>                     |    |

| Topic  | Description   | Target until 2021  | Indicator   |
|--|---|--|---|
| <b>Diversity &amp; inclusion</b><br>(page 62ff)          | Promoting and ensuring high social standards and working conditions in all sectors; promoting a diverse and flexible working environment  | <ul style="list-style-type: none"> <li>→ Increase in internal replacement rate to 70%</li> <li>→ Increase in non-European managers proportion to 20-30%</li> <li>→ Increase in female managers proportion to 15%</li> </ul>  | <ul style="list-style-type: none"> <li>→ Internal replacement rate<sup>1</sup></li> <li>→ Non-European managers<sup>1</sup></li> <li>→ Female managers<sup>1</sup></li> </ul> |
| <b>Sustainability in the supply chain</b><br>(page 76ff) | Compliance with social and ecological standards in the supply chain as well as respect for human rights in all areas. This includes checking suppliers as well as active cooperation with them. | <ul style="list-style-type: none"> <li>→ 50% of all suppliers (&gt;EUR 500,000 p.a. purchasing volume) have completed their self-evaluation.</li> <li>→ Development and introduction of a self-evaluation tool (data base) for suppliers</li> <li>→ Increased supplier cooperation in order to promote developments in the interest of sustainability</li> </ul> | <ul style="list-style-type: none"> <li>→ Status with regard to the introduction of the self-evaluation tool for suppliers</li> </ul>  |

### New topics based on materiality 2020

| Topic   | Description   | Focus & results 2020  |
|---|---|---|
| <b>Greenhouse gas emissions</b><br>(page 39ff)            | Survey of relevant emissions caused by Semperit's business activities; development of measures to achieve a positive impact in this area in the future  | <ul style="list-style-type: none"> <li>→ Development of the CCF (Corporate Carbon Footprint)</li> <li>→ Calculation of Scope 2 emissions market-based</li> <li>→ In-depth survey of Scope 3 emissions</li> </ul>  |
| <b>Human rights &amp; social standards</b><br>(page 67ff) | Respect for human rights and compliance with the highest social standards; this includes conducting audits, implementing due diligence processes and various training and awareness-raising offers. | <ul style="list-style-type: none"> <li>→ Annual update of the Group-wide Modern Slavery Act Statement</li> <li>→ Execution of social audits at selected locations</li> <li>→ Implementation of Zero Recruitment Fee Policy in Malaysia</li> <li>→ Development and introduction of a repayment process for so-called recruitment fees in Malaysia</li> </ul>                                     |
| <b>Compliance &amp; anti-corruption</b><br>(page 80ff)    | Highest standards in the field of compliance and business ethics across all business activities, including successful fight against corruption  | <ul style="list-style-type: none"> <li>→ Conducting a "Speak Up" focal campaign</li> <li>→ Implementation and realisation of Group-wide expert training (e-learning)</li> <li>→ Implementation of Group-wide business partner checks to minimise risks</li> <li>→ Translation of company values with respect to compliance revision and publication of the corporate Code of Conduct</li> </ul> |

1) The indicators relate to employee grade 10-14 = employees of the management



**Focus & results 2020**

- Consistent further development of internal high potentials and successor candidates
- Development and networking of managers of all levels and countries in the internal programme "Leadership Journey"
- Reorganisation of the talent programme for junior managers, "Talent Academy"
- Internal mentoring pool and support of high potentials by mentors

**Outlook 2021**

- The initiatives will be further intensified in 2021 to promote the achievement of the 2021 goals.
- Development of a diversity & inclusion strategy
- Implementation of a Mobile Working Policy
- Conducting an employee survey and deriving measures
- Further development of the "Leadership Journey", the global management development programme
- Implementation of value principles - based on the new corporate values

**Field of action**

- Within the company

**Sustainable Development Goals**



- Introduction of online supplier self-evaluation tool
- Active communication with external stakeholders on using recovered carbon black at Semperit
- Anchoring sustainability goals in the purchasers' personal objectives

- Continuation of the self-evaluation process for suppliers
- Analysis of all self-evaluations and implementation of the resulting development measures for suppliers
- Realisation of supplier audits (provided the COVID-19 situation allows it)
- Participation in the "Together for Sustainability" programme of the chemical industry

- Within the company



**Outlook 2021**

- Continuation of in-depth work in the topic area
- Group-wide objective in the area of emissions

**Field of action**

- Upstream
- Within the company
- Downstream

**Sustainable Development Goals**



- Implementation of employee training on human rights
- Continuation of social audits
- Development of a Group-wide objective within the framework of the future sustainability strategy
- Continuous raise of social standards at the Malaysia location to stay significantly above the industry average

- Upstream
- Within the company



- Further development of the training offers
- Group-wide training on the contents of the Code of Conduct
- Employees acknowledging the Code of Conduct in writing
- Implementation of business partner checks in all sales structures

- Upstream
- Within the company
- Downstream



## Overview of memberships and partnerships



### Memberships

amfori BSCI – Business Social Compliance Initiative

BVH – Bundesverband Hautschutz (Federal Association for Skin Protection)

C.I.R.A. – Circle Investor Relations Austria

International Rubber Study Group

IV – Industriellenvereinigung (Federation of Austrian Industries)

VDI – Verein Deutscher Ingenieure (Association of German Engineers)

UN Global Compact – Network Austria

TfS – Together for Sustainability

WdF – Wirtschaftsforum der Führungskräfte (Austrian Managers Association)

WDK – Wirtschaftsverband der Deutschen Kautschukindustrie (Association of German Rubber Manufacturing Industry)



### Partnerships

CEN – European Committee for Standardization

DIK – Deutsches Institut für Kautschuktechnologie e.V.

DIN – Deutsches Normungsinstitut

DKG – Deutsche Kautschuk Gesellschaft e.V. (German Rubber Society)

FH Joanneum Kapfenberg

FMM – Federation of Malaysian Manufacturers

Freudenberger Forschungsdienste (Weinheim Germany)

GKFP – RAL-Gütegemeinschaft Kunststoff-Fensterprofilsysteme e.V.

ift Rosenheim – Institut für Fenstertechnik e.V.

MARGMA – Malaysian Rubber Glove Manufacturers Association

Montan University Leoben

MRC – Malaysian Rubber Council

MSOSH – Malaysian Society for Occupational Health and Safety

OFI – Österreichisches Forschungsinstitut für Chemie und Technik

ON – Österreichisches Normungsinstitut (Austrian Standards)

Polymer Competence Center Leoben

Graz University of Technology

Technische Universität Wien (Vienna University of Technology)



### Certificates and ratings



ecovadis



amfori BSCI



Labour Standards Assurance System



Carbon Disclosure Project



iss-esg<sup>1</sup>  
C



VÖNIX  
ba



Sustainalytics<sup>2</sup>  
32,6 high risk



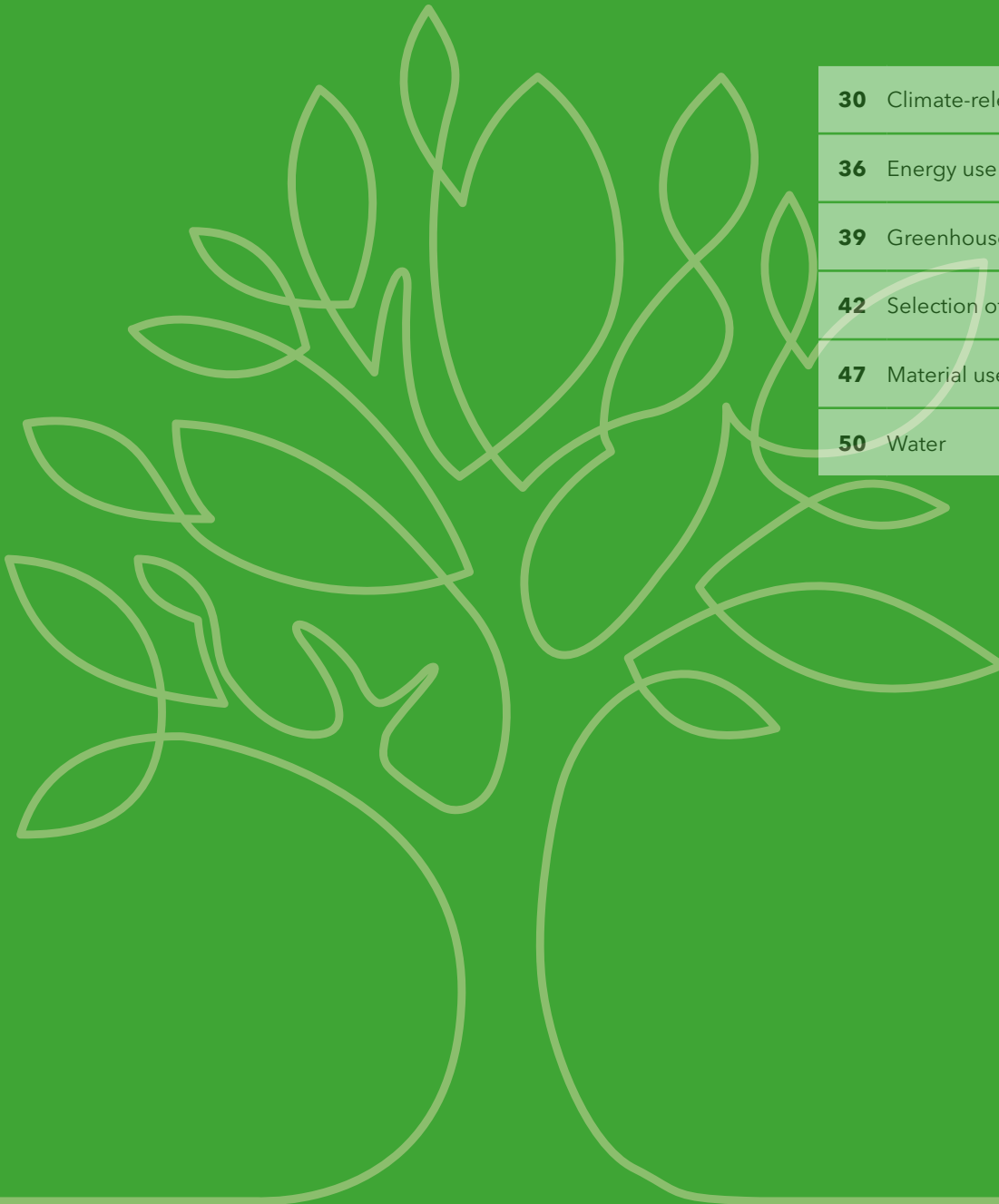
MSCI<sup>3</sup>  
BBB

1) As of July 2020

2) As of October 2020, Semperit AG Holding received an ESG Risk Rating of 32,6 from Sustainalytics and was assessed to be at high risk of experiencing material financial impacts from ESG factors.

3) In 2020, Semperit AG Holding received a rating of BBB (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

# ENVIRONMENT AND CLIMATE



|           |                                 |
|-----------|---------------------------------|
| <b>30</b> | Climate-relevant information    |
| <b>36</b> | Energy use & consumption        |
| <b>39</b> | Greenhouse gas emissions        |
| <b>42</b> | Selection of raw materials      |
| <b>47</b> | Material use & waste management |
| <b>50</b> | Water                           |



**In addition to the protection of the environment and thus the conscious use of resources, climate change with its effects is the driving force of our time. Climate change is no longer just something abstract that is discussed at different levels but is becoming increasingly tangible. Some experts are already talking about a climate crisis that will have an enormous impact on many areas of our lives and work. Climate-relevant topics are thus gaining more and more momentum, becoming an inescapable factor that companies must take into account.**

The careful handling of resources, waste and scrap prevention, the optimisation of energy use as well as the step-by-step substitution of critical substances have always been important environment- and climate-relevant objectives in production. Activities in this area protect the environment and at the same time generate an economic advantage not only in terms of potential savings, but also with regard to various climate-relevant risks. According to the current state of knowledge, it can be assumed that governments and regulatory authorities will increasingly take measures such as the introduction of a carbon dioxide tax to curb carbon dioxide emissions and to achieve climate neutrality by 2050 at the latest. These measures might have an impact on our business activities in the future and are classified as so-called transition risks.

In order to achieve essential improvements in the area of environment and climate along the entire value chain, above all in the production processes, a structured approach is needed in addition to clear objectives and the corresponding will in order to control and accompany all activities in the best possible way. This shall be guaranteed with the continuous improvement of technological and management processes and a Group-wide environmental management system. The applied principles are laid down in the Group-wide guidelines "Resource Management" and "Quality and Safety, Health and Environment" and are publicly available on the Semperit Group website ([www.semperitgroup.com/en/sustainability/sustainability-policies/](http://www.semperitgroup.com/en/sustainability/sustainability-policies/)).



#### **Climate-relevant risks**

Climate-relevant risks in this context are, on the one hand, physical risks triggered by chronic or acute impacts of climate change and, on the other hand, risks resulting from the transition to a low-carbon, climate-resilient economy (transition risks)\*.

\* This definition is in line with the recommendations of the Task Force on Climate-relevant Financial Disclosures (TCFD).



## Combined Management System

The certified environmental management system ISO 14001 is integrated into the Group-wide “Semperit Combined Management System”, which defines the relevant processes, responsibilities and detailed procedures for implementing internal guidelines. The certifications according to ISO 9001, ISO 13485, ISO 14001 and OHSAS 18001 are also anchored there. 13 sites are certified according to ISO 14001, 17 according to ISO 9001 and 13 to OHSAS 18001, whereby the certifications refer to all employees of the sites concerned. Preparations for the switch to ISO 45001 have been completed. An audit of the system is planned for 2021.

energy, thus ensuring resource-efficient and sustainable production of quality products. Participation in the WCM standard enables Semperit to achieve structured optimisation in the various areas.



## World Class Manufacturing



Based on the integrated production system “World Class Manufacturing (WCM)”, all employees are involved in working on the optimisation and excellence of all technical and management-related processes in production. With WCM, Semperit is committed to the objective of becoming completely accident-free, permanently increasing the efficiency of production processes and optimising the use of materials and

In addition to the key topics

- energy
- greenhouse gas emissions
- raw materials
- material use

the following chapter will also include information on

- volume of waste and
- water consumption

of the Semperit Group. The selected indicators used to describe the topics relate to the production sites. Sales locations and headquarters are not included in these topics due to their marginal impact.



**Kristian Brok**  
COO



*Anchoring sustainability in production and in the awareness of all persons involved in the long term is one of our most important objectives. In 2020, many important steps were taken in this direction, the positive effects of which will become apparent in the coming years. In the environment of the COVID-19 pandemic, the protection and safety of our employees was even more in the focus than usual; and we were ‘better safe than sorry’ at all times.*

# Climate-relevant information

(according to TCFD - Task Force on Climate-related Financial Disclosures)

As an international company with numerous customers, suppliers, and production sites around the world, Semperit is aware of its responsibility to protect the environment and the climate. For Semperit, this means examining decisions with regard to their ecological impact, defining clear objectives in this area and at the same time minimising negative effects as much as possible.

Climate change and its consequences are a key driver in this respect; corporate factors influencing this driver must be taken into account, as must already noticeable impacts from the outside world. The effect of the dual consideration of effectiveness from the outside in and from the inside out is referred to as double materiality and encompasses the interaction between corporate activities and the concerns of the NaDiVeG (Sustainability and Diversity Improvement Act).

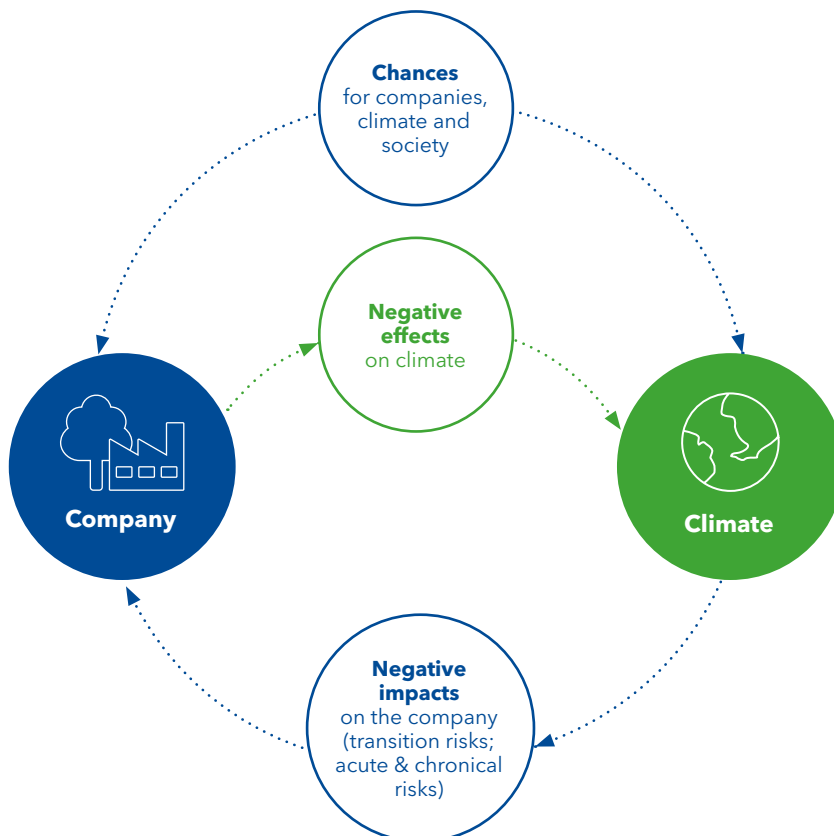
The following aspects are relevant in this context:

1. Effects that the company has on the climate and climate change, for example through its consumption of resources (raw materials and energy) = from the company to the outside world (from the inside to the outside).

2. Effects that climate change and its consequences may have on the company = from the outside world to the company (from the outside to the inside)
  - a. Acute or chronic physical risks such as increasing extreme weather events, rising global temperatures or intensification of heat waves and droughts.
  - a. Transition risks, such as rising costs, stricter limits or special market requirements which arise due to a cross-sector structural change on the market side or on the regulatory level on the path to a climate-friendly economy. These so-called transition risks include changes in climate policy, technology and the direct market environment, which can have a direct impact on the positioning of the Semperit brand and thus also the financial sector with its stakeholders.

Information on climate change is presented in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The content is divided into four main areas: Governance, strategy, risk management and metrics & targets.

## Double materiality



## 1. Responsibilities and governance

Climate-relevant topics are anchored in the field of sustainability, in production itself and in the segments. At the highest level, responsibility for the topic lies with the CEO of the Semperit Group, who is responsible for sustainability. Relevant topics as well as potential risks and opportunities in the context of sustainability are discussed with the CEO, the COO and the CFO at the meetings of the Executive Board. This refers to the management of relevant topics and risks, as well as their consideration in future-oriented decisions. The Executive Board then reports to the Supervisory Board, which also monitors and promotes current developments with regard to climate but also social issues. Sustainability Management is part of Group Brand Management and deals with the Group-wide coordination of all sustainability agendas. The Group Sustainability Manager acts as an interface between production and the other relevant departments, such as the innovation, purchasing and risk departments. The respective department heads are responsible within the departments and drive the corresponding topics forward.

On the production side, the Chief Operating Officer (COO) is the highest authority. He is currently primarily concerned with increasing the efficiency of various areas such as energy, materials and waste in connection with climate aspects, but - together with the CEO - also works out questions regarding the future orientation of the product portfolio, production and the associated innovation performance. The Directors of Operation report to the Chief Operating Officer and coordinate the segment-wide management of relevant production

parameters. In addition to the site managers, they are responsible for defining targets in energy efficiency and material use, which are then set and pursued accordingly. The strategic orientation of the segments is based on the experience of the commercial segment managers together with the technical managers and the innovation department.

Climate-related risks, opportunities and current sustainability-related activities are regularly discussed within the framework of Semperit's internal Sustainability Council (see page 21). The members of the Sustainability Council are managers from central corporate units and the business segments. The highest authority with regard to sustainability is the Chairman of the Executive Board of Semperit AG Holding. The Sustainability Council regularly informs him about current topics. He is responsible for defining focal points, appropriate activities and the advancement of current topics. In addition to financial, operational and strategic topics, the Executive Board of the Semperit Group regularly informs the Supervisory Board about current topics with regard to sustainability.

On the product side, responsibility lies on the one hand with the segment managers and on the other hand with the research and innovation department, which promotes new and further developments at the product level. In the area of product development, Semperit increasingly relies on close cooperation with customers, suppliers and research institutions in order to keep the best possible pace with the times.

## 2. Strategy

The main topics with regard to energy and climate are long-term challenges and go far beyond the time horizon of normal production planning. In order to sustainably prevent climate change, a long-term vision is needed in addition to goals that can be implemented and verified in the medium term; Semperit is currently working on this vision. In this context, the strategy process for the Group-wide Semperit Sustainability Strategy 2030 was launched in 2020 and will be completed in 2021. As part of the strategy, not only global trends but also future national and international requirements will be taken into account. In the future, the topics of the sustainability strategy and the associated objectives will also be incorporated into the corporate and innovation strategy or in the course of aligning the individual divisions. This strategy concerns, for example, expanding the sustainable product range, optimising various production processes to minimise climate-relevant risks, and considering sustainability aspects in the evaluation of possible future markets.

Future core areas are:

1. Energy and emissions
  - Increasing energy efficiency, reducing Scope 1 & 2 emissions, continuous survey of Scope 3 emissions and expanding the share of renewable energy sources
2. Aspects of recycling economy
  - Selection of raw materials, increased use of secondary raw materials, efficiency in materials use as well as smart waste management, analysis of recycling potential
3. Expansion of the sustainable product range

Anchoring sustainability aspects in corporate strategy is an essential tool at a higher level to successfully drive change, but also to ensure the success of the business model in the long term. Considerations in this context concern the entire value chain and range from the selection of raw materials and thus also suppliers to production control and the various market and customer requirements in product innovation. The corporate strategy of the Semperit Group addresses all areas with a focus on the sustainable use of resources and the corresponding innovation performance.

In this reporting year, climate-relevant risks and opportunities were increasingly discussed. These opportunities and risks affect a wide range of business areas and do not only relate to classic factors such as the efficient use of resources. The decisive factor for climate-relevant risks is that emerging issues and the associated opportunities are already known today but will only have an impact in the medium and long term from a business perspective and according to current knowledge.

### Acute or chronic physical risks

Physical risks, which are usually defined as short-term risks because they are already noticeable, depending on the region, currently do not have a major impact on the company from the perspective of the Semperit Group. The production sites are located in areas where physical risks such as water shortage or extreme weather events currently do not play a role. However, as this may change in the coming years, the impact of physical risks must be continuously monitored. On the other hand, from a business perspective climate-relevant transition risks could have a greater impact on the activities of the Semperit Group in the short to medium term.

### Climate-relevant transition risks

Transition risks arise primarily due to regulatory requirements, but also due to market-specific and socially motivated developments in the areas of energy, emissions and waste, which may lead to increasing costs on the company side. These risks mainly affect production and logistics.

With regard to corporate orientation, the main risks are the lack of integration of sustainability aspects into the corporate strategy and the associated lack of attractiveness for an increasingly sustainable financial market. Both aspects have a medium or long-term effect and might lead to a weakening of the brand positioning as well as a loss of market share. Conversely, appropriate countermeasures can lead to an image gain and thus also to a competitive advantage and increased employee loyalty. For this reason, Semperit is currently working on a sustainability strategy, the contents of which will subsequently be aligned with the corporate strategy and the innovation strategy.



### 3. Climate-relevant risk management

Semperit already integrated the ESG risk management required by the NaDiVeG (Sustainability and Diversity Improvement Act) into the existing company-wide risk management and processes in 2019. In the course of the annual ESG risk assessment (see page 73), relevant risks and opportunities in the areas of environment, social affairs and governance (ESG) are collected, discussed and evaluated. In this process, climate-related risks were identified and assessed in accordance with the Group-wide risk management in terms of their probability of occurrence and the scope of their impact. Two different time horizons (2023 and 2030) were distinguished

in impact assessment. This is based on the objective of distinguishing short-term risks from medium-term risks. The process chosen by Semperit incorporates the most important topics at a broad level, from production to health & safety, human resources, treasury to compliance. The broad participation serves, on the one hand, to identify all risks and opportunities and, on the other hand, to raise awareness at all levels. In 2020, a Group-wide risk management system was introduced, which makes it possible to locate risks, assign responsibilities and record and monitor corresponding countermeasures.

#### Overview of the most important climate-relevant risks and opportunities from the ESG risk process 2020

| Risk   | Possible results  | Opportunities  | Possible future effects over the coming years |
|--|---|--|---|
| Little consideration of sustainability aspects in corporate and innovation strategies (transition risks)               | Weakening of brand positioning and loss of market share, lack of attractiveness for investors and customers | Competitive advantage, image gain  | ↗   |
| Greenhouse gas-intensive production (transition risks)   | Increasing costs, image loss  | Positive effect on environment and climate, cost advantage, employee loyalty | ↗   |
| Climate-relevant external effects such as new regulatory guidelines or market-specific requirements (transition risks) | Increasing costs, image loss  | Positive effect on environment and climate, cost advantage, employee loyalty | ↗   |
| Lack of attractiveness for the sustainable financial market (transition risks)   | More difficult access to the financial market   | Access to sustainably oriented finance flows, competitive advantage          | ↗   |



## 4. Metrics & targets

In order to minimise climate-relevant factors and risks and at the same time turn them into opportunities, it is necessary to set clear goals and to back them up with the corresponding measures. On the one hand, these measures may correspond to the climate change adaptation to already prevailing climatic changes or, on the other hand, serve the longer-term avoidance of climate consequences through the reduction or neutralisation of greenhouse gas emissions (climate change mitigation).

### Focus points of the Semperit Group

#### 1. Optimisation of existing processes

through continuous improvement of energy efficiency in production, but also in facility management, material use and the volume of waste and scrap, as well as further measures to reduce CO<sub>2</sub> emissions. In addition to the optimisation of production processes, the current status quo of greenhouse gas emissions caused by Semperit must also be determined. In this context, Semperit is continuously working on the Group-wide deepening of CO<sub>2</sub> reporting, such as the collection of the Corporate Carbon Footprint (CCF) and the gradual recording of Scope 3 emissions (see page 39ff). With regard to

materials, another focus is on increasing the use of secondary raw materials, taking into account the technical and economic possibilities. This goal also makes a significant contribution to recycling economy. In addition, waste management must be optimised on an ongoing basis to identify potential for improvement.

The topic of recycling is also becoming increasingly important and is being addressed by Semperit at various levels. Currently, the technical possibilities in the area of rubber recycling are still limited due to the often energy- and chemical-intensive processes. It is important to stay on the ball and accompany corresponding developments, for example through cooperation and transfer of knowledge. This is one of the focal points of the Semperit Group's research and development work and thus also of the innovation strategy, which was intensified in 2020.

The objectives of the Perspective 2021 will be replaced by the Group-wide sustainability strategy and its objectives in 2021. In the course of the strategy, a Group-wide goal for the reduction of carbon dioxide emissions is also planned.



### Valid targets within the scope of Perspective 2021 (see page 99)

#### ENERGY - energy intensity as indicator (see page 38)

Annual improvement in the energy intensity<sup>1</sup> of selected reference sites  
3% location Odry (Semperflex), 2% location Deggendorf (Semperform),  
2% location Bełchatów (Sempertrans), 5% location Kamunting (Sempermed)

#### MATERIAL USE - waste & scrap rate as indicator (see page 48)

Annual improvement in waste & scrap rate<sup>2</sup> by segment until 2021  
Semperflex: 6%, Semperform: 3%, Sempertrans: 5%, Sempermed: 4%

#### RAW MATERIALS - recycled materials proportion as indicator (see page 43)

Increase in recycled materials proportion in by 25%<sup>3</sup>

1) Energy intensity = energy use (kWh)/produced unit (kg or pcs)

2) Waste & scrap rate = total weight of waste & scrap (kg)/produced unit (kg)

3) The objectives relate to Mixing; 2017 = reference year



## 2. Further activities to protect the environment and climate

In 2020, analysing the potential of a photovoltaic plant for Semperit's main plant in Wimpassing, Austria, was started. Construction of the plant and transferring the knowledge and experience gained from this lighthouse project to other locations is scheduled to start 2021. In this way, the proportion of renewable energy will be gradually increased across the Group, thus making a significant contribution to climate protection. Cooperation and ensuring an active dialogue with relevant stakeholders are also crucial to jointly achieve the goals of the Paris Agreement.

With the development of the Group-wide sustainability strategy and the definition of long-term environmental and climate goals, activities in the areas of purchasing, innovation and production will focus on maximum sustainability. The integration

of the contents of the sustainability strategy with the corporate and innovation strategy is crucial in this regard and another point that the Semperit Group will strive to achieve in 2021.

On the customer and market side, the aim is to identify future trends and potentials through close cooperation with customers and to create products with sustainable added value. This is supported, among other things, by promoting scientific research and innovation in the field of new materials, technologies and products.

Together, all activities are intended to secure and further strengthen the market position of the Semperit Group in the long term and at the same time address the sustainable financial market, for example by gradually improving the ESG rating results.



## Energy use & consumption

Energy use and consumption is one of the most significant key factors when it comes to production control and the contribution to climate and environmental protection. The focus is on the energy required for manufacturing processes as well as energy conversion and distribution. In the future, Semperit will focus on special employee training in energy efficiency and the expansion of renewable energy.

### Focus topics 2020

- Target achieved through process optimisation in two of four segments

### Outlook 2021

- Further optimisation measures to continuously improve the parameters
- Implementation of PV system in Wimpassing, Austria
- Know-how development in the area of energy efficiency

### Perspective 2021

- Annual target: improvement in energy intensity\* until 2021 according to segment-specific reference site
  - Odry site (Semperflex): 3%
  - Deggendorf site (Semperform): 2%
  - Bełchatów site (Sempertrans): 2%
  - Kamunting site (Sempermed): 5%

\* energy intensity = energy consumption (kWh)/unit produced (kg) (Industrial) or unit (Medical)

The Semperit Group's main sources of energy are electricity, gas, petrol and steam. Viewed in terms of processes, glove production (Sempermed) consumes the most energy. The Austrian production site in Wimpassing is certified according to ISO 14001, as are 12 other Semperit sites. The Deggendorf and Hückelhoven production sites in Germany are also certified according to ISO 50001. The management systems and the underlying systematics are an essential part of the due diligence process.

### Total energy use of the Semperit Group (MWh)

| 2020      | 2019      | 2018      |
|-----------|-----------|-----------|
| 1,573,055 | 1,465,723 | 1,501,315 |

In order to correctly interpret the development of the Semperit Group's total consumption, a wide variety of parameters must be taken into account. In addition to production and the production of the rubber compounds as the starting point, other factors such as test runs in the area of material and product innovation, procedure and process adjustments, starting up the machines after shutdowns as well as lighting and heating or cooling the buildings also have an influence on total energy consumption. In addition, the product portfolio is becoming broader and the products themselves increasingly complex, which can also be reflected in energy consumption. Possible location-specific factors or events along the value chain must also be taken into account. For example, effects such as pre-production or product range changes which only relate to individual sites may also have an impact on the Group-wide value.

## Energy consumption of the Semperit Group by source (MWh)

| Source                            | 2020      | 2019      | 2018      |
|-----------------------------------|-----------|-----------|-----------|
| Natural gas                       | 1,293,238 | 1,185,619 | 1,203,786 |
| Liquid natural gas (LNG)*         | 0         | 614       | 694       |
| Oil                               | 7,625     | 9,437     | 8,867     |
| Fuel consumption of vehicles**    | 3,760     | 4,003     | 4,074     |
| Electricity consumption           | 223,098   | 218,177   | 231,815   |
| Heating energy (district heating) | 10,822    | 12,342    | 10,198    |
| Steam                             | 34,680    | 35,742    | 42,071    |
| Heating sold                      | 168       | 211       | 190       |

\* For 2018, the value for liquid natural gas (LNG) was calculated.

\*\* Except location Nilai, Malaysia

## Efficient energy use

Achieving the most efficient production is in the nature of every manufacturing company. The focus of efforts with respect to the environment is to achieve an ongoing reduction in total energy consumption. Based on numerous measures such as employee training or a wide variety of energy efficiency projects in the production process as well as measures in the field of energy conversion, work on efficient energy use was intensified at the production sites. This training programme will be further expanded in 2021 in order to build up site-specific know-how and promote process innovations. In addition, it is important to systematically collect, analyse and implement energy-related ideas. All energy-saving measures are bundled, organised according to the PDCA (Plan, Do, Check and Act) cycle and documented in the ISO 14001 and ISO 50001 management systems. The optimisation potentials include many different activities, which relate to different levels such as only one machine used or the entire industrial building:

- Efficiency enhancement through maintenance and repair measures
- Reduction of energy loss (leakages)
- Stabilisation of existing production processes
- Improvement of machine efficiencies
- Optimisation of production planning with few downtimes

## Energy intensity based on reference sites

Energy intensity was chosen as a key parameter for the change in energy use. The energy intensity quotient shows how total energy consumption within the organisation changes in relation to units produced. For the Industrial segments Semperflex, Semperform and Sempertrans, the indicator refers to the tonnes of goods produced, while for the Medical segment Sempermed it refers to the number of gloves produced.

The energy intensity is currently documented using selected reference sites.

Semperflex: Odry, Czech Republic

Semperform: Deggendorf, Germany

Sempertrans: Bełchatów, Poland

Sempermed: Kamunting, Malaysia

The selected reference sites represent a significant percentage of total production of the respective segment. For these locations, energy intensity was calculated based on 2017, and the corresponding targets for 2018 were defined. The different target values result from the specific requirements in production.

In terms of segments, Sempermed is the most energy-intensive segment, followed by Sempertrans, Semperflex and finally Semperseal and Semperform. Comparing the energy intensity (kilowatt-hours per kilogram) in 2020 with 2019 across the segments, the following can be noted:

- Energy intensity of Semperflex remained almost the same from 2019 to 2020. This effect is due to the change in the capacity utilisation situation, which was influenced by the economy and the effect of COVID-19.
- Generally speaking, energy consumption of Sempertrans increased compared with the output of the previous year. This is primarily due to the commissioning of new machines and the development of new products, which is accompanied by an increased testing phase.
- In the Semperform division, the goal was achieved in 2020.
- Sempermed achieved a significant improvement of energy intensity per produced glove in 2020 compared to 2019.

## Highlights 2020

### Renewable energy

In order to take important steps towards a sustainable future in the area of energy and also to reduce greenhouse gas emissions in the longer term, it is not enough to use energy more efficiently, but work must also be done on the composition of energy sources. In 2020, for example, the construction of a photovoltaic system (1 MWp output) was evaluated for the Semperit headquarters in Wimpassing, Austria. The implementation of the plant is planned for 2021. The project serves as a lighthouse project in the field of energy, and the experience gained from it should lead to the initiation of similar projects at other locations in the future. In 2020, the Kamunting site was able to significantly increase its efficiency with regard to gas and electricity. The use of photovoltaics is also planned here for the coming years. The first steps in this direction are underway.

### Target 2021: Development of energy intensity according of segments

|                                  | Target 2021 | 2020 | 2019 | 2018 |
|----------------------------------|-------------|------|------|------|
| Semperflex (location Odry)       | 3% p.a.     | –    | ✓    | –    |
| Semperform (location Deggendorf) | 2% p.a.     | ✓    | –    | ✓    |
| Sempertrans (location Bełchatów) | 2% p.a.     | –    | –    | –    |
| Sempermed (location Kamunting)   | 5% p.a.     | ✓    | ✓    | –    |

### Climate action



Making a significant contribution to environmental protection requires not only the appropriate mindset and know-how, but also a multitude of measures and activities that interact and complement each other.

The promotion of the efficient use of resources and the increased use of clean and environmentally compatible technologies are at the forefront. To achieve this, Semperit will focus on two main areas in the future: the optimisation of energy efficiency in all areas and photovoltaics.



**Wolfgang Fidi**  
 Director of Operations  
 Semperseal & Semperform



*It is our obligation to use our resources responsibly, sustainably and humbly. We fulfil this responsibility towards our environment by constantly advancing the process stability of existing processes and the innovative development of new ones. It is our task to ensure the functionality of our products by using as little material and energy as possible, with a correspondingly low quantity gradient throughout our entire value chain. We achieve this through innovative product development as well as efficiency, effectiveness and sustainability in our work.*

# Greenhouse gas emissions

The effects around climate change in combination with striving for efficient and sustainable production are the main drivers in the field of greenhouse gas emissions. Semperit is at the beginning of its efforts and is willing to contribute its share to preserve our environment.

### Focus topics 2020

- Development of the Corporate Carbon Footprint (CCF)
- Calculation of the Scope 2 emissions market-based
- In-depth survey of Scope 3 emissions

### Outlook 2021

- Continuation of focus on the topic
- Group-wide target in the field of emissions

EU climate policy is moving more and more in the direction of climate neutrality and is beginning to set the tone here. These steps will have an impact on industry and must already be addressed in a targeted manner. In the course of the update of the materiality analysis carried out in 2020, the topic of greenhouse gas emissions became material for Semperit and reflects the increasing importance of the topic. The development of specific objectives is planned as part of the sustainability strategy. Currently, quantitative targets in this area are limited to improving energy use across the segments. These targets have an indirect impact on the Group's greenhouse gas balance. The collection of basic data is crucial for setting future targets in order to gain insight into the topic and develop appropriate measures. The Semperit Group continued to work on this target in 2020.

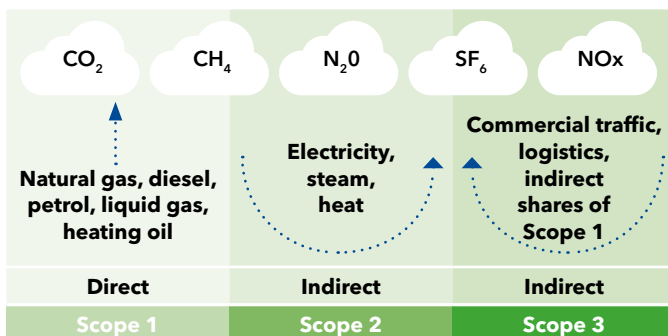
## Scope 1 & Scope 2 (direct & indirect emissions from energy supply)

The level of direct greenhouse gas emissions (Scope 1) at Semperit is directly linked to production-specific energy consumption. Indirect greenhouse gas emissions (Scope 2) are largely attributable to the purchase of electricity, steam and heat. The calculation of direct greenhouse gas emissions (Scope 1) includes all emissions of the Semperit factories from natural gas, diesel, petrol, liquid gas and heating oil. Indirect emissions (Scope 3 - fuel and energy-related activities) arising from the extraction, production and processing of the energy sources used are also taken into account.

The emissions included in Scope 2 are mainly caused by the electricity consumed, purchased district heating consumed and purchased steam. In 2020, the emission factors for Scope 2 were recorded for the first time and according to the requirements of the Global Reporting Initiative (GRI) using the location-based and the market-based method. For the Thai location, where the provider-specific value could not be collected due to local conditions, the country-specific factor was used for calculation.

For the calculation of location-based Scope 2 emissions for purchased steam and district heating, the conversion factors

### Overview of Scope 1 & Scope 2





were chosen according to the country-specific requirements. For locations where no country-specific information could be assumed, regional values ("rest of the world") were used. The calculation for 2018 is based on a Group-wide value.

## Corporate Carbon Footprint (CCF)

In addition to the emissions from direct and indirect energy consumption, other emission sources with the corresponding greenhouse gas potential must be captured in order to comprehensively map the carbon footprint of a company according to the Greenhouse Gas Protocol or ISO 14064.

This includes, among other things, the use of cooling agents that have a greenhouse gas effect or the recording of other process-relevant emissions that do not result from the combustion of fossil fuels. According to the definition of ISO 14064, greenhouse gas sources with contributions not being relevant (<1%) for greenhouse gas emissions may be excluded. Using site-specific surveys and conservative estimates, Semperit worked out the relevance of the respective sources in 2020. There are currently no targets in the field of corporate carbon footprint. In the course of the CCF survey, this resulted in the following findings:

### Process-related emissions

are low (<1%) compared to energy-related emissions and can be neglected according to ISO 14064.

### Use of cooling agents

Cooling agents often cause only small amounts of greenhouse gas emissions to escape into the atmosphere. However,

they often have a very high global warming potential and can therefore affect climate. The relevance of cooling agents in the Semperit Group was determined using surveys and calculations based on three locations. The results showed that their CO<sub>2</sub> equivalents are low compared to the energy-related emissions, but nevertheless in a scale that could possibly lead to potential improvements in the field of Scope 1 emissions. Therefore, it was decided in 2020 to record and document cooling agents throughout the Group.

### Emissions (Scope 1) by use of cooling agents (CO<sub>2</sub>-eq in t)

|      |        |
|------|--------|
| 2020 | 15,875 |
|------|--------|

## Scope 3 (indirect emissions)

Indirect (Scope 3) emissions from the upstream and downstream value chain arise primarily from the production of materials used by Semperit, the transport of products and raw materials, employee travel, business trips and the disposal of waste. All other Scope 3 categories covered by the GHG Protocol (GHG = greenhouse gas) are not relevant to the activities of the Semperit Group.

Semperit plans to gradually expand the presentation of indirect emissions (Scope 3) along the value chain. In 2020, the collection of Scope 3 emissions was also expanded step by step. In this context, the values of indirect emissions for the direct use of energy (natural gas, heating oil, etc.), the share of business travel and an extract of logistics services are currently available.





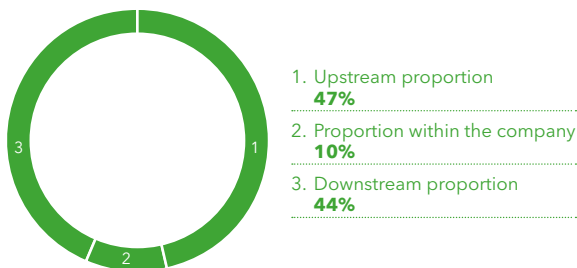
## Greenhouse gas emissions of Scope 1, 2 & 3 (CO<sub>2</sub>-eq in t)

|  | 2020    | 2019    | 2018    |
|--|---------|---------|---------|
| Scope 1                                      | 277,548 | 240,844 | 244,329 |
| Scope 2 (location-based)                     | 128,563 | 127,930 | 144,687 |
| Scope 2 (market-based)                       | 144,988 | -       | -       |
| Scope 3 (fuel and energy-related activities) | 92,594  | 85,142  | 49,113  |
| Scope 3 (business travels)*                  | 2,773   | -       | -       |
| Scope 3 (logistics)                          | 80,626  | 76,766  | 77,711  |

\* This value includes business travel from Europe, China, America and India and refers to air, rail and bus travel. The data is not yet complete.

Emissions from the logistics sector occur upstream when materials are transported to the production sites, within the company between the sites and downstream to the customer. The majority of transports are carried out by lorry and rail, some by ship and the smallest part occurs in the aviation sector. The survey of emissions from logistics services will help to develop targeted measures in the future.

### Location of emissions caused by logistics services (%)



## Reporting and promotion of transparency

In order to take a further step in the field of emissions, Semperit decided to disclose its data within the framework of CDP (formerly Carbon Disclosure Project) for the first time in 2020. CDP is a non-profit organisation which cooperates with companies and shareholders to disclose carbon emissions and the use of natural resources. In this reporting year, we voluntarily answered the questionnaires "Forest" and "Climate Change" as well as specific customer enquiries on the topic of carbon footprint in the supply chain. This makes Semperit one of more than 9,600 companies that submitted their information as part of CDP. This is an important step in further raising awareness and driving forward developments in this area.



In addition to complying with legal requirements, we are constantly working on extended measures in the field of emissions. For example, filtered fine dust from production is re-used as filler in the mixing process.

### Climate action



The first step on our way to reducing greenhouse gas emissions and thus protecting the environment is to develop appropriate targets. However, in order to develop smart targets at Group level in the future, it is necessary to determine the status quo and at the same time develop the corresponding know-how. In line with this approach, Semperit is currently working on the development of Group-wide targets, the implementation of which is planned for 2021.

## Selection of raw materials

The decision which raw materials to use is not only decisive in terms of product properties and thus customer requirements, but also implies numerous environmentally relevant aspects. By gradually increasing the share of secondary materials and the corresponding innovations in the field of "Green Products", Semperit achieves a positive impact in the field of recycling economy.

### Focus topics 2020

- Increased use of recycled materials
- Successful material innovations in the field of "green products"
- Development focus on recycling options of products
- Increased cooperation with suppliers in the field of recycled carbon black

### Outlook 2021

- Further development of product and process innovations to gradually increase the proportion of recycled materials
- Intensification of supplier cooperation
- Increased research and development performance in the field of "green products"

### Perspective 2021

- Increase in recycled materials proportion (base year 2017) in Mixing\* by 25%

\* The objective refers to Mixing; 2017 = reference year

In order to continuously adapt the selection of raw materials to the various market and customer requirements, the purchasing, production as well as research and development departments must work together closely. Changing framework conditions as well as new findings must be passed on in a timely manner in order to ensure predictability along the entire value chain, from the selection of raw materials to availability and materials use. The focus is equally on economic and ecological aspects.

Semperit uses various raw materials from different sources to manufacture its elastomer products such as belts, hoses, gloves and seals. The main components are natural and synthetic rubber, latex, carbon black, chemicals and various materials to increase strength (steel, textile, etc.). Many of the products manufactured by Semperit are composites which, in addition to the elastomer, also contain reinforcing materials such as steel cables or wires, yarns or fabrics. Rubber/polymer and fillers (carbon blacks or light-coloured fillers) account for the largest share of elastomer materials in terms of volume.

### Material use of Semperit Group (t)

(raw materials and reinforced materials)

|                         | 2020    | 2019    | 2018    |
|-------------------------|---------|---------|---------|
| Non-renewable materials | 218,324 | 227,544 | 244,452 |
| Renewable materials     | 16,024  | 13,325  | 20,066  |
| Total                   | 234,348 | 240,869 | 264,518 |

As the proportion of process and packaging materials is relatively low in comparison to product materials, Semperit limits its reporting to raw materials and reinforcement materials.

Sustainability aspects arising in connection with the extraction of natural rubber, such as the promotion of monocultures or the use of toxic pesticides, are less decisive from the perspective of the Semperit Group than aspects in the area of synthetic production due to the ever-decreasing quantities. Where Semperit sources natural rubber or latex, the company takes care to ensure that the suppliers concerned follow

the highest ecological and social standards. Thus, the largest share comes from small rubber farms or is purchased through known intermediaries.

In the chemical or oil-based industry, the use of recycled rubber or carbon black and the recycling of chemicals are at the forefront of current material discussions.

## Use of recycled materials

In order to be able to make greater use of secondary raw materials in the manufacture of rubber compounds and rubber products, numerous tests must be carried out at material level to achieve the desired material and product properties. Not every raw material of the rubber compound can be easily substituted by a secondary raw material since a change in the formulation quickly affects process-related properties. As a result, the use of secondary raw materials is currently limited. Questions to be solved in this context are the availability and quality of secondary raw materials.



- Recovered carbon black (from pyrolysis of tyres)
- Reclaimed rubber (obtained by de-vulcanisation from old tyres)
- Reprocessed rubber (processed waste from synthetic rubber production)
- Zinc oxide from zinc waste
- Recycled polyamide
- Hose wire made of steel scrap

Furnace carbon black, for example, is subject to standardisation. Therefore, a carbon black type from manufacturer A can be replaced relatively easily by the same type from manufacturer B without significantly changing the process properties. For raw materials that do not comply with any standard (such as recycled carbon black), all subsequent process steps (formulations, parameters such as temperature and pressure as well as machine settings) must be brought into line with the respective material properties. This can sometimes be very time-consuming.

Besides the material properties, there are also challenges with regard to availability. The market for recycled carbon black has been in the process of developing for several years but is currently still relatively small and consists to a large extent of

start-ups dealing with the supply of this secondary raw material. There are still weaknesses in quality, but also with regard to the available quantities that the Semperit Group would need. In terms of volume, carbon black is the second largest component of mixtures. The long-term goal of the Semperit Group is to build up a stable supply network and to continue to strive for cooperation. For example, since 2019 a team of experts from Semperit's purchasing and R&D departments has accompanied the annual international "Recovered Black Conference" in Berlin. Semperit also repeatedly cooperates with manufacturers of recycled carbon black in order to test the quality of the materials produced as an expert for rubber production.

### Percentage of recycled raw materials used

(raw materials and reinforcing materials)

| 2020 | 2019 | 2018 |
|------|------|------|
| 2.9  | 2.6  | 2.4  |

In recent years, the share of recycled materials in total material consumption in Mixing has increased by more than 25% compared to the reference year 2017. In the reporting year 2020, a supplier bottleneck occurred for recycled carbon black due to a lack of quality and availability. As a result, the quantity of required material was not available, and the 2020 target was not achieved. Despite the difficulties, the 2021 target "Increase the share of recycled materials in Mixing by 25%" was met.

### Target 2021: Increasing the share of recycled materials per year in Mixing by 25% (based on 2017)

| Target 2021 | 2020 | 2019 | 2018 |
|-------------|------|------|------|
| + 25%       | ✓    | ✓    | ✓    |

However, the use of recycled materials also refers to the proportion of plastic that Semperit processes. In the Semperit Engineering Solutions (SES) division, up to 15% of recycled plastic is used annually to make components for railway superstructures, among other things. In the Semperit Engineering Solutions (SES) division, a few percent of recycled plastic are used annually - depending on the availability of the raw material - to make components for railway superstructures, among other things.

## Research and development

To make the increased use of secondary raw materials possible comprehensive know-how and the appropriate tests are required. The Research & Development (R&D) team of the Semperit Group continuously works on the development of innovative materials and products as well as the improvement of manufacturing processes. The innovation management system implemented throughout the Group is at the heart of all R&D activities and includes the systematic identification of potential, the selection of suitable ideas, risk analysis with regard to the impact of products on the environment and people as well as successful project management.

The R&D team is divided into a central and several decentralised units. The central unit, which is partly located in the R&D centre in Wimpassing, deals not only with basic projects, but also with material development and central process development as well as the control function of Group-wide activities. The decentralised part at the segment level works specifically on product and process optimisations – often in close cooperation with customers – and is formed by the product and process development teams of the various business units.

In addition to the headquarters in Wimpassing, Semperit operates seven other research sites. In addition, most of the production sites are accompanied by on-site laboratories,

which on the one hand carry out the daily quality assurance processes and on the other hand are also involved in R&D activities. In addition to integrated and structured processes, communication between the various departments as well as key stakeholders such as customers and university research institutions is important.

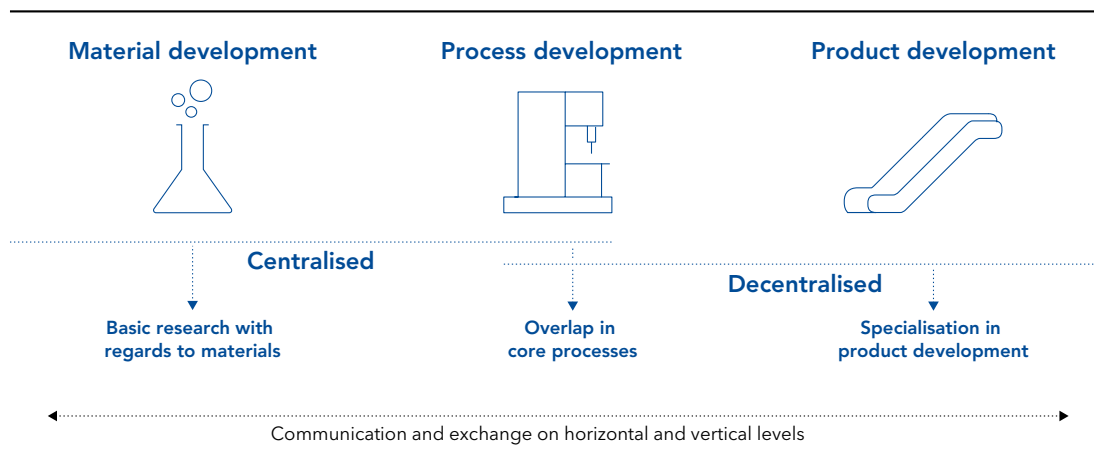
Further details on the strategy as well as the various guidelines and specifications relating to the topic of innovation can be found in the “Semperit Sustainability Innovation Policy”, which is publicly available on the Semperit website ([www.semperit-group.com/fileadmin/img/holding/pdf\\_dateien/Sustainability/Semperit\\_Sustainability\\_Innovation\\_Policy.pdf](http://www.semperit-group.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Sustainability_Innovation_Policy.pdf)).

### Employees in R&D (full-time equivalents)

| 2020 | 2019 | 2018 |
|------|------|------|
| >220 | >230 | >240 |

### Overview of major key figures

|  | 2020  | 2019  | 2018  |
|--|-------|-------|-------|
| R&D expenses (EUR million)   | >14.7 | >15.5 | >14.0 |
| Total volume of participation in basic research projects (EUR million) | >1.6  | >1.5  | >1.5  |



## 2020 highlights from the segments

In addition to optimising production processes, the core of the Semperit Group's research and development work is the further and new development of products. Topics such as resource and energy efficiency, life cycle considerations, and health and environmental compatibility in product application are top priorities. Semperit relies on close cooperation with customers in order to be able to respond promptly to their wishes and requirements. In addition, we are continuously working on expanding the green product portfolio to offer products with positive ecological or social added value to our customers.

Ecological advantages include low materials consumption in production and thus a lower weight in the application and a reduction in energy consumption in operation. Developments are also driven forward in the field of bio-based elastomers, although this does not relate to the use of classic natural rubber, but to an artificially produced bio-based polymer as a substitute for the oil-based starting material.

The prevention or replacement of critical or harmful additives is also a field of research for the Semperit Group. Especially in residential construction, it is essential to use only components that are not harmful to health. In 2020, two Semperit products in the field of sealing profiles were evaluated according to the criteria of the material health category in the Cradle to Cradle Certified™ product standard and awarded a Gold Level Material Health Certificate by the Cradle-to-Cradle Products Innovation Institute. This makes Semperit the world's first EPDM

seals manufacturer whose products have received this level of certification. The first certification process took place with a customer, as a component supplier and thus as a component of an end product such as a window. The second certification was obtained on our own initiative and is therefore available to every customer. The products awarded Gold enable end customers to buy "healthier and thus more sustainable" products and thus contribute to a healthy living atmosphere.

In addition, new technologies such as the integration of sensors will be used to create added value in the future. This way, data that may report faults in order to initiate repair steps in good time can be generated. This makes a significant contribution to extending the life cycle of a product and subsequently leads to less waste.

In the social sector, the focus is primarily on health aspects, such as pollutant-free materials in housing and house construction or gloves that serve to protect health in both medical and industrial applications.

### Responsible consumption and production



Product functionality, like product quality, is an important aspect in the market. In addition, ecological parameters are increasingly coming to the fore in research and development work. This concerns not only the efficient use of materials and waste and scrap prevention, but also the recycling economy: increasing the use of secondary materials, optimising product service life, and developing recycling options for rubber. These are the topics of the future that Semperit is increasingly working on.











**Dr Armin Holzner**  
Director Group R&D



*The economic and ecological sustainability of elastomer products is determined to a very high degree by product design and material selection. These core elements are therefore always in focus when developing new products and revising the existing product portfolio.*



## Semperit product highlights 2020

| Product  | Ecological or social impact   | Segment  |
|--|---|--|
| <p><b>Semperit Flexline Plus (hydraulic)</b></p> <p>The next generation of high-pressure spiral hoses with increased working pressure at reduced hose weight and a very small bending radius for the tightest installations meets current and future market demands for increased performance in modern hydraulic systems. By using Flexline Plus, the units themselves can be designed to be more compact and lighter, thus saving weight and, as a result, energy.</p> | <p>Energy saving during operation</p> <p>→ Energy &amp; emissions</p> | <p>Semperflex</p>     |
| <p><b>Semperit Hose Wiki (industry)</b></p> <p>The new digital information platform for the rapid provision of product information and documents to our customers and their end customers. Based on QR codes on selected Semperit branded hoses, the latest information is available at any time in digital form via an app, eliminating the need for paper and printing.</p>  | <p>Digitalisation</p>   | <p>Semperflex</p>     |
| <p><b>Sempertrans Transdura UCG</b></p> <p>The ultimate cut and notch resistance of the newly developed conveyor belt cover plate leads to an extension of the belt service life. It offers optimal protection against the high loads in hard rock mining.</p>   | <p>Service life extension</p> <p>→ Recycling economy</p>              | <p>Sempertrans</p>  |
| <p><b>High insulating gaskets in the Profiles segment</b></p> <p>By improving the thermal conductivity of the cellular EPDM compounds, a significant contribution to energy savings can be achieved in building applications.</p>  | <p>Material properties</p> <p>→ Energy &amp; emissions</p>            | <p>Semperseal</p>   |
| <p><b>Highly slidable gaskets in the Profiles segment</b></p> <p>The new sliding seal is used in sliding elements and solves the known problems of brush seals with regard to leakage from sliding elements. In addition, a high sliding property is achieved, which in turn significantly increases the user-friendliness of the doors.</p>   | <p>Material properties</p> <p>→ User-friendliness</p>                 | <p>Semperseal</p>   |
| <p><b>Cradle to Cradle (C2C)</b></p> <p>Development and certification of ecological EPDM compounds in the profile sector. Semperit is thus the first profile manufacturer to receive the golden Cradle to Cradle certification in the category "Material Health".</p>  | <p>Material health</p> <p>→ Recycling economy</p>                     | <p>Semperseal</p>   |
| <p><b>Green Evo Star in Sheetings</b></p> <p>The Green Evo Star elastomer sheet consists of 70% bio-based raw materials, and thus its CO<sub>2</sub> footprint is 35% lower compared to conventional elastomer sheets made from oil-based raw materials.</p>   | <p>Decarbonisation</p> <p>→ Energy &amp; emissions</p>                | <p>Semperseal</p>   |
| <p><b>Angled guide plate</b></p> <p>The newly developed angled guide plate for railway construction is characterised by 20% less material demand in production.</p>  | <p>Material efficiency</p> <p>→ Recycling economy</p>                 | <p>Semperform</p>   |



# Material use & waste management

Semperit attaches great importance to an efficient and resource-saving production. Possible starting points for increasing the efficiency of material use include raw material selection, product design, process engineering, and waste and scrap prevention.

## Focus topics 2020

- Target achieved through process adjustments in two of four segments

## Outlook 2021

- Continuation of optimisation measures to continuously improve key indicators
- Further development of waste management
- Waste reporting according to GRI

## Perspective 2021

- Annual target: improvement of waste & scrap rate\* by segment until 2021
  - Semperflex: 6%
  - Semperform: 3%
  - Sempertrans: 5%
  - Sempermed: 4%

\*Waste & scrap rate = total weight of waste and scrap (kg)/unit produced (kg)

Efficiency in using materials has always been an important goal of the Semperit Group, providing both economic and ecological benefits. Aspects of production are the responsibility of the site managers, the technical segment managers and the Chief Technical Officer. As part of WCM (World Class Manufacturing), there are various programmes designed to optimise the use of materials as well as waste and scrap indicators. Many of the parameters are closely linked to quality management. In addition to conserving resources by reducing material input, it is also important to continuously reduce the amount of waste or to make waste usable. This should save disposal costs in the long term and make a positive contribution to recycling economy.

In the field of material use, there are possibilities for adaptation, especially in product design, for example by adjusting material thickness or the mould diameter. However, these adaptations are limited by the material and product proper-

ties to be achieved (such as strength, load-bearing capacity, dimensions, etc.) and the requirements of the technological production processes. In addition to material and product development, Semperit continually works on optimising its manufacturing processes with regard to material use. The aim is to push the limits of the technological requirements of the processes to the extent that the manufacturing processes run stably - and are thus optimally feasible - while at the same time producing as little scrap and waste as possible. The goal is to reduce the "waste and scrap" rates in the longer term and to approximate the vision of "zero waste".

For example, the German sites were able to achieve a significant reduction in material consumption (silicone and polymer) in 2020 by optimising processes in surface treatment. The sites in China and Poland also reported an increase in efficiency in the use of solvents in 2020.

## Waste & scrap rate

As part of various WCM activities such as WOM (waste of material) and WOP (waste of properties), potential for optimising the use of materials is systematically identified and prioritised. With numerous individual measures, a gradual reduction of waste and scrap is achieved at all sites.

In order to provide a presentation of the development in the area of "waste & scrap", while at the same time taking into account the highly divergent product portfolio of the Group and within the five Semperit segments (Semperflex, Semperform, Semperseal, Sempertrans and Sempermed), the objective is anchored at the segment level. Semperit's "waste & scrap" rate refers to the ratio between the total amount of waste and scrap produced in kg and the amount of the end product produced. The fluctuations in the objective arise due to the different materials and product properties as well as the technical feasibility of the manufacturing processes. The base year is 2017.

### Target 2021: Development of waste & scrap rate according to segments

|             | Target 2021 | 2020 | 2019 | 2018 |
|-------------|-------------|------|------|------|
| Semperflex  | 6% p.a.     | ✓    | ✓    | ✓    |
| Semperform  | 3% p.a.     | ✓    | ✓    | ✓    |
| Sempertrans | 5% p.a.     | -    | -    | -    |
| Sempermed   | 4% p.a.     | ✓    | -    | -    |



**Michael Adelbauer**  
Head of Technical & Operations Semperflex



*Using less material by reducing our waste and scrap and optimising the product design of our hoses is the most effective way to optimise our use of resources. To achieve this, it takes a perfectly coordinated process, and this is exactly what we are continuously working on.*

The measures that are taken to achieve the goals vary from segment to segment and are accompanied by quality criteria as well as corresponding innovation performance. The waste & scrap ratio is assessed and analysed monthly at the segment level, and the corresponding measures for improvement are discussed and prioritised. The waste & scrap rate also includes waste resulting, for example, from test runs for new material or product development.

## (Internal) recycling & product recycling

Materials that are produced as waste or scrap during production are internally recycled as far as technically possible. In the field of rubber, reuse is possible in particular when no vulcanisation has taken place yet. On the other hand, vulcanised materials are very difficult to reuse due to their material properties. This fact distinguishes rubber from other materials such as glass or aluminium, for which recycling rates are already significantly higher.

From a sustainability point of view, recycling rubber is desirable, but only makes sense if the necessary reprocessing procedures can be carried out in a resource-saving manner and at the same time on an appropriate scale. And this is precisely what we must continue to work on - together with partners such as suppliers and research institutes. As far as possible, Semperit uses so-called reclaimed rubber, which is grinding material obtained from rubber waste. The idea of producing this material in-house is currently not feasible, as the available material produced internally is too diverse due to the numerous different compounds that are used for product manufacturing and, as things stand, cannot be separated into a pure mixture. This means that the quantities required by Semperit for reuse are not available in the desired quality. However, quality is crucial here, as it has a significant influence on the material properties and thus on the product.

The research and development work of the Semperit Group is not only concerned with production waste, but also with the recyclability of products after the usage phase in line with recycling economy. Current challenges include logistics on the one hand and the design and further processing of the products on the other. Conveyor belts, for example, can be re-



moulded to tyres in a similar way. However, this is usually done on site and by the user company itself, as dismantling and transporting back to the manufacturer would currently still be too complex. By remoulding the belts, their service life can be significantly improved. With regard to the possible recycling of products, the product design also plays a major role. In addition to the rubber compound, many rubber products also contain reinforcing materials such as metals or textiles. The separation of the individual fractions after use is essential in order to make the individual materials accessible again. At present, however, this is still difficult, because in product development special attention is paid to the combination of the individual fractions with regard to the usage phase, which makes later repartition more difficult.

In addition to the resulting challenges in product design, questions about logistics must also be clarified. How can it be ensured that the products can be retrieved from the customers and subsequently recycled? This is where new service models will be needed in the future.

## Waste management

Waste management is part of the Group-wide environmental management system (ISO 14001) – an important part of the issue-specific due diligence process. Within the scope of the production reports, all relevant waste and scrap figures are collected and analysed on a monthly basis and improvement measures are derived based on them. Waste also includes waste generated, for example, by test runs during the development of new materials or products. All waste is collected by certified and approved waste disposal companies and properly recycled, mostly by thermal utilisation. Currently, only the total volume of hazardous and non-hazardous waste is reported. As of 2021, waste will also be reported in accordance with the Global Reporting Initiative (GRI) standard. Data collection to this end was initiated in 2020.

In 2019, a pilot project to improve waste management in terms of sorting and separation was launched at the main plant in Wimpassing, which was promoted in 2020. Thus, waste management could be significantly improved at the Polish site, for example. The aim of the project is to discov-

er possible potential in the field of waste management, and to initiate further activities. The experience gained in this way will then be passed on to the other production sites. As part of WCM, weak points are strategically analysed and listed, and targeted countermeasures are developed. After completion of the pilot project, the system will be rolled out and other locations will also be analysed subsequently.

### Total volume of waste (t)\*

|                                  | 2020   | 2019   | 2018   |
|----------------------------------|--------|--------|--------|
| Hazardous                        | 4,227  | 4,368  | 6,299  |
| Non-hazardous                    | 19,639 | 17,977 | 18,041 |
| Waste due to one-off incidents** | 1,024  | 0      | 0      |

\* Excludes Nilai site, Malaysia, for which no volumes are available. The years 2018 and 2019 excluding recycled fractions at the Kamunting site, Malaysia.

\*\* Disposal of machinery at the Kamunting site, Malaysia

## Highlights 2020

- In the Semperflex segment, a 10% reduction in scrap and waste in production was already achieved in the first three quarters of 2020 compared to the same period in 2019. This was accomplished through the increased implementation and systematic application of lean tools.
- In 2020, Semperform's Chinese location saved over 5,000 cartons and more than 7,000 wooden pallets in cooperation with customers and with the help of an adapted packaging system.
- Kamunting in Malaysia focused on waste in 2020. The implemented activities related to waste prevention and reduction as well as an improved waste collection and separation management.
- In 2020, Semperit received the "Green Dot" award in Germany with retroactive effect for the year 2019 for the recycling of packaging materials in the medical sector. The Green Dot is a dual system in Germany for the best possible recycling of packaging materials that are put into circulation at the national level. This approach is in line with the German Packaging Act. This initiative and the saved amount of CO<sub>2</sub> contribute to the reduction of greenhouse gases and thus to climate protection in the longer term.

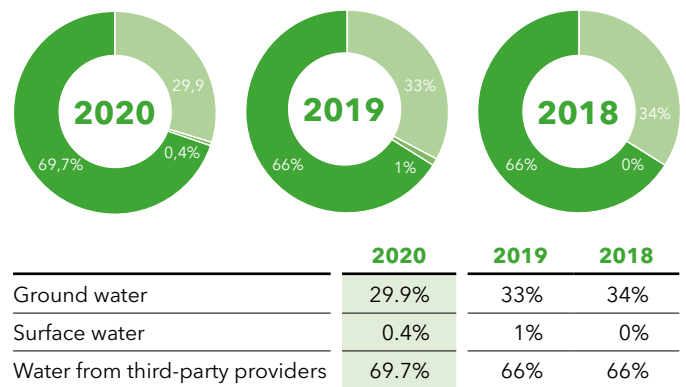


# Water

Access to safe and clean drinking water is essential for human well-being and is considered a fundamental human right by the United Nations. Water is life, and various contents and objectives for sustainable water use are anchored in Global Development Goal (SDG) 6\*.

According to the materiality analysis, water is not a material topic for Semperit. However, Semperit is aware that water-related issues are becoming increasingly important and that water is one of the most important resources worldwide. Semperit stands for the efficient use of water and, where possible, water is circulated. Glove production (Sempermed) in particular is characterised as relatively water-intensive. Water is used here to flush out proteins and chemicals to prevent allergic reactions. With the development of the "Green Glove", the use of water was reduced by as much as 10% per 1,000 pieces of gloves compared to traditional nitrile examination gloves. The wastewater produced during glove production is treated in our own wastewater treatment plants in accordance with local regulations, while the relevant limit values are constantly checked using laboratory analyses. The water input in the other production areas is comparatively low and serves primarily for cleaning or for machine and process cooling. Any wastewater produced here can be disposed of via public sewers since it does not contain any specific impurities. In order to prevent and remedy incidents that can lead to exceeding limit value in the wastewater sector, Semperit has developed action plans throughout the Group. The data on water withdrawal are collected based on meter values and relate exclusively to freshwater resources. No areas characterised by water stress are affected by water withdrawal.

### Water withdrawal by source (%)



### Water withdrawal (m<sup>3</sup> million)

| 2020 | 2019 | 2018 |
|------|------|------|
| 9.9  | 9.0  | 8.7  |

The increase in water withdrawal in 2020 is mainly due to the strong increase in demand and thus production of medical gloves as a result of COVID-19.

### Highlights 2020

- In Germany (location Deggendorf) and at the parent plant in Wimpassing, Austria, the use of process water was significantly reduced.
- In Kamunting, Malaysia, a process-related reduction in water consumption was achieved. A water recycling project is currently underway and will be launched in 2021. The continuous reduction of wastewater will also be at the forefront of future efforts.



**Philip Mok**  
Managing Director &  
Director Operations –  
Sempermed



*For optimal user protection, medical gloves must only be worn once. As a result, minimising negative environmental impacts along the production process is the most important responsibility for my team and me.*

\* Source: <https://sustainabledevelopment.un.org/content/documents/10635HR%20to%20Water%20and%20Sanitation%20Concept%20Note.pdf>

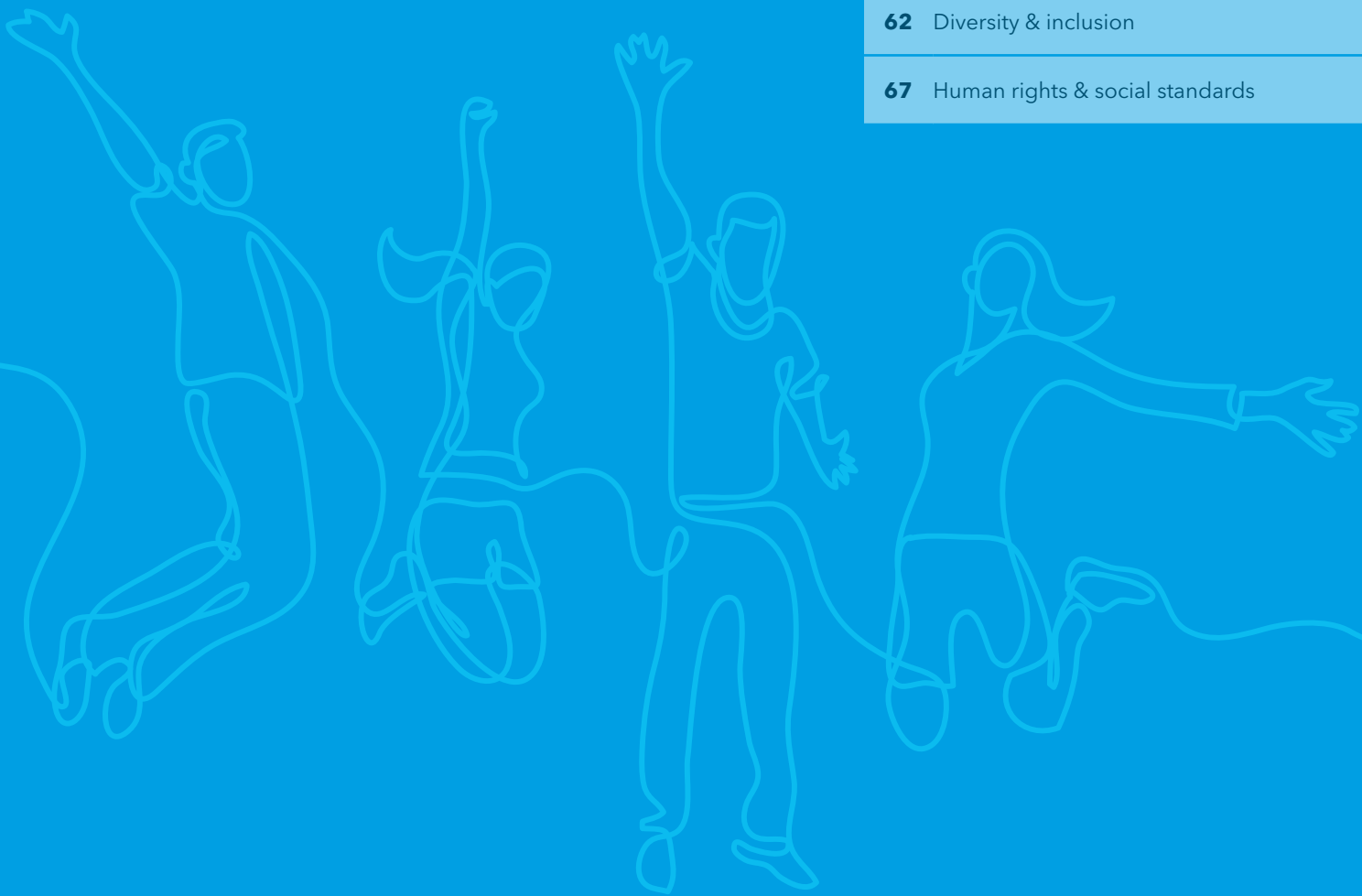
# SOCIAL

**53** Corona and its challenges

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**67** Human rights & social standards



**The statement “Our employees are our most important asset” gains importance particularly in times of crisis: when it is a matter of protecting the health of employees and securing jobs. But also, in everyday life, the right initiatives and the appropriate corporate culture are necessary to create an attractive working environment that offers a variety of opportunities for development.**

The topics summarised in the chapter “Social” are diverse and multifaceted, but still serve a purpose, which is the well-being of the employees and, in a broader sense, also of society. This includes ensuring that human rights are respected as well as initiatives to increase diversity and inclusion. For example, we work on preventing accidents, improving personal protective equipment, promoting women’s empowerment and developing action plans to deal with a pandemic. It is about securing jobs, enabling dedicated professionals to work in multifaceted activities and ensuring the highest social standards. Many activities in the field of social issues are based on clear guidelines such as the creation and publication of a code of

conduct or corresponding policies as well as accompanying communication and room for development. Semperit looks back on a long corporate history and employs nearly 7,000 people; it is important to constantly adapt to the changing labour market environment. The requirements of employees change, as do the requirements of the employer, and there must be room for all of this. On top of that, the 2020 reporting year brought us a global crisis for which no one was prepared, let alone had any experience of how to deal with it. How Semperit has been dealing with this situation, as well as many other social issues, is presented on the following pages.



**Gabriele Schalleger**  
CFO



*Social issues are as diverse as our employees and must not be in competition with each other. Diversity is something that must be lived and not just written on paper as a quota. Gradually increasing the proportion of women is an important goal that Semperit has set for itself. This applies at the management level as well as in other areas.*

# Corona and its challenges

**Around the world, the COVID-19 virus has turned life and the world of work upside down and brought with it numerous new challenges. Within a very short time, companies were forced to develop concepts to protect their employees as well as to ensure that production could be maintained. At the same time, this was and still is an opportunity to learn how to organise better and rethink existing structures.**

Within a few weeks, corona turned life and work patterns upside down all over the world. Supply chains were shaken up, production came to a standstill, entire offices switched to remote working within days. The economic impact of the pandemic was immediate, and its magnitude still cannot be estimated accurately. Companies were forced to react immediately and to activate or launch their crisis management. Questions such as "What rules of conduct are needed to ensure safe coexistence? What is the situation in the market? And how can I ensure that my customers and suppliers can act in the best possible way?" had to, and still have to, be answered.

The effects of the crisis are far from over, and to some extent we have adjusted to the fact that we will have to learn to deal with this situation in the longer term. In a globally operating industrial company, the measures to be taken concern not only production, but also primarily the security of sales activities and the supply chain. Every employee of the Semperit Group must be able to perform his or her work safely and in accordance with his or her position.

At a very early stage of the corona pandemic, Semperit decided to take all possible measures to remain a safe company. The focus is on maintaining a safe working environment and smooth processes as well as the repeated evaluation of all workplaces with regard to the COVID-19 risk. Special attention was paid to the protection of risk groups and the creation of target group-specific measures. In doing so, Semperit applied Group-wide rules that were largely more restrictive than those set by local authorities.

## Implemented Measures

### **Establishment of crisis management at all sites**

Crisis management is responsible for the creation and implementation of all measures and also serves as an interface with official bodies and authorities at national and international level.

### **Workplace evaluation**

Implementing a Group-wide evaluation of workplaces to protect all employees, and particularly risk groups, and produce target group-specific action plans.

### **Work from home**

Working from home was made possible for all employees whose jobs allowed it. In this context, it had to be ensured that all employees concerned were also provided with the appropriate infrastructure they needed for their work. At times, this led to great challenges in the IT department, which were successfully overcome. Introduction of alternating teams: In order to keep the risk of possible infection as low as possible, Semperit employees were divided into two alternating teams at an early stage. A change of teams was only possible by proving a negative PCR test result.

### **Temperature controls & protective equipment**

Where necessary and required, the company provided the appropriate protective equipment. Semperit has always focused on this strategy, and the pandemic has intensified this focus.

### Rules of conduct in dealing with each other

Defining and adapting specific rules of conduct on dealing with each other to make everyday working life safer. This included, for example, situations such as internal and external meetings as well as stays in canteens and changing rooms.

### Implementation of information campaigns "Better safe than sorry"

To ensure safe cooperation, it is necessary not only to define certain rules, but also to communicate them to the specific target groups. This was successfully achieved with the help of numerous communication measures, such as (virtual) information meetings, digital mailings, videos or notices in the offices and production sites. The content of the campaigns was based on regional and thematic urgencies and included topics such as hygiene measures, flu information, travel activities and regular updates on the overall situation.

### Preparation of cleaning plans

Development of disinfection measures, ventilation plans and cleaning cycles.

### Visitor regulations

Access to the production areas, including the research and development facilities, was only possible in exceptional cases and with prior approval by the Executive Board. This applied to both internal and external stakeholders. Clear rules were also established for meetings with suppliers, customers and other service providers, which were only held when absolutely necessary. Like everywhere, most activities successfully shifted to the online sphere.

### Internal contact tracing

In order to contain the possible spread of the virus in suspected cases, appropriate contact protocols were established. In addition, PCR tests are used if necessary.

### Framework contracts with laboratories for PCR tests Separation of critical operating units

To ensure continuous operation, operational units were at times separated to exclude so-called cross infections.

### Plant-wide shutdowns

In few exceptional cases, plant shutdowns due to national requirements had to be observed. In the reporting year, the Chinese and Indian sites were closed for a short time.

### Mandatory tests for external companies

Necessary maintenance and servicing work was carried out during normal plant holidays. Mandatory precautionary PCR tests were introduced for external companies required for this purpose in order to keep the risk of infection as low as possible here as well.

### Short-time working model

Short-time working models were used primarily for employees in Austria and to a small extent also in other countries in order to secure jobs in the longer term.

### Overview employees on short-time work\*

|                                   | AT  | EU |
|-----------------------------------|-----|----|
| Employees on short-time work (WC) | 138 | 8  |
| Employees on short-time work (BC) | 78  | 0  |

\* Number of employees on short-time work in 2020, regardless of phases and duration

## Glove production as a matter of the heart during corona pandemic

The corona pandemic led to a strong increase in demand for medical products such as masks and gloves, which had a positive effect on the medical segment of Sempermed. However, in addition to the economic benefits, rising demand also means that the requirements in the field of raw material supply increase sharply and supply chains must function smoothly. Thanks to successful restructuring measures since 2017, it was possible to produce at a high level of capacity. Smooth production was guaranteed at all times, and there were no significant supplier bottlenecks.



In addition to intensifying production, Semperit was also able to supply various organisations with gloves. Various projects and organisations around the world were supported with glove donations. Semperit also cooperated successfully with the Austrian government and flew gloves directly from Malaysia to Vienna.

### Good health and well-being



SDG 3 includes various objectives that are intended to push the promotion of universal health care. Through the production of examination and surgical gloves, Semperit actively contributes to this goal - not only in a challenging year like 2020. Providing society with medical products contributes directly to reducing infections and thus to protecting every human being.



**Monika Riedel**  
Director Group Brand  
Management,  
Corporate Spokesperson

## Learning from the crisis

Every crisis involves challenges that can be turned into experiences and opportunities. The Semperit Group was able to use the intensive period to learn from the various activities and measures that were implemented. The decisive factor is how measures are implemented and communicated. This requires the cooperation of all those involved across plant and national borders. Successes and failures must be shared to jointly learn from them. It takes open and direct communication and the willingness to support each other. This involves the participation of all employees, not just the crisis team or top management. It also became apparent that guidelines were often better accepted than rigid requirements and that the flow of information through different channels is crucial for broad participation.

In addition to overcoming times of crisis, the key question for Semperit is: What will remain after the crisis? Lessons learned are an increased level of communication between the sites but also between the departments, as well as the courage to be more flexible, for example when it comes to giving employees more room to organise things in bilateral agreement with their managers and to allow them to do their work from home. Despite all the challenges, it was possible that all corporate activities were running smoothly. This is the result of transparency, clear guidelines, respect and trust.



*The year 2020 challenged us on many different levels and in many different ways. At the same time, it led us to further increase our flexibility and to question existing patterns of thinking and behaviour. The resulting changes will keep us occupied for some time to come, and I am curious to see where the journey will ultimately take us. In line with the principle of "better safe than sorry", Semperit has acted proactively and in an exemplary manner to protect everyone involved.*

# Health protection & occupational safety

To ensure the occupational safety and health protection of the employees, a significant part of the work in this area revolved around prevention and the right behaviour in connection with the corona virus in 2020. Protecting employees was the top priority and had to be supported by new concepts, clear rules of conduct and a lot of educational work. At the same time, the existing systems and the vision of “zero accidents” had to be pursued. In short, it was a very intensive year.

## Focus topics 2020

- Intensification of internal communication with regard to lessons learned
- Interlocking of relevant HSE (Health, Safety and Environment) key figures with the target agreements of the management
- Further reduction of accident rates, particularly in factories with rates above average

## Outlook 2021

- Increased focus on COVID measures
- Implementation of improvement programmes to further decrease accident rates (per site)
- Increased communication measures to include employees
- Integration of key indicator reporting in Group-wide software solution

## Perspective 2021

- No accidents
- 100% of accidents are documented and evaluated
- 100% of the corresponding counter measures are implemented
- 100% of the lessons learned are processed and disseminated

As a manufacturing company, health and safety management and its permanent development are an essential basis for Semperit's daily activities. The focus is to completely avoid accidents and work-related illnesses as well as to preserve the individual's work force in the long term.



**Martin Kragenings**  
Head of HSEQ



*In the future, we will continue to develop and improve occupational health and safety issues with and for our employees. Our vision remains “no accidents”.*



## Hazard and risk assessment

Risk assessment is the core method for minimising occupational accidents and diseases. All sites are required to conduct continuous risk assessment based on the standards set out in the Group-wide Quality Procedure. When identifying hazards, assessing risks and determining countermeasures, all relevant employees (staff, contingent workers and third-party providers), their activities, machines and work carried out at the same time must be taken into account.

Based on the identified source of danger, the emerging risk must be assessed by an assessment team. This team will be put together on a work area-specific basis and must have knowledge of the respective hazard sources and activities. The results of the evaluation are documented in a risk assessment. In addition, all necessary documents are stored electronically in a central archive.

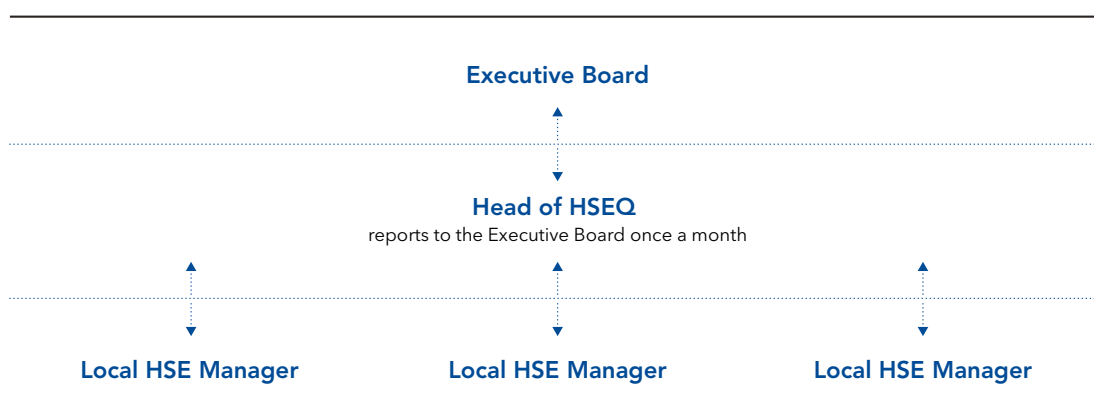
In addition to the standardised hazard and risk assessment by experts, there are numerous ways to report unsafe conditions or actions. This can be done directly via the respective supervisor or, for example, as part of the shift handover. Reports can also be made via the Group-wide database "SemperTrack". Semperit also offers the option of submitting anonymous reports via the whistle-blower platform SemperLine or a specially set up mailbox. The reports received are processed in a structured manner by the HSE team. The basic principle is that every employee can and should distance themselves from potential sources of danger at any time and in any place.

The classification of injury types is based on the WCM (World Class Manufacturing) system. A distinction is made between

the degree of injury, the location of the injury and the associated corrective measures. Serious accidents primarily include bone fractures, burns, injuries caused by electricity and injuries resulting in hospitalisation. The most common injuries in the Semperit Group are puncture wounds and cuts to the hands as well as injuries to the ankles caused by tripping or injuries caused by moving loads. In Semperit's production involves a lot of cutting work, which requires the frequent use of cutting tools and often leads to cut injuries. The various focal points have been specifically addressed in recent years, and not only have employees been trained accordingly ("Cut & Stitch" initiative), but the necessary communication measures such as visualisations have also been installed on site or the corresponding protective equipment and its mandatory use have been intensified. In 2018, Semperit recorded its last serious accident, which unfortunately resulted in the loss of a finger limb. Since then, there have been no fatal or serious accidents within the Group.

## Group-wide management system

Group-wide health, safety and environmental targets are part of the integrated management system and comply with international standards such as OHSAS 18001. The system is regularly audited internally or externally and includes all employees and third parties working on the company premises. All locations of the Semperit Group are audited. In 2020, the preparations for the introduction of ISO 45001 were completed. It will be audited in 2021. Within the framework of the Group-wide management system, potential sources of danger and risks are systematically recorded and regularly evaluated (due diligence).



## Anchoring of topics

The topics of health, safety and environment are combined in HSE (Health, Safety and Environment). A local HSE manager is assigned to every location worldwide to carry out all activities on site from information and training to the documentation of incidents. The local managers report to the Head of HSEQ (Health, Safety, Environment and Quality), who reports to the Executive Board on a monthly basis. In these coordination meetings, the effectiveness of the management system and ongoing processes is continuously monitored, among other things. The exact corporate guidelines are set out in the HSE policy, which is publicly available on the Semperit website ([www.semperitgroup.com/fileadmin/img/holding/pdf\\_dateien/Q\\_SHE\\_policy/2019/Poster\\_QSHE\\_A1\\_DE\\_2019\\_final.pdf](http://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Q_SHE_policy/2019/Poster_QSHE_A1_DE_2019_final.pdf)).

In accordance with the Austrian Employee Protection Act (ArbeitnehmerInnenschutzgesetz), there are occupational safety and health organisation at all Austrian locations staffed by members of the works council, employer representatives, company physicians as well as specialists for occupational safety and safety officers. They are integrated in the further development and evaluation of the management system

through regular consultation meetings. The requirements of the industrial safety organisation are also met internationally. At the locations in Wimpassing, Odry and Bełchatów there are corporate fire brigades.

Employee participation and thus involvement is crucial when it comes to successfully anchoring measures relating to occupational safety and health protection. Visualisation measures and the measurement of participation rates in the various programmes and activities are used to constantly work on employee participation.

## Health protection

In addition to regular health examinations and compliance with the observance of obligatory rest periods and legal requirements in all areas, especially with regard to shift work, it is a matter of course for Semperit that every employee receives the safety equipment (eye and hearing protection, clothing, etc.) appropriate to his or her work. In addition, Semperit offers a wide range of health-oriented services in areas such as ergonomics, nutrition and psychosocial health care.

## Zero-accident policy

Since 2017, Semperit has pursued the goal of a zero-accident policy and can already look back on significant progress. Over the past three years, the number of accident-related days of absence has been reduced annually.

Fortunately, there have been no fatal accidents at work since 2017. In addition, the number of serious accidents has been very low over the last three years with only one serious accident in 2018 and none in 2019 and 2020.

### Total rate of work-related accidents

(Employees and contingent workers)

|                                | 2020 | 2019 | 2018 |
|--------------------------------|------|------|------|
| Rate of work-related accidents | 4.6  | 6.3  | 7.9  |

Every type of accident is documented - including those occurring on arrival and departure or during business trips, regardless of the party involved, as long as they occur within Semperit's sphere of influence. A distinction is made between the following types of accident: fatal accident, serious accident, occupational accident with sick leave, first aid (excluding sick leave), near-accident, unsafe condition and unsafe action.

### Decent work and economic growth



A sub-goal of SDG 8 includes the protection of labour rights as well as the creation of a safe working environment for all of us. With the vision of "zero accidents", Semperit has been working intensively for years to achieve the highest standards in the field of occupational safety and health protection. The significant improvement in key figures shows that the activities and measures implemented in this regard are successful. "Better safe than sorry" applies to everyone who enters a Semperit location - from employees to visitors to third-party suppliers - and covers topics such as protection against COVID-19 as well as the prevention of occupational accidents.

### Overview of key figures\*

|                                       | 2020   | 2019   | 2018   |
|---------------------------------------|--------|--------|--------|
| Total number of accidents             | 83     | 115    | 121    |
| Number of fatal accidents             | 0      | 0      | 0      |
| Number of serious accidents           | 0      | 0      | 1      |
| Occupational accident with sick leave | 26     | 44     | 41     |
| Number of medical treatments          | 57     | 71     | 79     |
| Total days lost**                     | 818    | 1,071  | 1,556  |
| Number of near accidents              | 348    | 359    | 329    |
| Unsafe conditions                     | 16,164 | 15,365 | 18,181 |
| Unsafe actions                        | 24,915 | 18,639 | 14,244 |

\* The figures were slightly adjusted compared to the previous year due to definition adjustments.

### Overview of employee key figures

|   | 2020 | 2019 | 2018 |
|---|------|------|------|
| Number of fatalities due to occupational accidents          | 0    | 0    | 0    |
| Number of severe work-related injuries (without fatalities) | 0    | 0    | 1    |
| Number of accidents with sick leave                         | 23   | 39   | 37   |

### Overview of key figures on contingent workers

|   | 2020 | 2019 | 2018 |
|---|------|------|------|
| Number of fatalities due to occupational accidents          | 0    | 0    | 0    |
| Number of severe work-related injuries (without fatalities) | 0    | 0    | 0    |
| Number of accidents with sick leave                         | 2    | 5    | 4    |

### Overview of key figures on third-party suppliers and the like

|   | 2020 | 2019 | 2018 |
|---|------|------|------|
| Number of fatalities due to occupational accidents          | 0    | -    | -    |
| Number of severe work-related injuries (without fatalities) | 0    | -    | -    |
| Number of accidents with sick leave                         | 1    | -    | -    |

## Total rates of work-related accidents

(Employees and contingent workers)

|  | 2020 | 2019 | 2018 |
|--|------|------|------|
| Rate of accidents at work with severe work-related injuries (without fatalities) | 0    | 0    | 0    |
| Number of working hours (million hours)  | 17.9 | 18.4 | 15.4 |
| Rate of recorded work-related injuries (based on 1,000,000 hours)                | 4.6  | 6.3  | 7.9  |

## Rates of work-related accidents by employee category (%)

| Employees  | 2020 | 2019 |
|--|------|------|
| Rate of accidents at work with severe work-related injuries (without fatalities) | 0    | 0    |
| Number of working hours (million hours)  | 17.2 | 17.4 |
| Rate of recorded work-related injuries (based on 1,000,000 hours)                | 5.4  | 6.0  |

### Contingent workers

|  |      |      |
|--|------|------|
| Rate of accidents at work with severe work-related injuries (without fatalities) | 0    | 0    |
| Number of working hours (million hours)***                                       | 0.7  | 0.9  |
| Rate of recorded work-related injuries (based on 1,000,000 hours)                | 10.0 | 11.1 |

\* The data refers to the production sites of the Semperit Group as well as sales offices, which are included depending on their size. The key figures exclude the location in Nilai (Malaysia).

\*\* Calculation of lost days starts the day after the accident and ends the day before the employee returns to work. Accidents while commuting from and to work are not included in the key figures.

\*\*\* At the locations where the exact number of working hours by contingent workers could not be determined in detail, the time required was estimated based on the information available.

## Training & documentation

In the area of safety and health, training and workshops as well as the establishment of model areas to visualise weak points or potential dangers are important measures to avoid accidents. In addition to the information, visualisation and prevention of incidents, it is important to ensure complete documentation of all events in case something does happen. Only with the help of knowledge transfer through training, the analysis of accidents and the dissemination of the lessons learned can a change in thinking and thus a long-term change in behaviour be achieved. In some plants this change in thinking is specially trained with the help of specially equipped rooms (DOJO/Safety Center). The main focus is on the active involvement of employees by offering practical exercises.

Employee participation and information was also a topic in 2020. Tailor-made campaigns with appropriate goals and actions were developed for the largest locations (e.g., Bełchatów: cutting injuries, or Wimpassing: cleanliness and order to avoid accidents). The increased recording of near accidents as well as unsafe conditions and actions is an indicator of successful employee participation. It shows that awareness is constantly increasing.

### Target 2021

|                                  | Target 2021 | 2020 | 2019 |
|----------------------------------|-------------|------|------|
| Documentation of accidents       | 100%        | 100% | 100% |
| Developed counter measures       | 100%        | 100% | 100% |
| Dissemination of lessons learned | 100%        | 100% | 100% |

## Central Database

To optimise accident reporting and the dissemination of lessons learned, an appropriate infrastructure is required. In 2019, a central database was implemented at the sites in Wimpassing (Austria), Odry (Czech Republic) and Bełchatów (Poland). Further locations are to follow in 2020. With the help of this database, activities and measures can be controlled, transformed and retraced in a structured manner. The effectiveness of the existing legal management system, which integrates all legal obligations and monitors compliance with them, was examined more thoroughly and optimised in 2019. At the same time, internal communication was intensified across all organisational areas from the Executive Board to risk management. By linking the areas, it is ensured that all risks and necessary measures are implemented and scalable to other locations.

## Focus on fire

In the reporting year, the measures in force for fire prevention and firefighting were assessed throughout the Group. In accordance with this survey, organisational measures such as the introduction or revision of emergency plans at site level were taken.

## Highlights 2020

In the 2020 reporting year, Semperit decided to integrate relevant HSE (Health, Safety and Environment) key figures into the individual target agreements of the management in order to give the topic even more weight.

In recent years, Semperit has been working intensively on the implementation of numerous measures to promote the health of its employees. As a result of the diverse activities, the Wimpassing site in Austria was awarded the quality seal of the Austrian Network for Workplace Health Promotion (Betriebliche Gesundheitsförderung) for the years 2020 to 2022 by the Austrian Health Insurance Fund (Österreichische Gesundheitskasse). The measures implemented ranged from hearing and eye tests, the expansion of the training and education programme, vaccination campaigns and health check-ups to the adjustment of workplaces according to ergonomic guidelines.

The Kamunting site in Malaysia was also awarded the "MSOSH OSH Gold Award" in the category of the processing industry and the chemical sector. This award of the Malaysian Society for Occupational Safety & Health (MSOSH) honours companies every year for their performance in the field of occupational safety and health.

# Diversity & inclusion

Respect and diversity are integral and indispensable components of the Semperit Group and are reflected in its world of values. Diversity needs space and flexible structures to develop, while respect needs room and role models to be lived. Both principles do not develop overnight, but they can be created through the appropriate framework conditions, and this is precisely what Semperit is continuously working on.

## Focus topics 2020

- Consistent further development of internal high potentials and successor candidates
- Development and networking of managers at all levels and countries in the internal programme "Leadership Journey"
- Reorganisation of the talent programme (Talent Academy)
- Internal mentoring pool and support of high-potentials by mentors

## Outlook 2021

- The initiatives will be further intensified in 2021 to promote the achievement of the 2021 goals.
- Development of a diversity & inclusion strategy
- Implementation of a Mobile Working Policy
- Conducting an employee survey and deriving measures
- Further development of the "Leadership Journey", the global programme for management development
- Implementation of value principles - based on the new corporate values

## Perspective 2021\*

- Increase in internal replacement rate to 70%
- Increase in non-European managers proportion to 20-30%
- Increase in female managers proportion to 15%

\* The targets refer to employees of grades 10 - 14 = management employees

## New corporate values

In 2020, the existing corporate values were revised and adapted to future challenges. In line with P. Drucker's principle "Culture eats strategy for breakfast", the values are to become part of the company's DNA in order to create a positive and safe working environment together.



**Dr Berthold Stöger**  
Director Group HR



*In 2020, the COVID-19 pandemic confronted our employees around the world with major challenges, which they overcame with great dedication and excellent cooperation. At the same time, the crisis has also given a positive boost to our culture of learning, new working models and digitalisation in general.*



### We trust

We collaborate and appreciate each other no matter who we are and where we come from. We are loyal, communicate openly and respectfully. Being reliable in our actions and learning from mistakes, we build trust.



### We create

We develop smart and innovative processes and products that match our customers' needs. We add value by designing solutions - for today and the future. We encourage and embrace change.



### We own

We take responsibility and are dedicated to our tasks. We stand up for our common beliefs and have high expectations of our results. Passion drives us to make the difference.



### We deliver

It all begins with our customers. Our thinking starts from their point of view. We listen. And we deliver upon promised solutions and products. We are strong partners - internally and externally.

## Internal replacement rate & non-European managers

Diversity and equal opportunities are important components of successful employee management and are increasingly gaining importance. Creating the most diverse workforce possible requires the appropriate framework conditions which allow the promotion of the respective key skills. The required offer ranges from flexible working hours to the most diverse opportunities for further development.

Currently, employees from 57 nationalities work together within the Semperit Group. Diversity and respect are integral and indispensable components of the corporate culture of the Semperit Group, which are taken into account when filling all functions, among other things. In addition to professional and personal qualifications, aspects such as age structure, origin, gender, education and background of experience are included. Semperit recruits numerous new employees every year; at the same time, the competitive pressure for specialists and managers is constantly increasing. The optimisation of recruitment processes and the retention of employees are also essential for the future. Existing know-how should be retained and promoted. The gradual increase in the internal replacement rate and the rise in the proportion of non-European managers are important indicators in this context; both

were improved in 2020. The Talent Academy, a programme in which employees are specially instructed through targeted training, reflection and project work to prepare them for future management tasks, is an important initiative to achieve the set goals. The participants in the Talent Academy receive a personal development plan, which includes specific targets, and form the pool of employees from which key positions can then be filled internally.

Another initiative on the way to achieving the goals are the People Days, where potential internal candidates for the replacement of key positions are selected annually in a structured process.

### Target 2021\*: Proportion of internal replacement rate (%)

| Target 2021 | 2020 | 2019 | 2018 |
|-------------|------|------|------|
| 70%         | 64%  | 62%  | 19%  |

### Target 2021\*: Proportion of non-European managers (%)

| Target 2021 | 2020 | 2019 | 2018 |
|-------------|------|------|------|
| 20-30%      | 14%  | 15%  | 15%  |

\* The indicator refers to employees of grades 10 - 14 = management employees

## Advancement of women

A diversity concept of the Supervisory Board of Semperit AG Holding was concluded in writing on 1 February 2018. The Supervisory Board of Semperit AG Holding has met the women's quota of 30%, which became a legal requirement in 2018, since May 2017.

In 2020, Semperit intensified its work on a diversity and inclusion concept, which will be launched in 2021. A key aspect is to increase the proportion of women, which is low compared to other sectors due to the nature of a long-established industrial company. Flexible working time models in the form of flexible and parttime work as well as special agreements for parents working part-time are intended to contribute to the continuous increase in the proportion of women. By 2021, the percentage of female managers shall be increased to at least 15% and shall not fall below this level again. Semperit defines manager as employees with a grade of 10-14.



### Proportion of women at board level

The proportion of women at the Executive Board level was also increased. In spring 2020, for example, a female Chief Financial Officer assumed the position for the first time. Petra Preining was elected interim Chief Financial Officer of the Semperit Group and was replaced by Gabrielle Schalleger in October.

### Executive Mentoring

In addition, two of the five mentees selected for the Semperit "Executive Mentoring" Programme 2020 were women. The programme aims at managers with five to ten years of professional experience and serves to prepare them for future management positions with the help of mentors at the management or board level. The programme offers a lot of exchange on personal development and leadership topics. At the beginning, participants agree on two to three major topics they want to work on together and then meet at regular intervals to exchange ideas and work on specific issues. For more information on the topic of diversity see chapter "A brief portrait" on page 11ff.

### Target 2021\*: Proportion of female managers (%)

| Target 2021 | 2020 | 2019 | 2018 |
|-------------|------|------|------|
| 15%         | 11%  | 9%   | 10%  |

\* The indicator refers to employees of grades 10 - 14 = management employees

### Development of the proportion of women at Semperit in year-on-year comparison (%)

|                | 2020 | 2019 | 2018 |
|----------------|------|------|------|
| Austria        | 20%  | 20%  | 21%  |
| Europe         | 26%  | 26%  | 25%  |
| Semperit Group | 22%  | 20%  | 21%  |

### Gender equality



An important sub-goal of SDG 5 deals with the promotion of equal opportunities for women in order to ensure that leadership roles in political, economic and public life are held by women. Over the past three years, Semperit has been able to make step-by-step progress towards its goal of "steadily increasing the share of women in management" and increasingly attract women to management positions. This share is to be further expanded in the coming years and represents an important cornerstone with regard to diversity.



## Employee indicators

|   | 2020         | 2019         | 2018         |
|---|--------------|--------------|--------------|
| <b>Employees by contract type (FTE)</b>           |              |              |              |
| Contractors Europe                                | 25           | 14           | 13           |
| <i>of which female</i>                            | 12           | 8            | n.v.         |
| <i>of which male</i>                              | 13           | 6            | n.v.         |
| Contractors Asia                                  | 34           | 34           | 5            |
| <i>of which female</i>                            | 3            | 3            | n.v.         |
| <i>of which male</i>                              | 31           | 31           | n.v.         |
| Contractors America (incl. rest of the world)     | 0            | 0            | 0            |
| <i>of which female</i>                            | 0            | 0            | n.v.         |
| <i>of which male</i>                              | 0            | 0            | n.v.         |
| <b>Total of contractors</b>                       | <b>59</b>    | <b>48</b>    | <b>18</b>    |
| Permanent staff Europe                            | 3,042        | 3,155        | n.v.         |
| <i>of which female</i>                            | 783          | 812          | n.v.         |
| <i>of which male</i>                              | 2,259        | 2,343        | n.v.         |
| Permanent staff Asia                              | 3,778        | 3,634        | n.v.         |
| <i>of which female</i>                            | 682          | 564          | n.v.         |
| <i>of which male</i>                              | 3,096        | 3,070        | n.v.         |
| Permanent staff America (incl. rest of the world) | 64           | 66           | n.v.         |
| <i>of which female</i>                            | 25           | 24           | n.v.         |
| <i>of which male</i>                              | 39           | 42           | n.v.         |
| <b>Total of permanent staff</b>                   | <b>6,884</b> | <b>6,854</b> | <b>n.v.</b>  |
| <b>Employees by employment relationship (FTE)</b> |              |              |              |
| Full-time female                                  | 1,435        | 1,340        | 1,201        |
| Full-time male                                    | 5,408        | 5,467        | 4,805        |
| Full-time Europe                                  | 2,971        | 3,077        | 3,112        |
| <i>of which female</i>                            | 726          | 750          | n.v.         |
| <i>of which male</i>                              | 2,245        | 2,327        | n.v.         |
| Full-time Asia                                    | 3,808        | 3,666        | 2,832        |
| <i>of which female</i>                            | 684          | 566          | n.v.         |
| <i>of which male</i>                              | 3,124        | 3,100        | n.v.         |
| Full-time America (incl. rest of the world)       | 64           | 64           | 62           |
| <i>of which female</i>                            | 25           | 24           | n.v.         |
| <i>of which male</i>                              | 39           | 40           | n.v.         |
| <b>Total of full-time</b>                         | <b>6,843</b> | <b>6,807</b> | <b>6,006</b> |
| Part-time female                                  | 70           | 69           | 68           |
| Part-time-male                                    | 30           | 26           | 23           |
| Part-time Europe                                  | 96           | 92           | 87           |
| <i>of which female</i>                            | 69           | 68           | n.v.         |
| <i>of which male</i>                              | 27           | 24           | n.v.         |
| Part-time Asia                                    | 4            | 2            | 1            |
| <i>of which female</i>                            | 1            | 1            | n.v.         |
| <i>of which male</i>                              | 3            | 1            | n.v.         |
| Part-time America (incl. rest of the world)       | 0            | 2            | 1,5          |
| <i>of which female</i>                            | 0            | 0            | n.v.         |
| <i>of which male</i>                              | 0            | 2            | n.v.         |
| <b>Total of part-time</b>                         | <b>100</b>   | <b>95</b>    | <b>90</b>    |
| <b>New employees (HC and %)</b>                   |              |              |              |
| New female employees                              | 515 (33%)    | 525 (40%)    | 421 (32%)    |
| New male employees                                | 910 (17%)    | 1,354 (27%)  | 1,572 (32%)  |
| New employees Europe                              | 320 (8%)     | 505 (16%)    | 816 (25%)    |
| New employees Asia                                | 1,102 (35%)  | 1,359 (45%)  | 1,161 (41%)  |
| New employees America (incl. rest of the world)   | 3 (5%)       | 15 (23%)     | 16 (25%)     |

|   | 2020               | 2019               | 2018               |
|---|--------------------|--------------------|--------------------|
| New employees < 30  | 999 (41%)          | 1,234 (58%)        | n.v.               |
| New employees 30-50   | 382 (11%)          | 590 (19%)          | n.v.               |
| New employees > 50  | 44 (4%)            | 55 (5%)            | n.v.               |
| <b>Total</b>  | <b>1,425 (20%)</b> | <b>1,879 (30%)</b> | <b>1,993 (32%)</b> |
| <b>Turnover rate (HC and %)</b>   |                    |                    |                    |
| Turnover rate < 30  | 700 (29%)          | 1,095 (45%)        | 967 (45%)          |
| Turnover rate 30-50   | 457 (13%)          | 621 (18%)          | 837 (29%)          |
| Turnover rate > 50  | 143 (13%)          | 135 (12%)          | 160 (15%)          |
| Turnover rate, female, Europe   | 133 (16%)          | 149 (18%)          | 196 (23%)          |
| Turnover rate, male, Europe   | 257 (11%)          | 385 (16%)          | 425 (18%)          |
| Turnover rate, female, Asia   | 251 (37%)          | 374 (91%)          | 236 (54%)          |
| Turnover rate, male, Asia   | 655 (21%)          | 932 (36%)          | 1,094 (46%)        |
| Turnover rate, female America (incl. rest of the world)                                 | 2 (8%)             | 2 (8%)             | 3 (14%)            |
| Turnover rate, male, America (incl. rest of the world)                                  | 2 (5%)             | 9 (21%)            | 10 (24%)           |
| Turnover rate, female   | 386 (25%)          | 525 (40%)          | 435 (33%)          |
| Turnover rate, male   | 914 (17%)          | 1,326 (26%)        | 1,529 (32%)        |
| <b>Total of turnover</b>  | <b>1,300 (19%)</b> | <b>1,851 (29%)</b> | <b>1,964 (32%)</b> |
| <b>Diversity (%)</b>  |                    |                    |                    |
| Percentage of female members of the management bodies (Executive Board and Forum)       | 15%                | 9%                 | n.v.               |
| Percentage of female members of the management bodies < 30 (Executive Board and Forum)  | 0%                 | 0%                 | n.v.               |
| Percentage of female members of the management bodies 30-50 (Executive Board and Forum) | 59%                | 61%                | n.v.               |
| Percentage of female members of the management bodies > 50 (Executive Board and Forum)  | 41%                | 39%                | n.v.               |
| Percentage of male blue-collar employees  | 83%                | 84%                | 84%                |
| Percentage of male white-collar employees   | 64%                | 64%                | 64%                |
| Percentage of female blue-collar employees  | 17%                | 16%                | 16%                |
| Percentage of female white-collar employees   | 36%                | 36%                | 36%                |
| Percentage of blue-collar employees < 30  | 40%                | 40%                | n.v.               |
| Percentage of white-collar employees < 30   | 18%                | 17%                | n.v.               |
| Percentage of blue-collar employees 30-50   | 46%                | 44%                | n.v.               |
| Percentage of white-collar employees 30-50  | 63%                | 63%                | n.v.               |
| Percentage of blue-collar employees > 50  | 14%                | 16%                | n.v.               |
| Percentage of white-collar employees > 50   | 19%                | 20%                | n.v.               |
| <b>Number of nationalities</b>  | <b>57</b>          | <b>62</b>          | 58                 |
| <b>Number of expatriates</b>  | <b>9</b>           | <b>12</b>          | 14                 |
| <b>Percentage of people with disabilities</b>   | <b>0.5%</b>        | <b>1%</b>          | 1%                 |
| <b>Percentage of employees covered by collective bargaining agreements</b>              | <b>35%</b>         | <b>40%</b>         | 43%                |
| <b>Contingent workers (FTE and %)</b>   |                    |                    |                    |
| Europe  | 184 (92%)          | 255 (87%)          | 330                |
| of which female   | 64 (35%)           | n.v.               | n.v.               |
| of which male   | 120 (65%)          | n.v.               | n.v.               |
| Asia  | 4 (2%)             | 36 (12%)           | 409                |
| of which female   | 1 (25%)            | n.v.               | n.v.               |
| of which male   | 3 (75%)            | n.v.               | n.v.               |
| America (incl. rest of the world)   | 13 (6%)            | 3 (1%)             | 7                  |
| of which female   | 1 (8%)             | n.v.               | n.v.               |
| of which male   | 12 (92%)           | n.v.               | n.v.               |
| <b>Total</b>  | <b>201</b>         | <b>294</b>         | <b>746</b>         |

Note: Rounding differences in the totalling of rounded amounts and percentages may arise from the use of automatic data processing.

N/A = data is not available; FTE = full time equivalent; HC = headcount

The employee data is collected directly at the individual locations.

Key figures 2020: include all employees from the fully consolidated companies of the Semperit Group. Definition of "contingent workers": employees with a limited contract period including apprentices and trainees. There are no other significant categories in the area of diversity within the Semperit Group (GRI 405-1).

Key figures 2019: include all employees from the fully consolidated companies of the Semperit Group, except the indicators turnover rate and new employees, excluding the sites in Nilai (Malaysia) and Hat Yai (Thailand) for which no data was available. The percentages given for contingent workers relate to the total number of contingent workers.

Key figures 2018: include all employees from the fully consolidated companies of the Semperit Group, with the exception of Hat Yai, Thailand, and Nilai, Malaysia.

The key figures number of employees at year-end (by segments), employees by region and percentage of employees by gender include all employees from the fully consolidated companies of the Semperit Group. The key figures for 2018 do not include the level of detail required by GRI. The figures are therefore not yet available in a direct year-on-year comparison. The following key figures were reported for 2018 for the first time: full-time/part-time by gender, number of employees by region and gender, turnover rates by gender, age and region, new employees, internal succession rate, expatriates, nationalities, training hours, key figures in the field of diversity, people with disabilities.

# Human rights & social standards

Respect for and protection of human rights must have top priority at all times. Without exception, Semperit opposes child and forced labour and stands for fair wages as well as freedom of assembly and freedom of expression. There is zero tolerance for discrimination and violations of corporate principles, regardless of where in the value chain they occur. Through information, training and action, we aim to ensure that the highest social standards are practised everywhere.

## Focus topics 2020

- Annual update of the Group-wide Modern Slavery Act Statement
- Conduct of social audits at selected sites
- Implementation of the Zero Recruitment Fee Policy in Malaysia
- Development and introduction of a repayment process for so-called “recruitment fees” in Malaysia

## Outlook 2021

- Implementation of employee training on human rights
- Continuation of social audits
- Development of a Group-wide target within the framework of the future sustainability strategy
- Continuous raising of social standards at the Malaysian site to remain well above the industry average

## The principles of the Semperit Group

The principles and internal guidelines of the Semperit Group for respecting human rights, dealing with one another and the applicable social standards are determined in the Code of Conduct as well as the People Policy and the Supplier Policy, which are publicly available on the Semperit website

([www.semperitgroup.com/en/sustainability/sustainability-policies/](http://www.semperitgroup.com/en/sustainability/sustainability-policies/)). In 2020, the Semperit Code of Conduct was revised and published under the leadership of the compliance department and with the cooperation of all affected departments.



**Discrimination** of employees is not tolerated. Semperit provides equal opportunities.



Observation of local laws regarding maximum acceptable **working hours** is ensured.



Employees are hired based on written **employment contracts** and documented employment relationships in accordance with the law.



An appropriate and fair **remuneration** under consideration of local market conditions is observed.



**Child labour** and other forms of **exploitation** of human beings are not tolerated.



The employees' right of **free expression** and opinion is respected.

Since 2019, the members of the Semperit management have had to sign the Code of Conduct and confirm with their signature that they have understood and taken note of the Code and will duly report all possible incidents. In addition to employees, the principles and guidelines of the Semperit Group also apply to business partners and are a prerequisite for a successful business relationship. All business activities must be conducted in accordance with internationally recognised human rights (UN Guiding Principles on Business and Human Rights) as well as labour and social standards (International Labour Organization – ILO) and in strict compliance with local laws. Detailed information, for example on the ILO conventions applied, is set out in the Code of Conduct, which can be accessed on the website ([www.semperitgroup.com/file-admin/img/holding/pdf\\_dateien/Compliance/2021-02-05\\_Code\\_of\\_Conduct\\_EN.pdf](http://www.semperitgroup.com/file-admin/img/holding/pdf_dateien/Compliance/2021-02-05_Code_of_Conduct_EN.pdf)).

In addition, the Semperit Group has published an annual Modern Slavery Act Statement since 2019 in accordance with the UK Modern Slavery Act. The UK Modern Slavery Act, which came into force on 29 October 2015, aims to support laws and policies against modern slavery and human trafficking, while calling on all major companies to publish an annual statement on slavery and human trafficking. The annual statement covers Semperit's key policies and activities in this area during the relevant financial year and can be accessed at any time on the Semperit website ([www.semperitgroup.com/file-admin/img/holding/pdf\\_dateien/Compliance/Modern\\_Slavery\\_Act\\_Statement\\_FY2019\\_01102020\\_final.pdf](http://www.semperitgroup.com/file-admin/img/holding/pdf_dateien/Compliance/Modern_Slavery_Act_Statement_FY2019_01102020_final.pdf)).

## External auditing

To ensure Group-wide social standards in the sense of a due diligence process, Semperit has relied for many years on the external auditing of its production sites according to the principles of the amfori BSCI (Business Social Compliance Initiative). This primarily relates to the locations of the medical segment, to which the largest plant of the Semperit Group belongs. The focus of the BSCI audits is on promoting fair working conditions and respect for human rights.

- The Sopron site achieved the best mark A in 2019, which increased the validity of the certification to two years. As a result, no audit had to be carried out at the Hungarian site in 2020. No audit will be required until 2021.
- At the Kamunting, Malaysia, site, potential for improvement was identified in November 2019, which was worked on more intensively in the following months. The site was audited again in November 2020.

With the external audits, around 10% of the production sites and almost 40% of Semperit's employees were audited externally by amfori BSCI in 2019 and 2020.

In the spring, Semperit Technische Produkte GmbH underwent an external audit in accordance with the British LSAS (Labour Standard Assurance System) system and was able to improve significantly once again (from Level 3 to Level 4). Semperit has thus reached the highest level of the system.

## Working conditions in the glove industry

Driven by the pandemic and as a consequence by the strong increase in global demand for gloves, the working conditions in the glove industry were examined more closely by various stakeholders such as NGOs, the media and public procurement institutions. The focus in terms of social standards fell on Malaysia, where the largest glove producers in the world are located. These developments were mostly related to the local working conditions for foreign workers from countries such as Nepal, Myanmar or Bangladesh, as well as the “recruitment fees” paid by them in advance, which forced many workers into bonded labour.

These so-called recruitment fees were demanded by various third-party service providers in the countries of origin. Semperit itself has never demanded this type of fees.

In order to get to the bottom of these developments and obtain a detailed picture of the situation in the countries of origin, Semperit initiated an internal project with an internationally recognised consultancy specialising in social standards and human rights compliance along the supply chain even before the pandemic in 2019. The aim of this project was to create transparency and clarity as to whether there were any weaknesses and where they occur along the supply chain. In addition, based on the project results, the knowledge required to optimise internal processes, to draw up guidelines (“Zero Recruitment Fee Policy”) and to implement the necessary due diligence processes could be generated.



**2019**

Zero Recruitment Fee Policy

**2020**

Repayment of recruitment fees to more than 1,500 employees in Malaysia

In a second step in 2020, Semperit was able to initiate the reimbursement of the costs of all employees affected by bonded labour incurred by third parties in their home countries. The necessary process was also monitored externally to ensure that the highest standards were met, and that the best possible solution was found for all affected employees. Independent support was essential for the Semperit Group and contributed significantly to the success of the developments in this area.

## Highest standards everywhere

Semperit stands not only for the protection of human rights, but also for compliance with the highest social standards. This is the core of its corporate culture and also an important component when it comes to retaining existing employees and attracting new ones. Everything is subject to change – including the demands of employees. Factors that may have been decisive in choosing an employer in the past are no longer that important today. Instead, other aspects such as flexibility and a sustainable corporate orientation are gaining in importance.

### Fair payment & collective bargaining agreements

Semperit ensures remuneration in line with the market for all employees. The wages paid are based on the customary remuneration for a comparable position in the relevant environment. At some locations, this includes the application of collective bargaining agreements. Approximately 35% of all Semperit employees are subject to a collective bargaining agreement. Furthermore, Semperit offers variable compensation components based on individually agreed targets or group targets.

### Comprehensive social benefits & freedom of association

Semperit offers its employees numerous social benefits such as various sports opportunities or additional medical services. In accordance with local laws, there are works councils or company unions to represent the interests of employees, as well as a European Works Council.

## Awareness & communication

In addition to the performance of external audits by independent bodies, the training of all stakeholders is an important cornerstone in the field of human rights & social standards. In the reporting year, the following activities were undertaken in this regard:

- Annual update of the Modern Slavery Act Statement of the Semperit Group
- Revision of the Group-wide Code of Conduct
- Integration of human rights and social standards as a point of focus in the Sustainability Council
- Increased internal information and awareness-raising by the Compliance and Group brand management/ sustainability departments
- Development of a Group-wide online training course to be rolled out in 2021
- Cooperation with an internationally recognised company to successfully implement internal steps
- Participation in stakeholder events to share experiences and jointly plan possible further steps.

### Decent work and economic growth



SDG 8 stands for sustainable economic growth while promoting decent work and embodies an important goal to pursue, especially for internationally active companies. Semperit has set the course and made great progress, especially in recent years. This not only applies to activities within the Group, but also extends beyond the supply chain. The measures chosen to ensure due diligence are diverse and are consciously selected and carefully implemented depending on the framework conditions.



**Sabine Schellander**  
Group Sustainability  
Manager

*Respect for human rights in all areas, everywhere and at all times, is the basis of respectful coexistence. It must be clear that this directly affects all of us and not just other people in other places. Much can be achieved with the help of transparency and the will to drive positive developments. I am proud of how much Semperit has accomplished so far and continues to accomplish.*

# GOVERNANCE

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**“Good corporate governance” is a term that comes up more and more often. It is about more than just doing something “good” in certain areas. It is about analysing risks as well as creating transparency along the entire value chain or developing different mechanisms to successfully anchor the corporate principles in the DNA of the company and thus integrate them into everyday work.**

The term “governance” refers to activities and processes that serve to regulate and control - in this context - a company. “Good governance” is broadly understood as a sustainable orientation of corporate management with regard to aspects such as the protection of human rights, compliance with laws and ethical principles, the fight against corruption and the promotion of transparency in all areas.

Running an international company “well” requires not only the right personalities at the top, but also numerous mechanisms, tools and guidelines that employees and other stakeholders can adhere to. In addition, a great deal of communication is needed to create an understanding of the company’s principles and values and to promote the necessary transparency. This includes all aspects along the value chain and all stakeholders. Activities in the field of governance can be manifold and range from the integration of topic-relevant goals in per-

sonal objectives (in 2020 for HSE, see page 61, and for purchasing, see page 77), to training and membership in relevant associations, to supplier audits or a whistle-blower platform. In addition to informing employees and continuously raising awareness of sustainability-relevant issues, it is also important to act in accordance with the law at all times and to clearly assign responsibilities and correctly allocate areas of responsibility. Many activities are preceded by ESG risk management, which helps to identify and address potential opportunities and risks.

The three big topics covered in this section of the report are:

- ESG risk management
- Sustainability in the supply chain
- Compliance & anti-corruption



**Dr Martin Füllenbach**  
CEO



*Good leadership involves many important aspects. It requires a strong will, as well as a clear vision of where the journey should lead. For almost 200 years, the Semperit brand has stood for know-how and competence in rubber processing. The trust of our customers and partners underpins this, but it is by no means a matter of course. That is why we work hard to continuously develop and improve our processes.*



# ESG risk management

Integrated risk management must identify, evaluate and manage internal and external trends and effects in the field of ESG (Environment, Social and Governance). The issues addressed here go beyond the classic corporate areas and focus on the ecological and social aspects of the company. This development is driven on the one hand by climate change and its consequences, and on the other hand by the increasing demand for transparency in supply chains.

In order to address current and future issues, Semperit conducts an annual ESG Risk & Opportunity Assessment. In a comprehensive process that is temporarily independent of the classic risk process, the main risks are developed and evaluated together with the Group Risk Management. In addition to potential risks, opportunities and the corresponding measures to mitigate risk and utilise opportunities are discussed and recorded.

Risk assessment also serves to make a statement about the extent to which the business activities of the Semperit Group have an impact on the external "concerns" (environment, so-

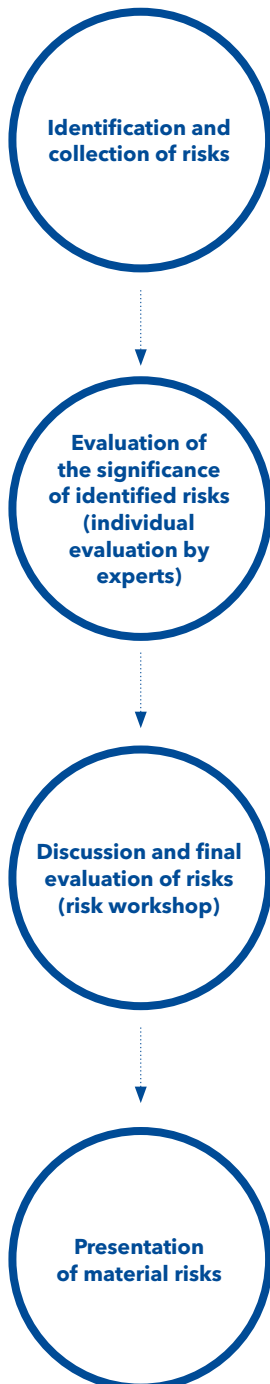
cial affairs, employees, respect for human rights and the fight against corruption) in accordance with the Sustainability and Diversity Improvement Act (NaDiVeG) and, conversely, how the external "concerns" affect Semperit's business activities. The effects assessed in this way describe "double materiality" and thus the interactions that arise between the company and the external world in the areas of environment, social affairs and corporate governance. All activities and trends that occur along the entire value chain of the company, from the supply chain and production to waste disposal and recycling, are taken into account.



## Climate-relevant risks

Climate-relevant risks in this context are, on the one hand, physical risks triggered by chronic or acute impacts of climate change and, on the other hand, risks resulting from the transition to a low-carbon, climate-resilient economy (transition risks)\*.

\* This definition is in line with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures).



Potential risks in the fields of environment, social affairs and corporate governance were collected by means of interviews with internal experts from key areas of the company, such as human resources, health and safety, production and innovation, and with the involvement of the various locations. In addition to the internally collected risks, external trends such as the effects of climate change were also included in the analysis. These were evaluated based on the existing Group-wide risk catalogue, and the previous year's results were adapted. The allocation of risks by category corresponds to the structure of the already established internal Group-wide risk management.

The identified risks were evaluated individually by various experts. In addition to evaluating the risks from the experts' point of view, potential opportunities and countermeasures were also collected. The evaluation system used for this purpose was selected on the basis of the internal risk management system and expanded according to internal and legal specifications. Two time horizons – a short-term one until 2023 and a long-term one until 2030 – were chosen for the survey of the respective impact and the probability of occurrence of each risk. This method demonstrates how the risk will change – without the corresponding countermeasures. Thus, a trend becomes apparent.

The results of the individual risk assessments were compiled and processed by the Group-wide risk management and the sustainability department. Material risks are defined as those risks whose impact and probability of occurrence exceed a predefined limit according to the criteria of the Group-wide risk management. The results were discussed in a joint risk workshop, and the significant risks were jointly evaluated. Thus, a trend becomes apparent.

Subsequently, the main ESG risks and opportunities were presented to the Executive Board and the Sustainability Council and approved.

The following table lists the key ESG risks identified by Semperit which might have a potentially high negative impact on the concerns of the Sustainability and Diversity Improvement Act (NaDi-VeG) or on Semperit's business activities. Countermeasures and possible opportunities are also listed in the overview. For further information see risk management in the Group Management Report of Semperit on page 54ff. Other relevant risks such as accident and health risks or corruption risks are listed there. These risks are part of the Group-wide risk management system and have been assessed as having a low probability of occurrence due to the countermeasures already in place in the company.

Climate-related risks according to the understanding of the Task Force on Climate-related Disclosure (TCFD) and the requirements for reporting climate-related information are discussed in more detail in chapter "Climate-relevant information" on page 30ff.

## Major non-financial risks and opportunities

| Major risks   | Measures  | Opportunities  | Primary sphere of action        | Possible future effect        | NaDiVeG concerns                                     |
|---|---|--|---------------------------------|-------------------------------|--|
| Little consideration of sustainability aspects in corporate and innovation strategies | Linking sustainability strategy with corporate and innovation strategy  | Image enhancement, improvement of market position, responsible business partner  | All                             | ↗                             | All NaDiVeG issues                                   |
| Disregard for human rights  | Code of Conduct, People Policy, internal and external audits, increased cooperation with suppliers and customers, internal instruction and training   | Protection of human rights, image enhancement, improvement of market position, responsible business partner                          | Upstream, within the company    | →                             | Environmental and social issues, employee issues     |
| Inefficient production  | ISO 14001, ISO 9001, ISO 50001, compliance with guidelines and limits, policies, internal and external audits, promotion of efficiency and effectiveness improvement projects, promotion of closed cycles   | Efficiency enhancement, cost advantage, image enhancement, climate-resilient production, competitive advantage, industrial benchmark | Within the company              | ↗                             | Respect for human rights                             |
| Lack of attractiveness for the sustainable financial market                           | Establishment of sustainability targets, awareness raising, efficiency in production, improvement of corresponding ratings through targeted measures  | Access to ESG-linked financing, image enhancement, cost advantage  | Within the company              | ↗                             | Environmental issues                                 |
| Climate-relevant external effects (transition risks)                                  | Efficiency and effectiveness improvement projects, calculation of Corporate Carbon Footprint, energy targets, efficiency in material use, raw material selection, sustainable waste management system, ISO 14001, ISO 9001, ISO 50001, instruction and awareness training | Industry role model, efficiency enhancement, cost advantage, competitive advantage, image enhancement                                | All                             | ↗                             | Social and environmental issues, employee issues     |
| <b>Further risks</b>  | <b>Measures</b>   | <b>Opportunities</b>   | <b>Primary sphere of action</b> | <b>Possible future effect</b> | <b>NaDiVeG concerns</b>                              |
| Accident & health risks   | HSE Policy, OHSAS 18001/ISO 45001, ISO 9001, personal protective equipment, wide range of training and information, employee sensitisation  | Attractive and responsible employer, employee motivation, low turnover, image enhancement  | Within the company              | →                             | Environmental issues, employee issues, social issues |
| Corruption & non-compliance with laws   | Code of Conduct, compliance management system, capital market compliance, Compliance Board, whistle-blower platform, policies, training and instruction, value system   | Industry role model, image enhancement, first choice partner, competitive advantage  | All                             | →                             |  |

# Sustainability in the supply chain

In 2020, which was dominated by corona, it became obvious how important successful supply chain management is for companies. The focus is not only on ensuring security of supply, but also on creating long-term partnerships. In order to succeed, a good network, direct cooperation, a lot of skill and a feel for the market and thus the right selection of suppliers are needed.

## Focus topics 2020

- Introduction of online supplier self-evaluation process
- Active communication with external stakeholders on using recovered carbon black at Semperit
- Anchoring sustainability goals in the area of the purchasers' personal objectives

## Outlook 2021

- Continuation of the self-evaluation process for suppliers
- Analysis of all self-evaluations and implementation of resulting development measures for suppliers
- Realisation of supplier audits (provided the COVID situation allows it)
- Participation in the "Together for Sustainability" programme of the chemical industry

## Perspective 2021

- 50% of all suppliers (>EUR 500,000 p.a. purchasing volume) have completed their self-evaluation.
- Development and introduction of a self-evaluation tool (data base) for suppliers
- Increased supplier cooperation in order to promote developments in the interest of sustainability

Successful supply chain management in the sense of a sustainable and resilient economy involves not only creating long-term partnerships, but is also based on adhering to ethical, ecological and social principles when selecting suppliers. These standards are laid down in the Group-wide Code of Conduct and in the Supplier Policy of the Semperit Group and are publicly available on the website ([www.semperitgroup.com/en/sustainability/sustainability-policies/](http://www.semperitgroup.com/en/sustainability/sustainability-policies/) and [www.semperitgroup.com/fileadmin/img/holding/pdf\\_dateien/Compliance/2021-02-05\\_Code\\_of\\_Conduct\\_EN.pdf](http://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/2021-02-05_Code_of_Conduct_EN.pdf)).

Semperit can report that the targets under "Perspective 2021" were already achieved in 2020:

## SUSTAINABILITY IN THE SUPPLY CHAIN

50% of all suppliers (>EUR 500,000 p.a. purchasing volume) have completed their self-evaluation.

Development and introduction of a self-evaluation tool (data base) for suppliers

Increased supplier cooperation in order to promote developments in the interest of sustainability

## Corona & resilient supply chains

Thanks to close cooperation with existing suppliers and the excellent know-how of purchasers, the supplier network of the Semperit Group has been largely stable for years and is subject to only minor fluctuations. Despite difficulties such as the lack of opportunities for direct meetings between purchasers and suppliers, worldwide production stops as well as the increasing demand for various raw materials and the resulting high market prices due to the pandemic in 2020, there were no strategic failures or supply bottlenecks at any time. This circumstance made almost continuous production at all locations possible and shows the importance of a resilient supply chain.

### Supply chain management

Purchasing is the responsibility of the Chief Technical Officer and is led by the Group Head of Procurement & Logistics. The team comprises 30 employees who work worldwide. The dispatchers for the compound raw materials report to the central Supply Chain Management. The individual sites are responsible for further local purchasing and storage management but are centrally consolidated. The lead buyers assigned to the headquarters are divided into four thematic groups:

|                             |  |
|-----------------------------|--|
| <b>Raw materials</b>        | Rubber, latex, chemicals, steel, textiles and packages |
| <b>Investment goods</b>     | Machines and vehicles                                  |
| <b>Logistics</b>            | Inbound & outbound, logistics, storage                 |
| <b>Indirect procurement</b> | Office supplies and services                           |
| <b>Energy</b>               | Gas, electricity and steam                             |

The increased sustainability awareness of the purchasing department is reflected not only in the diverse commitment for supplier evaluation and participation, but also in the anchoring of sustainability-specific objectives within the framework of personal goals. In this context, the lead buyers committed themselves to driving developments in the field of sustainable raw materials (focus on recycled and renewable materials) and to developing and advancing possible starting points in 2020.

Due to the high share of material costs in the total price of the product, the strategic orientation and central control of purchasing are paramount. The focus is therefore on the product categories raw materials, packaging materials and trade items, when it comes to the description of the supply chain.

### Number of suppliers

(raw materials, packaging materials & trade items with a purchasing volume > 50,000 EUR p.a.)

| Region                            | 2020 | 2019 | 2018 |
|-----------------------------------|------|------|------|
| Europe                            | 166  | 173  | 188  |
| Asia                              | 112  | 116  | 106  |
| America (incl. rest of the world) | 1    | 1    | 0    |

### Monetary value of expenses made to suppliers

(EUR thousand)

| 2020    | 2019    | 2018*   |
|---------|---------|---------|
| 431,401 | 465,653 | 524,998 |



**Christoph Buchta**  
Group Head of  
Procurement & Logistics



*Purchasing tries to create competitive advantages for Semperit. In the COVID-19 crisis, we managed very well - not least through cooperation with reliable suppliers with whom we share, develop and continuously improve values and behaviours.*

## Chemicals in purchasing

A wide range of chemicals are needed for producing rubber products. When dealing with these chemicals, various requirements must be observed, from transport and storage to processing. Semperit complies with all legal requirements with regard to the avoidance and substitution of hazardous substances at European, national and regional levels. Compliance with the REACH directive, for example, is continuously monitored.

### Supplier evaluation

A systematic process for selecting and evaluating suppliers as well as a close cooperation with suppliers ensure compliance with the standards defined by Semperit. The guidelines and standards regarding social, ethical and ecological criteria are described in the Group-wide Supplier Policy and follow international guidelines such as the principles of the UN Global Compact, the International Chamber of Commerce (ICC) Charter for Long-term Sustainable Development and the relevant Conventions of the United Nations International Labor Organization (ILO).

Semperit expects its suppliers to comply with these standards and encourages them to take this responsibility into their respective supply chains. To ensure this, new suppliers are subjected to a so-called business partner check (see page 82) by the compliance department in order to identify any risks in advance. In addition, suppliers with a purchasing volume of more than EUR 100,000 were sent the Supplier Guidelines with the request to acknowledge them. In 2020, more than 600 suppliers were contacted in this context.

In addition to the transmission of the relevant documents, the evaluation of suppliers with a purchasing volume of more than EUR 500,000 p.a. is carried out automatically using a self-evaluation tool created specifically for this purpose. This supplier tool was successfully designed and programmed in 2019 and rolled out in 2020. Via the online platform, the suppliers are asked to submit a self-disclosure. Each supplier receives the same questionnaire and is rated according to the results. In the year under review, almost 90% of the relevant suppliers from the Industrial Sector were contacted and more than 50% of the responses have already been evaluated. Due to the pandemic, however, no further steps have been taken to date. This is planned for 2021. In addition to key corporate figures, the self-disclosure includes information on environmental performance such as an ISO 14001 certification or compliance with human rights and social standards as well as working conditions with a focus on health and safety.

In addition to the self-developed supplier evaluation tool and in order to further promote developments in the supply chain, Semperit has decided to join the TfS - Together for Sustainability network. TfS is an association of the chemical industry that serves to jointly promote sustainable developments in the supply chain. TfS follows the principles of UN Global Compact and Responsible Care and seeks to continuously improve the ecological, social and ethical orientation of suppliers. In order to proceed in the most structured and efficient way possible, TfS cooperates closely with the supplier assessment platform EcoVadis and has also developed its own audit standard with a special focus on suppliers in the chemical industry. All results, activities and developments are shared within the network with the aim of creating transparency, using synergies and promoting sustainability at all levels.



## Awareness raising & training

In 2020, no significant changes in the supplier landscape of the Semperit Group are reported. Four new strategic suppliers were added, which were audited for their environmental and social performance with the help of self-assessment questionnaires. Due to COVID-19, it was not possible for Semperit to conduct on-site audits. In order to enable the lead buyers to conduct their own supplier audits in the future, an audit form for purchasers was developed in 2020, which contains information on the individual topics in addition to relevant questions and an evaluation system. This information is intended to provide purchasers with the necessary basic knowledge to be able to ask the right questions in the audit in order to subsequently uncover possible weak points in the areas of human rights, working conditions, the environment and compliance. However, due to the effects of the pandemic and the associated strict requirements on the part of the Semperit Group and its suppliers, it was not yet possible to conduct any audits in 2020. This is planned for 2021, provided the situation allows it again.

### Percentage of suppliers that were screened using social, ecological and ethical criteria

(with a purchasing volume of > EUR 500,000 p.a.)

|  | 2020 | 2019             | 2018 |
|--|------|------------------|------|
| Percentage of new suppliers that were screened using social, ecological and ethical criteria | 100% | No new suppliers | 100% |

In addition to evaluating suppliers, it is important to strengthen cooperation with them. Environmental or social goals can only be achieved using a direct approach and the opportunity to develop in partnerships. In order to prepare the lead buyers for this objective accordingly, it is necessary to build up the corresponding know-how. In 2020, Semperit began developing special training for sustainability topics along the supply chain. The training content is selected in cooperation between the compliance and Group brand management departments. Since the planned training will cover a variety of aspects such as human rights, but also environmental and compliance issues, it is planned to make this training available to all employees of the Semperit Group in 2021 rather than limiting it to purchasers. In addition, consideration is being given to making the content of the training available to suppliers in order to also train them in these topics. This is also to be tackled in 2021.

In addition to knowledge transfer, the Group-wide purchasing team increasingly focused on international benchmarks and participated intensively again in the activities of the German Rubber Manufacturers Association (WDK - [www.wdk.de](http://www.wdk.de)) in 2020. Semperit participates in the WDK's materials management group and was a presenter at the international "Recycled Carbon Black CB Conference". Semperit also participates in the activities of the International Rubber Study Group, Singapore ([www.rubberstudy.com](http://www.rubberstudy.com)). It is also important to work more closely with suppliers in the field of secondary raw materials in order to jointly promote developments from the very beginning.

### Partnerships for the goals



SDG 17 addresses, among other things, the implementation of partnerships to share experiences and jointly advance sustainable development. This is precisely what Semperit wants to achieve by participating in TfS (Together for Sustainability) - namely learning from each other. In addition, more can be achieved together, especially when it comes to the sustainable development of supply chains. It is important to work together with all stakeholders involved in the best possible way.

# Compliance & anti-corruption

In an internationally operating company, the establishment and anchoring of rules of conduct are of great importance. The prevention of corruption and bribery, compliance with competition law and legal compliance are top priorities. Being successful in this area requires not only the appropriate tools, but also low-threshold access to them, as well as a broad range of offers for knowledge transfer.

## Focus topics 2020

- Conducting the "Speak-Up" focal campaign
- Implementation and realisation of Group-wide expert trainings (e-learning)
- Implementation of Group-wide business partner checks to minimise risks
- Translation of company values with respect to compliance
- Revision and publication of the corporate Code of Conduct

## Outlook 2021

- Further development of the training offers
- Group-wide training on the contents of the Code of Conduct
- Employees acknowledging the Code of Conduct in writing
- Implementation of business partner checks in all sales structures

The basis of every company is its corporate values, which are reflected in its corporate culture. The values of the Semperit Group were revised in 2020 and will gradually become part of the company as Semperit employees live them in their daily actions and set a good example. The corporate values (see also page 63) are based on the following principles: We trust, we create, we own, and we deliver.

In order to enable knowledge, concrete instructions for action and mechanisms as well as personal communication in addition to the values, numerous other activities in the area of corporate ethics must be carried out. Various tools are used, which deal with the most diverse compliance topics. Three main approaches are pursued:





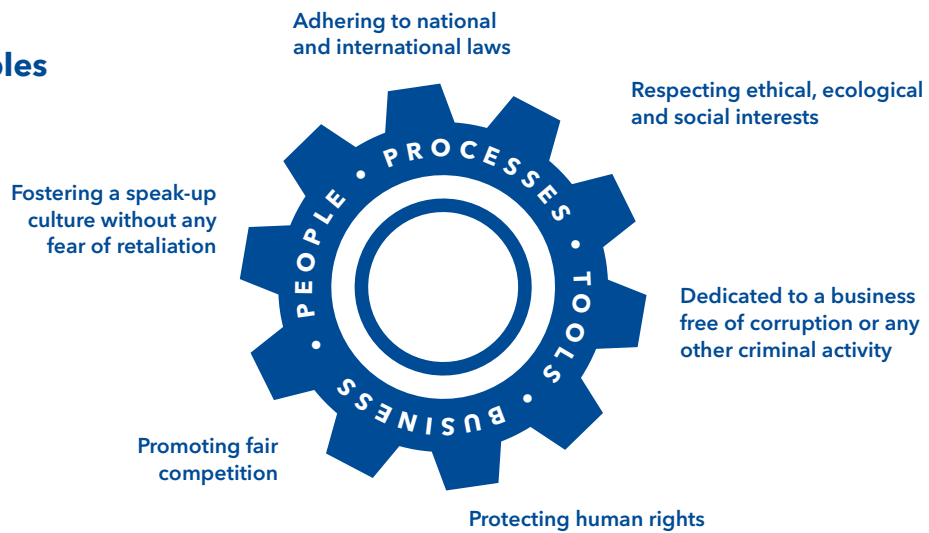


In 2020, the compliance department conducted a thematic gap analysis to ensure that all compliance-relevant topics are adequately covered. Based on this survey, topics were defined that should be emphasised more strongly in the future, such as conflicts of interest, fraud and misconduct such as harassment or bullying. Many of the analysed topics are cross-cutting issues, which were discussed with the relevant departments and for which corresponding further activities and measures were developed. In addition to identifying

potential weaknesses, the process also served to develop a common definition of generally applicable and Group-wide compliance principles.

The highest authority in the field of compliance and anti-corruption is the CEO of the Semperit Group, to whom the Group Compliance Officer and the Compliance Board report. At the local level, there are additional experts who act as contact persons.

### The 6 Group-wide Compliance Principles



In order to address issues with regard to compliance & anti-corruption in a structured manner, Semperit relies on a comprehensive Group-wide compliance management system, which covers all employees. The most important measures of the Semperit Group with regard to compliance include, among other things:

### Business partner checks

The checks serve to verify business partners and are obligatory for risk countries. Otherwise checks are carried out as required. This applies to new customers as well as to new suppliers and serves to uncover risks in advance of a cooperation and to take appropriate measures if necessary. This can lead to the termination of the business relationship.

In the reporting year, work was done to decentralise these checks and extend them to the responsible departments such as the purchasing and customer service departments. The objective is to help to avoid possible resource bottlenecks and at the same time guarantee a comprehensive review. If critical issues arise in the course of the reviews, they must be forwarded to the central compliance department for clarification. This process will be further expanded in 2021.

### Needs-based risk surveys as part of the due diligence process

Evaluation of legal and reputational risks related to projects or events by the department of Corporate Center Risk Management & Assurance. In 2020, 13 (approx. 20% of the Semperit locations) companies were checked for corruption risks. The risk workshops were conducted online due to the pandemic situation this year. In 2020, one potential material risk was reported, which relates to ongoing corruption and antitrust proceedings against a subsidiary.

### Training for employees

Depending on position and subject area of the employees concerned, compliance training courses are assigned individually, and their contents are adapted. Basic compliance training is mandatory for all employees and is automatically assigned to them via Semperit's own training platform at the beginning of their employment. The contents must be completed within a certain period of time. The training pro-

gramme focuses on the following subjects: anti-corruption & bribery, anti-trust law, money laundering and fraud, export controls, confidential information and data protection, insider rules and protection of corporate assets.

The intensification and expansion of online compliance training was launched in 2019 and rolled out in 2020. The training offer will be continuously expanded in terms of topics, but also in terms of available languages.

In addition to the online training courses, Semperit counts on "classroom training". On the one hand, they serve employees whose languages are not yet included in the online catalogue, and on the other hand, they are intended to increasingly address employees who do not have access to the Group-wide e-learning platform. These training courses are held by the local compliance officers and can be arranged individually. In contrast to online training, classroom training offers space for mutual exchange and questions, and makes learning together possible.

### Number of employees trained in 2020 by topic:

| Training focus                                | Number of trained employees |
|---|-----------------------------|
| Corruption & bribery                          | 581                         |
| Competition law                               | 404                         |
| Identification and prevention of fraud        | 1,279                       |
| Export control                                | 145                         |
| Arrangements between suppliers and purchasers | 148                         |
| Harassment & misconduct                       | 60                          |
| Common compliance training                    | 243                         |
| Gifts   | 510                         |
| Total number of trained employees             | 3,370                       |

### Whistle-blower hotline SemperLine

Possibility for employees and external persons to report violations and incidents anonymously. The Compliance Board must review all reports and determine appropriate measures. In 2020, the system recorded 3 reports, which were duly investigated and against which appropriate countermeasures were taken.

## Speak-Up campaign

The internal communication campaign “Speak-Up” was launched in 2019 to raise awareness of compliance and keep employees informed. The campaign was successfully rolled out across the Group in 2020. The topic of compliance was increasingly conveyed to employees, using training materials, numerous blog posts on the intranet and information events. In addition to spreading specific technical content, such as accepting gifts at Christmas time, the campaign also serves to encourage employees to contact the appropriate person in charge if necessary.

The success of the campaign is shown by the fact that seven direct reports were made to the compliance department in 2020. In this way, processes can be made more transparent, and trust in the existing structures can be strengthened. Each report is taken up by the Compliance Board, followed up, and appropriate measures – depending on the type of incident – are taken.

## Cyber security campaign

In the context of the Europe-wide General Data Protection Regulation (GDPR), the Group IT and Group compliance departments developed the “SemperCyber” campaign, which was launched in 2019, rolled out in 2020 and will last until next year. The focus is on cyber security and data protection. In addition to raising awareness, guidelines for end users on data protection and on the deletion of data, among other things, were developed. These policies were published Group-wide in 2020 as planned.

## Corporate policies

In addition to the development of appropriate corporate policies in the various areas, it is also crucial to record these policies in order to share their contents with the relevant stakeholders. The compliance department is responsible for drafting and updating these policies together with the persons responsible for the topic. In the reporting year, the supplier policy was revised, and guidelines for the correct handling of information in the area of communication and social media were created and published.

## Annual management declaration

Since 2019, the annual declaration for management members has been mandatory. It ensures that the company-wide Code of Conduct has been read, understood and acknowledged. By signing, employees confirm that all possible incidents are properly reported. In 2020, 100% of the management signed the declaration. In the coming year, this process will be gradually extended to all employees who have access to the Internet. The goal is to have all employees sign the Semperit Code of Conduct.

## Modern Slavery Act Statement

In 2019, the Semperit Group published their first Modern Slavery Statement, which covers the business year 2018 and lists strategies to prevent modern slavery as well as human trafficking in accordance with the Modern Slavery Act. This document is publicly available on the Semperit website and updated annually, including in 2020 ([www.semperitgroup.com/fileadmin/img/holding/pdf\\_dateien/Compliance/Modern\\_Slavery\\_Act\\_Statement\\_FY2019\\_01102020\\_final.pdf](http://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/Modern_Slavery_Act_Statement_FY2019_01102020_final.pdf)).

## Annual meeting of Compliance Officers

In 2020, the Group-wide meeting of all local Compliance Officers was held online due to COVID-19 measures. Ten persons took part. The annual meeting primarily serves the purpose of further training, networking and mutual exchange. In the reporting year, the joint work focused on the following issues: overview of annual activities, feedback session and relevant topics for the future.

### Peace, justice and strong institutions



One of the targets of SDG 16 is to end corruption and bribery in all its forms. A comprehensive compliance system based on the company's value system aims to ensure that there is no room for corruption or bribery. In this context, it is just as crucial to train and inform employees accordingly as it is to promote a culture of trust and open dialogue.

## Compliance in the Semperit Group

| Topic area                     | Status 2020                             | Measures & tools  |
|--------------------------------|---|---|
| Anti-corruption & bribery      | <b>No confirmed violations</b>          | Code of Conduct, online training and individual training according to position and field of work, SemperLine, Supplier Policy |
| Anti-trust compliance          | <b>1 current violation<sup>1)</sup></b> | Expansion of the Compliance Management System, implementation of a Compliance Board, business partner checks, risk assessment |
| Human rights                   | <b>No confirmed violations</b>          | SemperLine, Code of Conduct, People Policy, Supplier Policy   |
| Discrimination                 | <b>No confirmed violations</b>          | SemperLine, Code of Conduct   |
| Anti-competitive behaviour     | <b>No confirmed violations</b>          | SemperLine, Code of Conduct, online training  |
| Socioeconomic compliance       | <b>No confirmed violations</b>          | People Policy, Code of Conduct, SemperLine, BSCI audits   |
| Environmental compliance       | <b>No confirmed violations</b>          | Compliance with national limits and restrictions, Environmental Policy  |
| Compliance in the supply chain | <b>No confirmed violations</b>          | Supplier Policy, supplier evaluation, Code of Conduct   |
| Data protection                | <b>No violations</b>                    | Process development, expansion of IT systems  |
| Compliance cases               | <b>10 compliance cases<sup>2)</sup></b> | SemperLine, Compliance Board, increased communication measures  |

1) One Group company is involved in a competition law case. The process is currently in a state where the outcome cannot be estimated with sufficient probability. The procedure is handled in coordination with local specialists before the authority. The subsidiary cooperates with the competent authorities and assures its full support. The management of the Group assumes that this process will not result in any significant impairment of the Group's asset, financial and earnings situation. For the expected costs and the corresponding risk, provisions for the most probable amount in accordance with IAS 37 was appropriately provided for in compliance with the assessment of the Semperit Group. Any need for adjustment is reassessed periodically.

2) The increase in reports compared to the previous year is attributed to the success of the Group-wide compliance campaign. Confidence in the existing structures was strengthened. Some of the reports were received via the whistle-blower hotline, and others were sent directly to the compliance department. However, it is important to note that the number of reports does not say anything about their content or impact. Each report is taken up by the Compliance Board, followed up and appropriate measures are taken, depending on the nature of the incident.



**Ioana Laes**  
Compliance Expert



*Compliance affects everyone. We, as employees of the Semperit Group, provide the most important foundation for this. In our pursuit of quality, we pay attention not only to legal requirements, but also to the adherence to our values and our compliance principles. In this way, we increase trust both within the Semperit Group and among our business partners.*

# APPENDIX



**86** GRI Content Index

**91** About this report

**94** Contact

**95** Disclaimer

# GRI Content Index

| GRI Standard                             | GRI specification  | UNGC   | Page      | Omissions and comments   |
|--|--|--|-----------|--|
| <b>101: Foundation 2016</b>              |  |  |           |  |
| <b>102: General Disclosures 2016</b>     |  |  |           |  |
| <b>Organization profile</b>              |  |  |           |  |
| <b>GRI 102: General Disclosures 2016</b> | 102-1: Name of the Organization                                      |  | 1,8       |  |
|  | 102-2: Activities, brands, products and services                     | Principle 01, Principle 02, Principle 04, Principle 05, Principle 06, Principle 07                             | 8         |  |
|  | 102-3: Location of headquarters                                      |  | 8         |  |
|  | 102-4: Location of operations  |  | 8         |  |
|  | 102-5: Ownership and legal form                                      |  | 8         |  |
|  | 102-6: Markets served  |  | 9-10      |  |
|  | 102-7: Scale of organization   |  | 9, 12     | Due to the variety of products, products sold are reported as a share of revenue in the segments.                                      |
|  | 102-8: Information on employees and other workers                    | Principle 06   | 65-66     | The key figures include all employees of the fully consolidated companies of the Semperit Group.                                       |
|  | 102-9: Supply chain  | Principle 02, Principle 04, Principle 05, Principle 09   | 13        |  |
|  | 102-10: Significant changes to the organization and its supply chain |  | 8         |  |
|  | 102-11: Precautionary Principle or approach                          | Principle 01, Principle 02, Principle 03 Principle 06, Principle 07  | 68        | We follow the precautionary principle based on the Group-wide application and further development of the integrated management system. |
|  | 102-12: External initiatives   | Principle 01, Principle 02, Principle 08, Principle 09   | 18        |  |
|  | 102-13: Membership of associations                                   | Principle 01, Principle 02, Principle 08, Principle 09   | 26        |  |
| <b>Strategy</b>                          |  |  |           |  |
| <b>GRI 102: General Disclosures 2016</b> | 102-14: Statement of senior decision-makers                          |  | 8         |  |
|  | 102-15: Key impacts, risks, and opportunities                        | Principle 01, Principle 02, Principle 07   | 31, 73-75 |  |
| <b>Ethics and integrity</b>              |  |  |           |  |
| <b>GRI 102: General Disclosures 2016</b> | 102-16: Values, principles, standards and norms of behavior          | Principle 01, Principle 02, Principle 03, Principle 04, Principle 05, Principle 06, Principle 07, Principle 10 | 62        |  |
| <b>Governance</b>                        |  |  |           |  |
| <b>GRI 102: General Disclosures 2016</b> | 102-18: Governance structure   |  | 8, 21     |  |



| GRI Standard                             | GRI specification  | UNGC         | Page      | Omissions and comments   |
|--|--|--------------|-----------|--|
| <b>Stakeholder engagement</b>            |  |              |           |  |
| <b>GRI 102: General Disclosures 2016</b> | 102-40: List of stakeholder groups                                 |              | 18        |  |
|  | 102-41: Collective bargaining agreements                           | Principle 03 | 69        |  |
|  | 102-42: Identifying and selecting stakeholders                     |              | 17        |  |
|  | 102-43: Approach to stakeholder engagement                         |              | 14, 18    |  |
|  | 102-44: Key topics and concerns raised                             |              | 18        |  |
| <b>Reporting procedure</b>               |  |              |           |  |
| <b>GRI 102: General Disclosures 2016</b> | 102-45: Entities included in the consolidated financial statements |              | 91-93     | A complete list of subsidiaries in the scope of consolidation, which are thus part of the consolidated financial statements, is included in the annual report 2019 of Semperit Group.  |
|  | 102-46: Defining report content and topic boundaries               |              | 14, 91-93 |  |
|  | 102-47: List of material topics                                    |              | 17        |  |
|  | 102-48: Restatements of information                                |              | 92        |  |
|  | 102-49: Changes in reporting                                       |              | 91        |  |
|  | 102-50: Reporting period   |              | 91        |  |
|  | 102-51: Date of most recent report                                 |              | 87        | The Sustainability Report of 2019 is available at <a href="http://www.semperitgroup.com/f-books/Semperit-Nachhaltigkeitsbericht-2019-EN/index.html">www.semperitgroup.com/f-books/Semperit-Nachhaltigkeitsbericht-2019-EN/index.html</a> . |
|  | 102-52: Reporting cycle  |              | 87        | Semperit reports annually on non-financial information in a sustainability report.   |
|  | 102-53: Contact point for questions regarding the report           |              | 93        |  |
|  | 102-54: Claims of reporting in accordance with the GRI Standards   |              | 91        |  |
|  | 102-55: GRI content index  |              | 86-90     |  |
|  | 102-56: External assurance   |              | 91, 97    |  |

| GRI Standard                             | GRI specification   | UNGC | Page          | Omissions and comments |
|--|---|------|---------------|------------------------|
| <b>Material topic</b>                    |   |      |               |                        |
| <b>GRI 300: Environment</b>              |   |      |               |                        |
| <b>Material use</b>                      |   |      |               | <b>Material topic</b>  |
| <b>GRI 103: Management Approach 2016</b> | 103-1: Explanation of the material topic and its Boundary |      | 17, 22, 42-44 |                        |
|  | 103-2: The management approach and its components         |      | 42-44         |                        |
|  | 103-3: Evaluation of the management approach              |      | 42-44         |                        |

| GRI Standard                             | GRI specification  | UNGC                                     | Page          | Omissions and comments   |
|--|--|--|---------------|--|
| <b>GRI 301: Materials 2016</b>           | 301-1: Materials used by weight or volume  | Principle 07, Principle 08, Principle 09 | 42            | Semperit limits itself to the presentation of the materials used for product manufacturing, which are raw materials and chemicals for rubber compounds as well as reinforcing materials for the products. The proportion of process and packaging materials is significantly lower than the material input of the above-mentioned materials and is therefore not reported. |
| <b>Raw materials</b>                     |  |  |               | <b>Material topic</b>  |
| <b>GRI 103: Management Approach 2016</b> | 103-1: Explanation of the material topic and its Boundary  |  | 17, 22, 42-44 |  |
|  | 103-2: The management approach and its components  |  | 42-44         |  |
|  | 103-3: Evaluation of the management approach   |  | 42-44         |  |
| <b>GRI 301: Materials 2016</b>           | 301-1: Materials used by weight or volume  | Principle 07, Principle 08, Principle 09 | 43            |  |
| <b>Innovations</b>                       | Semperit KPIs:<br>- R&D employees,<br>- R&D expenses,<br>- proportion of recycled materials per year |  | 44            | The selected innovation indicators were already presented in the previous years' reports. In order to achieve stringency, but also reflect the efforts in the field of raw material selection and innovation, they will also be listed in 2020.  |
| <b>Energy</b>                            |  |  |               | <b>Material topic</b>  |
| <b>GRI 103: Management Approach 2016</b> | 103-1: Explanation of the material topic and its Boundary  |  | 17, 22, 36-37 |  |
|  | 103-2: The management approach and its components  |  | 36-37         |  |
|  | 103-3: Evaluation of the management approach   |  | 36-37         |  |
| <b>GRI 302: Energy 2016</b>              | 301-2: Recycled input materials used   | Principle 07, Principle 08, Principle 09 | 36-37         | Only the energy consumption and sales that apply to Semperit are listed. Semperit does not purchase any renewable fuels or cooling energy. In addition, the Semperit Group does not sell any energy, steam or cooling energy.  |
| <b>Greenhouse gas emissionen</b>         |  |  |               | <b>Material topic</b>  |
| <b>GRI 103: Management Approach 2016</b> | 103-1: Explanation of the material topic and its Boundary  |  | 17, 24, 39-41 |  |
|  | 103-2: The management approach and its components  |  | 39-41         |  |
|  | 103-3: Evaluation of the management approach   |  | 39-41         |  |
| <b>GRI 305: Emissions 2016</b>           | 305-1: Direct (Scope 1) GHG emissions  | Principle 07, Principle 08, Principle 09 | 41            | Semperit does not cause any biogenic GHG emissions in Scope 1.   |
|  | 305-2: Energy indirect (Scope 2) GHG emissions   | Principle 07, Principle 08, Principle 09 | 41            |  |
| <b>GRI 400: Social</b>                   |  |  |               | <b>Material topic</b>  |
| <b>Health &amp; safety</b>               |  |  |               |  |
| <b>GRI 103: Management Approach 2016</b> | 103-1: Explanation of the material topic and its Boundary  |  | 17, 22, 56-58 | For further information also see: <a href="http://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Q_SHE_policy/2019/Poster_QSHE_A1_EN_2019_final.pdf">www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Q_SHE_policy/2019/Poster_QSHE_A1_EN_2019_final.pdf</a>   |
|  | 103-2: The management approach and its components  |  | 56-58         |  |





| GRI Standard   | GRI specification   | UNGC   | Page          | Omissions and comments  |
|--|---|--|---------------|---|
|  | 103-3: Evaluation of the management approach  |  | 56-58         |   |
| <b>GRI 403: Occupational health and safety 2018</b>  | 403-1 Occupational health and safety management system  |  | 57-58         |   |
|  | 403-2 Hazard identification, risk assessment, and incident investigation  |  | 57            |   |
|  | 403-3 Occupational health services  |  | 57            |   |
|  | 403-4 Worker participation, consultation, and communication on occupational health and safety                       |  | 56-61         |   |
|  | 403-5 Worker training on occupational health and safety   |  | 60            |   |
|  | 403-6 Promotion of worker health  |  | 58, 61        |   |
|  | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships |  | 57            | For further information also see:<br><a href="http://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Supplier_Policy.pdf">www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Supplier_Policy.pdf</a><br><a href="http://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Q_SHE_policy/2019/Poster_QSHE_A1_DE_2019_final.pdf">www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Q_SHE_policy/2019/Poster_QSHE_A1_DE_2019_final.pdf</a>   |
|  | 403-9 Work-related injuries   |  | 59, 60        |   |
| <b>Diversity &amp; Inclusion</b>                     |   |  |               | <b>Material topic</b>   |
| <b>GRI 103: Management Approach 2016</b>             | 103-1: Explanation of the material topic and its Boundary   |  | 17, 24, 62-64 | For further information also see:<br><a href="http://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/people_policy/People_Policy_1801217_DE.PDF">www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/people_policy/People_Policy_1801217_DE.PDF</a><br><a href="http://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/CodeConduct_EN_Screen_171205.pdf">www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/CodeConduct_EN_Screen_171205.pdf</a><br><a href="http://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/ModernSlaveryStatement_FY_2018.pdf">www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/ModernSlaveryStatement_FY_2018.pdf</a> |
|  | 103-2: The management approach and its components   |  | 62-64         |   |
|  | 103-3: Evaluation of the management approach  |  | 62-64         |   |
| <b>GRI 401: Employment 2016</b>                      | 401-1: New employee hires and employee turnover   | Principle 06   | 65-66         |   |
| <b>GRI 405: Diversity and equal opportunity 2016</b> | 405-1: Diversity of governance bodies and employees   | Principle 06   | 66            |   |
| <b>Human rights &amp; social standards</b>           |   |  |               | <b>Material topic</b>   |
| <b>GRI 103: Management Approach 2016</b>             | 103-1: Explanation of the material topic and its Boundary   |  | 17, 24, 67-70 |   |
|  | 103-2: The management approach and its components   |  | 67-70         |   |
|  | 103-3: Evaluation of the management approach  |  | 67-70         |   |
| <b>GRI 412: Human Rights Assessment 2016</b>         | 412-1: Operations that have been subject to human rights reviews or impact assessments                              | Principle 01, Principle 02, Principle 03, Principle 04, Principle 05 | 67            |   |



| GRI Standard                                      | GRI specification  | UNGC   | Page          | Omissions and comments   |
|---|--|--|---------------|--|
| <b>Compliance &amp; anti-corruption</b>           |  |  |               | <b>Material topic</b>  |
| <b>GRI 103: Management Approach 2016</b>          | 103-1: Explanation of the material topic and its Boundary                              |  | 17, 24, 80-83 |  |
|   | 103-2: The management approach and its components                                      |  | 80-83         |  |
|   | 103-3: Evaluation of the management approach   |  | 80-83         |  |
| <b>GRI 205: Anti-corruption 2016</b>              | 205-3: Confirmed incidents of corruption and actions taken                             | Principle 10   | 84            |  |
| <b>GRI 206: Anti-competitive Behavior 2016</b>    | 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices |  | 84            |  |
| <b>GRI 307: Environmental Compliance 2016</b>     | 307-1: Non-compliance with environmental laws and regulations                          | Principle 07, Principle 08   | 84            |  |
| <b>GRI 406: Non-discrimination 2016</b>           | 406-1: Incidents of discrimination and corrective actions taken                        | Principle 06   | 84            |  |
| <b>GRI 419: Socioeconomic Compliance 2016</b>     | 419-1: Non-compliance with laws and regulations in the social and economic area        | Principle 01, Principle 03   | 84            |  |
| <b>Sustainability in the supply chain</b>         |  |  |               | <b>Material topic</b>  |
| <b>GRI 103: Management Approach 2016</b>          | 103-1: Explanation of the material topic and its Boundary                              |  | 17, 24, 76-79 |  |
|   | 103-2: The management approach and its components                                      |  | 76-79         | For further information also see: <a href="http://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Supplier_Policy.pdf">www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Supplier_Policy.pdf</a> |
|   | 103-3: Evaluation of the management approach   |  | 76-79         |  |
| <b>GRI 308: Supplier Environmental Assessment</b> | 308-1: New suppliers that were screened using environmental criteria                   | Principle 07, Principle 08, Principle 09                             | 79            |  |
| <b>GRI 414: Supplier Social Assessment</b>        | 414-1: New suppliers that were screened using social criteria                          | Principle 01, Principle 02, Principle 03, Principle 04, Principle 05 | 78            |  |
| <b>Other topics</b>                               |  |  |               |  |
| <b>Water</b>                                      |  |  |               |  |
| <b>GRI 303: Water and effluents 2018</b>          | 303-3: Water withdrawal  |  | 50            |  |

## About this report

This non-financial report is the summarised consolidated report of the Semperit Group pursuant to Section 267a UGB and covers the financial year 2020, which corresponds to the calendar year 2020.

Beyond the legal requirements, the report contains further information on the sustainability activities of the Semperit Group and is published annually. The content of this report reflects the relevant and important topics of the Semperit Group with regard to a sustainable development. There was a change in the list of key topics in 2020, which is based on the update of the materiality analysis. For details on the changes and an overview of the topics see page 16. The selection of topics is based on the principles of stakeholder involvement, materiality, sustainability context, completeness as well as topicality and comparability. The statements made and the information on economic contexts generally relate to the consolidation range of the Annual Report 2020. Any deviations from the consolidation range are described on the following page or in the individual chapters. There were no changes in size or ownership during the reporting period. A fifth segment, "Semperseal", was introduced at the end of 2020. This does not affect the topics and key figures listed in the present Sustainability Report. The quantitative targets within the framework of the perspective 2021 were assigned to the new material topics.

The report was prepared in accordance with the GRI Standards: Core option. The report uses the GRI Standards of 2016 and the Standards of 2018 for the topics "water & effluents" (GRI 303) as well as "occupational health and safety" (GRI 403).

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. subjected part of this non-financial report to a review by an independent third party. The review was planned and performed in accordance with the "International Federation of Accountants' ISAE 3000 (Revised)". The assessment was made with limited certainty. The Executive Board instructed the responsible employees of the respective departments to make the documents and information necessary for the review available in a complete and correct form.

The report lists risks in line with the requirements of the Sustainability and Diversity Improvement Act. A comprehensive risk report can be found in the Group Management Report of the Semperit Group for 2020 (see page 73ff).

## Database

The report covers primarily data from 2020. Where possible, the report also includes data in the form of time series over two or three years to increase understanding and comparability. Compared to last year's Sustainability Report, the depth of key non-financial figures was improved, the data collection process was optimised, and the consolidation framework was aligned where possible. In this context, primarily the key figures in the area of employees were adapted.

- Economic data is based on the information given for Semperit's Annual Report 2020.
- Data on employees is primarily based on the personnel data system "SuccessFactors"; additional data is collected manually. Due to a standardisation of definitions and recording methods, which was completed in 2019, a consolidated presentation of all data is only possible as of 2019. In the course of the continued improvement of data management, there have been slight adjustments in the key figures of 2019 compared to the previous year.
- Collection of data on resource management and environmental protection: The data for resource management and environmental protection follows the principle of materiality and refers to the 14 production sites. Pure sales locations are not taken into account. The Allershausen site in Germany was not considered a production site due to its small size and the processes carried out there. However, due to different definitions and collecting methods, a consistent consolidation of data is only possible as of 2019. In the course of more in-depth data management, there have been slight adjustments of figures with regard to water and waste compared to the previous year's report.
- Data on greenhouse gas emissions have been determined for direct and indirect greenhouse gas emissions (Scope 1 and Scope 2) since the reporting year 2017. The scope 3 emissions presented since this report only include the indirect shares of energy use (natural gas, heating oil, etc.), logistics services and business travels. The calculation is based on the Greenhouse Gas Protocol Corporate Standard and includes the presentation of Scope 1 emissions (direct emissions) and Scope 2 emissions (indirect emissions) due to energy purchases as well as Scope 3 emissions. The CO<sub>2</sub>eq conversion factors for the direct emission sources (natural gas, liquid gas, heating oil and the fuels diesel and petrol) and their indirect share (Scope 3) are taken from the database of the Austrian Federal Environment Agency (as of January 2020) and are applied universally for all countries considered. For purchased electricity, location-based emission factors of the International Energy Agency (IEA, 2019) as well as provider-specific factors that were asked directly by the respective providers (=market-based) were applied. For purchased heating and steam energy, emission factors of the Ecoinvent 3.6 database were used. Furthermore, emission factors are taken from the 5th Assessment Report of the IPCC (Intergovernmental Panel on Climate Change) from 2013.

For sites where the exact consumption of the coolants for 2020 was not known, but the total volume of the facility could be surveyed, consumption was calculated using an average loss rate. No values were known for the sites in Hungary and the Leeser site in Germany, which were therefore assumed to be zero. Due to the small size of these sites, this assumption is not expected to have a significant impact on the total amount of emissions from cooling agents.

The conversion factors for logistics services and business travel were taken from the Ecoinvent 3.6 database. The factors for business travel are taken from the database of the Austrian Federal Environment Agency (as of January 2020). The value for business travel includes travel from Europe, China, America and India and refers to air, rail and bus travel. The data is not yet complete. A successive improvement of the survey is planned.

Emissions from logistics services were divided into upstream, downstream and intra-company services. Estimated values were assumed for areas where the data granularity was not available in sufficient depth. In the future, the aim is to gradually deepen the emissions survey in the field of logistics and business travel. The aim is to continuously improve the completeness of the greenhouse gas balance.

- Data on occupational safety and health protection: The data for this report primarily originated in the "Incident and Severity Rate" tool. The data is collected on site level. Sales locations are included depending on their size. In the course of in-depth data management, there is a slight change in the field of key figures compared to the previous year's report.
- Data on suppliers, innovation and compliance: The data in the fields of innovation, compliance and supply chain originates in the corresponding specialist departments and is subject to the data acquisition systems used there.

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# Disclaimer

The terms "Semperit" or "Semperit Group" in this report refer to the group; "Semperit AG Holding" or "Semperit Aktiengesellschaft Holding" is used to refer to the parent company (individual company). We have prepared this report and verified the information it contains with the greatest possible care. In spite of this, rounding, typesetting and printing errors cannot be ruled out. Rounding of differences in the totalling of rounded amounts and percentages may arise from the automatic processing of data.

The forecasts, plans and forward-looking statements contained in this report are based on the knowledge and information available and the assessments made at the time that this report was prepared (editorial deadline: 17 March 2021). As is true of all forward-looking statements, they are subject to risk and uncertainties. As a result, actual events may deviate significantly from these expectations. No liability whatsoever is assumed for the accuracy of projections or for the achievement of planned targets or for any other forward-looking statements. These statements are identifiable by terms such as "expect", "want", "anticipate", "intend", "plan", "believe", "strive", "estimate", "will" and "predict", "contemplate" or similar terms. Furthermore, no guarantee can be given for the completeness of the contents.

This report has been produced in German and English. In case of doubt, the German version shall take precedence.


All references to people are gender neutral.



**The Executive Board**



**Dr Martin Füllenbach**  
CEO



**Gabriele Schalleger**  
CFO



**Kristian Brok**  
COO



To the members of the Executive Board of Semperit AG Holding, Vienna

# Report on the independent audit of the non-financial report of 2020

We have audited the non-financial report 2020 (hereafter "reporting") of Semperit AG Holding (hereafter "Semperit"), Vienna, based on the requirements according to Art. 267a UGB Sustainability and Diversity Improvement Act (Austrian Commercial Code UGB, Nachhaltigkeits- und Diversitätsverbesserungsgesetz NaDiVeG) and the GRI Standards, CORE Option.

The reporting included the reporting year 2020 as follows: Sustainability Report 2020 with regard to the disclosures and references of the GRI Content Index in the reporting for 2020

## Responsibility of legal representatives

The company's legal representatives are responsible for the proper preparation of the nonfinancial reporting 2020 in accordance with Art. 267a UGB<sup>1)</sup> (NaDiVeG) and the GRI standards<sup>2)</sup>.

We have included a declaration of completeness signed by the legal representatives in our files.

## The auditor's responsibility

Our responsibility is to express an opinion, based on our audit procedures, as to whether any matters have come to our attention that cause us to believe that the selected contents of the non-financial report 2020 do not comply in all material respects with Art. 267a UGB (NaDiVeG) and the GRI Standards "GRI Standards".

We have performed our reporting in accordance with the "International Federation of Accountants' ISAE3000 (Revised)" standard.

These standards require us to comply with our professional duties, including independence requirements, and to plan and perform the engagement with due regard to the principle of materiality in such a way that we can express our opinion with limited assurance.

According to the "General Conditions of Contract for the Public Accounting Professions" our liability is limited. According to that, an accountant is only liable for violating intentionally or by gross negligence the contractual duties and obligations entered into. In cases of gross negligence, the maximum liability towards the client and any third party totals EUR 726.730. Our reporting procedures were taken to achieve limited reporting security as a basis for our assessment. The scope of the reporting procedures for obtaining reporting evidence is

smaller than the scope for sufficient reporting security (such as for annual reporting), so that a lower degree of reporting security is given.

The procedures selected depend on the auditor's judgment, including particularly the following procedures:

- Obtaining an overview of the business activities as well as the company's structural and process organisation
- Interviews with company managers to identify and understand relevant systems, processes and internal controls with regard to the audited report contents that support collecting information for reporting
- Review of relevant documents on Group, Executive Board and management level to assess awareness and priorities of the issues in non-financial reporting and to understand how further development of processes and monitoring was implemented
- Examination of risk management and governance processes related to sustainability and critical evaluation of the representation in the non-financial report
- Performing analytical procedures on Group level
- Virtual meetings with responsible persons at the sites in Vienna, Wimpassing and Odry to obtain evidence on key performance indicators. In addition, we conducted random data reviews on site level to test completeness, reliability, accuracy and current relevance of individual data in the non-financial report of 2020.
- Review of data and processes on a random basis to test whether they had been collected, consolidated and reported appropriately at Group level. This included reviewing data samples to test whether the data had been reported in an accurate, reliable and complete manner.
- Review of the coverage of material issues raised in stakeholder dialogues, that were covered in media reports and to which significant competitors refer in their environmental and social reports
- Evaluation of the materiality analysis within the Group, including sector-specific megatrends and aspects of GRI
- Assessment as to whether the requirements were addressed appropriately according to Art. 267a UGB
- Review on a random basis of statements on the audited report contents in the non-financial reporting 2020 based on reporting principles of the GRI Standards, and
- Assessment as to whether the GRI Standards were consistent with the CORE Option.

1) [www.ris.bka.gv.at/Dokumente/Bundesnormen/NOR40189009/NOR40189009.pdf](http://www.ris.bka.gv.at/Dokumente/Bundesnormen/NOR40189009/NOR40189009.pdf)

2) [www.globalreporting.org/standards](http://www.globalreporting.org/standards)

Subject of our engagement was neither a final audit nor the auditing of financial statements. The performance indicators and statements, as well as information from the Corporate Governance Report and the risk reporting, which were audited by us within the framework of the annual audit, were not subject of auditing by us. We have reviewed the GRI-compliant presentation of this information in reporting. Equally, neither the detection and investigation of criminal offences, such as embezzlements or other malicious acts or regulatory offences, nor the assessment of effectiveness and efficiency of the management were subject of our mandate. Furthermore, the figures that were taken from external studies and forward-looking statements were not subject of our contract. The report reviewed the references listed in the GRI content index, but no (web) references going beyond this.

We provide this report on the basis of the contract concluded with you, which is also based on the "General Conditions of Contract for the Public Accounting Professions"<sup>3</sup> with respect to third parties.

#### **Summarised assessment**

Based on our reporting procedures and the evidence we have obtained, nothing has come to our attention that causes us to believe that the non-financial report 2020 does not comply in all material respects with Art. 267a UGB (NaDiVeG) and the GRI Standards.

Vienna, 17 March 2021

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Gerhard Schwartz

Georg Rogl

# PERSPECTIVE 2021

## Targets from 2019



### Environment and climate

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#### ENERGY

Annual improvement in the energy intensity<sup>1</sup> of selected reference site  
3% location Odry (Semperflex), 2% location Deggendorf (Semperform),  
2% location Bełchatów (Sempertrans), 5% location Kamunting (Sempermed)

#### MATERIAL USE

Annual improvement in waste & scrap rate<sup>2</sup> by segment until 2021  
Semperflex: 6%, Semperform: 3%, Sempertrans: 5%, Sempermed: 4%

#### RAW MATERIALS

Increase in recycled materials proportion in by 25%<sup>3</sup>



### Social

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#### HEALTH & SAFETY

No accidents  
100% of accidents were documented and evaluated  
100% of the corresponding counter measures were implemented  
100% of the lessons learned have been processed and disseminated

#### DIVERSITY & INCLUSION<sup>4</sup>

Increase in internal replacement rate to 70%  
Increase in non-European managers proportion to 20-30%  
Increase in female managers proportion to 15%



### Governance

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#### SUSTAINABILITY IN THE SUPPLY CHAIN

50% of all suppliers (>EUR 500,000 p.a. purchasing volume) have completed their self-evaluation.

Development and introduction of a self-evaluation tool (data base) for suppliers

Increased supplier cooperation in order to promote developments in the interest of sustainability

1) Energy intensity = energy consumption (kWh)/unit produced (kg or pcs)

2) Waste & scrap rate = total weight of waste & scrap (kg)/produced unit (kg)

3) The objectives relate to Mixing; 2017 = reference year

4) The indicators relate to employee grade 10-14 = employees of the management

**SEMPERIT** 