



WE SUPPORT



MEBANE PLANT
PERSONAL PROTECTIVE EQUIPMENT (PPE)

AREA: TUBE LINE
WORKSTATION: TAKE OFF

DRYING CONVEYOR
TL1-CONV-006

armacell

UNITED NATIONS GLOBAL COMPACT
ARMACELL'S COMMUNICATION
ON PROGRESS REPORT 2017

 **armacell**[®]

MAKING A DIFFERENCE AROUND THE WORLD

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About this Report

In all its business undertakings Armacell acts responsibly towards its employees, the environment and the communities it operates in. In 2006, Armacell joined the UN Global Compact initiative and since then consciously supports it, while advising all stakeholders to observe our self-commitment. The UN Global Compact is a strategic initiative for Armacell. We are committed to aligning our operations and strategy to the Ten Principles it proclaims in the fields of Human Rights, Labour, Environment and Anti-Corruption.

Reporting to stakeholders in a transparent and public manner is fundamental for Armacell. This Annual Communication on Progress (COP) Report demonstrates our commitment to the UN Global Compact. The voluntary COP and the CSR part of our Annual Report cover the policies and actions Armacell implemented from May 2017 to May 2018.

Statement of Continued Support



For more than ten years, we have been supporting The Ten Principles of the UN Global Compact. I am delighted to have this opportunity to reaffirm Armacell's and my personal commitment to this initiative on Human Rights, Labour, Environment and Anti-Corruption. Our Communication On Progress (COP) report lists the actions taken in 2017 in continuing to integrate the principles into our strategy, the way we do business, and our corporate culture. As a statement of our commitment to transparency, this publication is for our stakeholders, wherever they are in the world.

In our business, sustainable growth is key and goes hand in hand with our obligation to develop and manufacture insulation products that positively impact our people, communities and the environment. Environmental protection is part and parcel of our corporate philosophy and business strategy. Through providing effective insulation material for equipment, which is the second most important source of global energy losses, we firmly believe that we are significantly contributing to energy efficiency.

Our employees really do make a difference everywhere in the world. This is why we are committed to motivating them, developing their talents and furthering their skills through tailored training opportunities. As a company, we nurture a positive and safe working environment and encourage our employees to cultivate an atmosphere of mutual respect and trust in which they can perform to the best of their ability to drive Armacell forward.

Our company has a global presence and footprint, providing us with a worldwide responsibility to the communities we operate in. The social dimension of our corporate responsibility enables Armacell and all of our employees to make a difference in societies around the world by supporting various citizenship projects in local communities.

We have been a fervent supporter of the UN Global Compact's principles since 2006 and are committed to continuing our actions and to achieving an even more sustainable and ethical development of our business.



Patrick Mathieu

President and CEO of Armacell

About Armacell

General Facts and Profile

We are the inventors of flexible elastomeric foams for equipment insulation. Armacell develops innovative and safe thermal, acoustic and mechanical solutions that create sustainable value for its customers. Day in day out, our products significantly contribute to global energy efficiency and make a difference around the world. As a multi-materials and multi-product company, we operate two main businesses: Advanced Insulation and Engineered Foams. The product focus is on insulation materials for technical equipment, high-performance foams for high-tech and lightweight applications and next-generation aerogel technology.

Global presence, local focus

Armacell is a truly global company and managed from its corporate headquarters in Luxembourg and regional head offices in Germany, USA and Singapore. Four product development centres spread around the world ensure a steady supply of pioneering innovations to meet customer and market requirements. Armacell's products are customised locally to meet customers' expectations around the world. Armacell pursues an international growth strategy with 3,000 employees and 25 manufacturing plants in 16 countries on four continents. With its worldwide production footprint Armacell has long been a pioneer in exploring new geographical markets and is focused on further growth in emerging markets. In countries where Armacell does not operate its own manufacturing facilities, sales and administrative offices extend the group's reach to form a comprehensive sales network.

Advanced Insulation

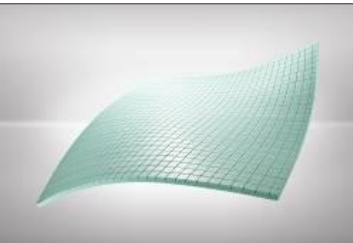
The Advanced Insulation (AI) division provides flexible foam insulation solutions for insulating technical equipment utilised for the transport of energy in commercial and residential construction, industrial applications and the oil & gas industry. Typical applications include heating, ventilation and air conditioning (HVAC), heating and plumbing (H&P), refrigeration, solar as well as accessories and acoustics. The division is managed across three regions: Europe, the Middle East and Africa (EMEA), North and South America (AMERICAS), and Asia Pacific (APAC).





Engineered Foams

The Engineered Foams (EF) division develops and produces custom-made high-performance foams used across a broad range of end markets, including wind energy, automotive, transportation and sports and leisure. Consisting of environmentally friendly structural PET foam cores and component foam solutions, i.e. engineered elastomeric and polyethylene foams as well as cross-linked polyolefin foams, this division addresses the requirements of specific markets and applications where weight as well as mechanical performance and tensile strength are paramount.



Mission, Vision, Values

Dedicated and highly engaged employees are Armacell's greatest strength. In an increasingly complex global environment, a clear mission, convincing vision and shared values anchored in a corporate culture provide important guidance and a sound basis for business success. At Armacell they form the foundations for the professional conduct of each individual employee and for relations with our business partners. Our customers benefit from the high quality of Armacell products and from working with committed and responsible employees.

Our Vision

To be the global leader in providing innovative, technical insulation solutions and components to conserve energy and make a difference around the world.

Our Mission

Drive substitution and innovation for our indirect customers and use world-class practices to strengthen our premium brand position and create value for our stakeholders.

And we do it the **A.R.M.A. Way**:

Appreciate our customers

Raise our efficiency

Manage our cash

Act to empower our employees

Our Values

Customer Experience

We create a positive customer-focused culture. Customers value the Armacell experience and continuous business relationship.

Commitment

We are committed to developing and motivating our people, nurturing their talents and developing new skills. We build strong teams to support our company's performance. The safety of our employees is the company's top priority.

Empowerment and Accountability

We give our employees operational responsibility and expect them to develop and perform to the best of their talents. The basis for interaction between employees is mutual respect and trust.

Integrity

Our employees must be aware of and comply with rules and regulations, wherever in the world they are working. Still, integrity goes even deeper than that. It is about doing the right things in the right way, as individuals and as a company. Ethical and responsible conduct is fundamental to the way we do business. Armacell is a company that can be trusted.

Sustainability

We are focused on sustainable, profitable growth through development and manufacturing of our products to ensure a positive impact on our community. We contribute to sustainable growth by innovating in safe thermal, acoustic and mechanical solutions.

Global Initiatives and Alliances

Ethical and responsible conduct is fundamental to the way we do business. Our global initiatives and alliances speak for our accountability and commitment to a better and cleaner future.

EuroACE

Armacell is a proud member of the European Alliance for Companies for Energy Efficiency in Buildings (EuroACE). The mission of EuroACE is to work together with European institutions to move Europe forward to a more efficient use of energy in buildings. www.euroace.org



REC

Armacell is a proud member of the Renovate Europe Campaign (REC). Launched in 2011, REC is a EuroACE initiative and the only EU-wide campaign focusing exclusively on the ambitious renovation of the EU's building stock. www.renovate-europe.eu



CEFEP

Armacell is a founding member of the European FEF and PEF Interest Group (CEFEP), a syndicate for providers of technical insulation. As a mouthpiece for the industry, CEFEP aims to communicate the benefits of its products to the European market, regardless of the manufacturer. www.cefep.net



EiiF

Armacell is a founding member of the European Industrial Insulation Foundation (EiiF). As a neutral and non-profit institution, EiiF promotes insulation as a top-of-mind method of enhancing sustainability and profitability. www.eiif.org



USGBC – LEED

Armacell is a proud member of the U.S. Green Building Council (USGBC), which is committed to transforming the way our buildings are designed, constructed and operated through LEED® (Leadership in Energy and Environmental Design). www.usgbc.org



UN Global Compact Communication on Progress Report 2017

The UN Global Compact's Ten Principles are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights' abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Human Rights – Communication on Progress

Relevance of “Human Rights” for Armacell

Armacell supports and respects the protection of the internationally proclaimed human rights. Our employees support the Ten Principles of the UN Global Compact in their day-to-day business life.

Armacell supports the **Universal Declaration of Human Rights** (UDHR), a milestone document in the history of human rights. Set up by representatives with different legal and cultural backgrounds from all regions of the world, the UDHR was proclaimed by the UN General Assembly in Paris on 10 December 1948 and sets out fundamental human rights that are to be universally protected.

In 2012 Armacell established the **Armacell Code of Conduct** in order to show its commitment to respect and protect the UDHR. The Armacell Code of Conduct outlines the responsibilities of all Armacell employees to the company, to each other, and to our stakeholders. The Code builds on Armacell’s corporate values, describes how these values are to be put into practice, defines rules for everyday work, and provides ethical principles. A revised edition of the Armacell Code of Conduct was published in January 2016.

Armacell established the **Armacell Corporate Values** in 2012 providing orientation and a sound basis for business success in an increasingly complex global environment. The Armacell Corporate Values form a sound foundation for working with colleagues, business partners and the general public. They apply to all the business fields, markets and countries in which Armacell operates.

Since 2006, Armacell has openly supported the **UN Global Compact** in communications with our business partners and the general public.

- The Global Compact principles are supported on our website, in speeches, in the press, in product brochures, and in contacts with customers and suppliers worldwide.
- Armacell’s Global Compact commitments are incorporated into a number of company presentations shown to the general public, customers, suppliers and other stakeholders.
- Bulletins and regularly updated news about the Global Compact are published on the Armacell intranet as well as in our employee and customer magazines.
- Endorsement of the UN Global Compact has been incorporated into our supplier assessments. Since 2009, every new supplier has been asked to respect the UNGC Ten Principles.
- An annual financial contribution to the UN Global Compact is made in May.

A **Global Sanctions Policy** was introduced in 2016 to help our employees use and respect ethical business practices. Complying with economic, trade and financial sanctions is an integral part of our business ethics policy. These sanctions safeguard fundamental values such as human rights, the struggle against terrorism and the non-proliferation of nuclear weapons – values we identify with as a company. Our Global Sanctions Policy was amended twice during 2017 in response to the changing international sanctions' landscape. All employees with exposure to sanctions receive suitable training on the Sanctions Policy requirements at appropriate intervals.

Latest Company Examples



Armacell employees in the UK raised money for the Oldham Dr Kershaw's hospice charity on a bike ride from Manchester to Blackpool. Armacell UK also regularly donates money to the MacMillan cancer research society.



Volunteering with Habitat for Humanity, 20 US employees from the Mebane and Chapel Hill sites in North Carolina helped to construct a home in Eftland on 29 September 2017, the Global Armacell Day.



Armacell employees in South Korea cleaned, swept and washed the floors and cages of an abandoned dogs' home. The participants also volunteered to feed and comfort the animals.



Global Armacell Day in Thailand: Armacell employees visited a local school where they participated in sporting activities and helped at the school.



Armacell Brazil celebrated the Global Armacell Day by donating food to charity institutions in Pindamonhangaba, São Paulo and Florianópolis.



For the fifth time, Armacell employees from Germany supported "The Little Prince" action, which collects clothes and shoes for needy children and adults. This time, their donations were sent to Bosnia and Romania.



On the annual Take Your Kids to Work Day in Canada pupils participated in a typical working day and learned more about the manufacturing working environment.



Money is regularly collected at the Armacell Christmas party in Germany. The 2017 donation was given to a children's hospice working in family counselling.



From a bake and paper ribbon sale for the U.S. breast cancer charity organisation *Little Pink Houses of Hope*, Armacell employees raised money that will help survivors to reconnect and celebrate life.



To support government officers who direct traffic and help reduce traffic accidents during the long Thai New Year holidays, Armacell donated beverages to police officers working in the vicinity of the plant.



National Children's Day in Banpong, Thailand, on 12 January 2018: The team collected toys and gifts for children and celebrated the day together.



Since 2004, Armacell has been offering financial support to a World Vision aid program. In 2017 the focus was on education and sanitation.



Armacell China employees purchased flower cakes from the Yunnan Province, with the net profits donated to charity activities for poor people.



Female employees in Belgium received small gifts on International Women's Day: a good example of Armacell's dedication to gender equity and women's empowerment.

Labour – Communication on Progress

Relevance of “Labour” for Armacell

Armacell upholds the freedom of association and effective recognition of the right to collective bargaining. We uphold the elimination of all forms of forced and compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect to employment and occupation. Armacell firmly dissociates itself from and will not do business with any organisation that upholds forced labour or child labour.

Armacell supports the internationally recognised labour rights promoted by the **International Labour Organization** (ILO), which aims to further rights at work, encourage decent employment opportunities, enhance social protection, and strengthen dialogue on work-related issues.

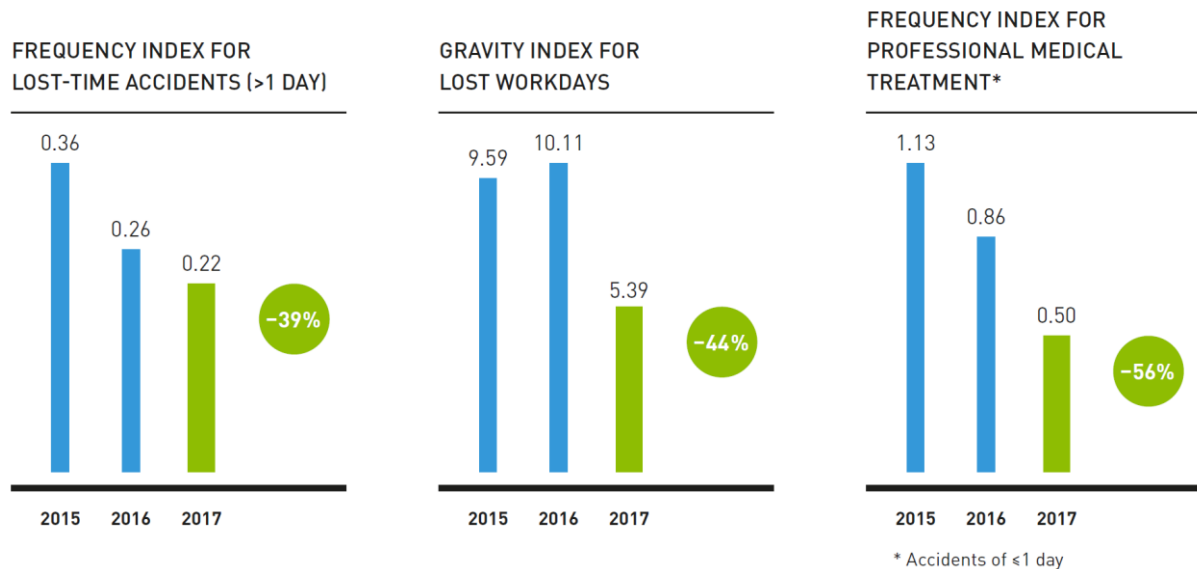
In 2012, Armacell established a corporate philosophy known as the **A.R.M.A. Way** to provide all employees with guidance on how to act. The A.R.M.A. Way is based on the following core principles: appreciate customers, raise efficiency, manage cash, and act to empower employees. To further support our philosophy of managing our activities in the A.R.M.A. Way, the annual **A.R.M.A. Way Awards** reward outstanding team performances in the four above-mentioned categories. The number of applications for our A.R.M.A Way Awards increased from 168 in 2016 to 192 in 2017.

Armacell established the **World-class Armacell Mindset** (WAM) program to continuously and constructive improve the company’s performance and cost competitiveness by challenging the way we think, work and operate. The WAM program is focused on two main areas: WAM Manufacturing and WAM Sales & Marketing (WAM SME). Multiple internal training courses have been implemented to explain the WAM Manufacturing and WAM SME programs to employees in all departments.

- **WAM Manufacturing** describes how our Armacell plants strive for a safe and healthy working environment, quality products delivered to our customers, and continuous improvement in performance. WAM Manufacturing is organised around twelve technical pillars that impact people, processes and tools.
- **WAM SME** supports our global Sales & Marketing force in striving for excellence to achieve top-line growth and the highest standard possible for our industry. It is organised around nine technical pillars that impact people, processes and tools.

Armacell particularly prioritises **health and safety**. Group-wide, our safety statistics point to a very positive trend between 2015 and 2017. In 2017, three of our sites celebrated 1,000+ days without a lost-time accident and there were only ten lost-time accidents (LTAs) in the entire Group. This improvement

is primarily due to the successful implementation of the WAM Safety Pillar launched in 2014 and the unstinting efforts of our workforce.



Besides initial vocational training courses, Armacell is firmly committed to further **training and educational measures** for its global workforce, e.g. through more than 1,000 different initiatives worldwide. Demand Creation courses attracted approximately 300 attendees in 2017, while the Global Process programme has had around 100 participants since its inauguration. Besides group-wide training activities, specific measures are conducted at a regional or national level to cater to local requirements. In APAC for example, Armacell employees at specific plants are given anti-drug training by local policemen to enhance their awareness of drug-related problems.

Leadership@Armacell, the group-wide leadership training programme running since 2013, has been completed by more than 500 managers. It was launched for all leaders worldwide to lay the foundations for a shared managerial culture throughout the company. As the success of an organisation is strongly impacted by a manager's ability to lead a team to the expected outcome, Armacell qualifies leaders to enable implementation of the company's strategy and achievement of its targets.

Each year, **Annual Performance & Development Reviews** (APDR) are performed to identify personal development needs and training requirements, and to define objectives for all participants in a standardised manner relating to the A.R.M.A. Way philosophy. APDR gives managers and employees the opportunity to provide mutual feedback on their working relationships and engage in a development dialogue.

At the beginning of 2017, Armacell launched a pilot **Annual Feedback Review** for its manufacturing departments. Its main aims are to increase the number of skilled operators within the plants and to provide transparency about performance levels within the plants, take action to increase them, evaluate progress and improve communication to foster a feedback culture.

Armacell also introduced the **Global Round Table** where the CEO meets with local staff in a relaxed atmosphere to discuss current topics and listen to their concerns. This communication tool was first implemented in the EMEA region and subsequently rolled out globally in 2017.

Employee Surveys are regularly conducted at Armacell to receive direct feedback from all our employees worldwide and evaluate their level of satisfaction. Based on the responses, we take steps to contribute to a better and more stimulating work environment for our employees. The last Employee Survey took place in May-June 2017 with a response rate of 90%. The findings indicated areas where improvements could be made and more than 350 activities were scheduled at our different sites.

Armacell celebrated its 15th anniversary in September 2015 and used this significant milestone to launch a worldwide initiative known as **Global Armacell Day** and thank its employees for their commitment to the company. Since then, the event has been held annually at each of our sites.

Armacell recognises employee accomplishments through the annual **Armacell Awards System**, which is designed for all employees worldwide, lays the foundations for a committed working culture, and plays a vital role in improving relationships between employees and with the company. The system comprises Achievement Awards (Initiative Award and Leadership Award), the Making a Difference Award, the A.R.M.A. Way Awards in the categories listed above, and the Global President's Award.

For some years now, Armacell started informing its suppliers worldwide about our support for the UN Global Compact's Principles. The company now requires its suppliers to sign documents confirming their compliance with the Principles that call for the elimination of all forms of forced and compulsory labour and abolishment of child labour. Suppliers are also required to sign the **Armacell Supplier Code of Conduct** as part of the purchasing department's evaluation process.

Latest Company Examples



WAM Audit in Pune, India in September 2017: The factory was the first one in the Armacell Group to achieve the WAM Bronze level.



CEO Round Table in Chapel Hill and Mebane, North Carolina in the USA: employees from each site asked Patrick Mathieu questions.



Friesenhofen, Germany: Armacell employees celebrated 1,500 days without a lost work day at the plant.



Oldham, UK: This facility scored a total of 40 points and in November 2017 was the first EMEA plant to achieve WAM Bronze level.



New high-level order pickers for Logistics in Münster, Germany: They save energy, are more ergonomic and provide the driver with a better all-round view for improved safety levels.



14 EMEA colleagues from different departments and plants met to discuss how using Kaizen can lead to focused improvement and enable participants to solve problems effectively.



Renewal of Spencer's Safety and Health Achievement Recognition Award Program (SHARP), which celebrated 1,100+ days without an LTA and 530+ days without a recordable accident.



The Münster team has successfully demonstrated its commitment to implementing WAM processes, tools and training programmes, and is now the third plant to serve as a WAM reference.



The A.R.M.A. Way “Appreciate our customers” award winners: The Chapel Hill team had built up a strong relationship with a new customer.



The A.R.M.A. Way “Raise our efficiency” award winners: The Münster team achieved higher margins on grey tubes, providing a better product on the market.



The A.R.M.A. Way “Manage our cash” award winners: The Münster task force successfully dealt with the raw material price increase on the EMEA market.



The A.R.M.A. Way “Act to empower our employees” award winners: The RADAR Chart Evaluation method was used to create an evaluation system in India.



WAM Audit in Poland. The Polish teams demonstrated their continuous improvement.



4th WAM Audit in Mebane, USA: The auditors pointed out visible changes in the plant.



Friesenhofen, Germany hosted their 4th WAM Audit and scored four additional points.



A Demand Creation training session for the local Sales & Marketing team in Panyu, China.

Environmental Protection – Communication on Progress

Relevance of “Environmental Protection” for Armacell

Armacell supports a precautionary approach to environmental challenges and undertakes initiatives to promote greater environmental responsibility and to develop and diffuse environmentally friendly technologies. Environmental guidelines are in place in all our companies and manufacturing plants. Armacell employees worldwide strive to behave responsibly towards the environment and seek to conserve natural resources on and off the job. Moreover, Armacell is committed to manufacturing products that pose no threat to the environment.

Armacell certified 20 out of its 25 worldwide plants according to **ISO 9001:2008**. The company is currently updating the ISO 14001 certification of its environmental management systems from the 2009 to the 2015 version to align with today’s more stringent environmental requirements. 14 plants are scheduled to receive an updated certificate in 2018.

Armacell collaborated with one of the world’s leading sustainability consultancies, ERM (Environmental Resources Management), to carry out **environmental assessments** at all its sites worldwide. The audits covered environmentally relevant topics and examined whether the individual sites comply with the legal requirements. ERM confirmed that there are no material environmental issues at any of the Armacell plants. Further improvements recommended by the consultants have either been implemented or will be realised in the medium term. The areas audited include environmental management, permits, air emissions, water supply and waste water, hazardous material storage and handling, waste management, restricted substances, environmental nuisances, housekeeping, explosion protection provisions, and soil and groundwater conditions at the sites.

Since 2009, Armacell has been conducting **life cycle assessments** for ArmaFlex, its main elastomeric insulation product, on the basis of the ISO 14040 methodology. The aim is to systematically investigate the product’s environmental impact, relying on data from all Armacell production facilities and markets worldwide. The outcomes support Armacell’s precautionary approach to the environmental challenges of the 21st century:

- Energy balance: Assuming an average service life of 20 years, 140 times more energy is saved through the use of ArmaFlex than is needed for its production, transport and disposal.
- Carbon footprint: 150 times more CO₂ emissions are avoided over an average lifetime of 20 years than are emitted during production.

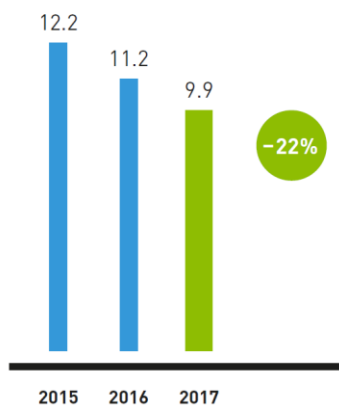
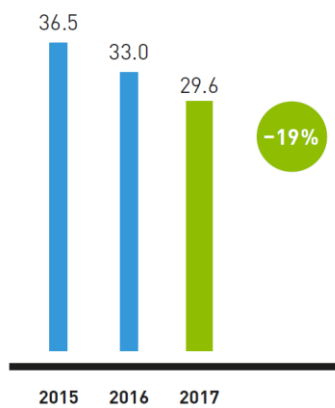
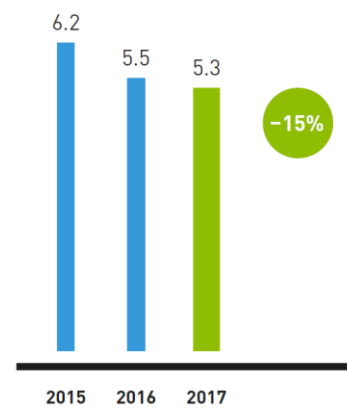
- Eco-balance in heating applications assuming a service life of 30 years: 270 times more energy is saved and 500 times more greenhouse gas emissions are prevented than is required in production.
- Payback time for energy needed to produce ArmaFlex: Just 50 days.

Armacell is the first manufacturer of flexible technical insulation materials to present **environmental product declarations** (EPDs) for its [EMEA](#) and [APAC](#) regions. EPDs are independently verified and registered documents that communicate transparent and comparable information about the products' life-cycle environmental impact. As a sustainability passport, EPDs form the basis for designing green buildings in accordance with certification schemes such as LEED, BREEAM or DGNB. A training module has been drafted and put into practice to train both employees and customers on environmentally performing products.

Armacell supports the **Renovate Europe Campaign** (REC) initiated by the European Alliance of Companies for Energy Efficiency in Buildings (EuroACE). REC aims to reduce energy consumption in the EU's building stock by 80% of 2005 levels by 2050, and promotes the implementation of ambitious renovation strategies throughout Europe to triple the annual renovation rate for existing buildings in the EU from 1% to 3% by 2020.

Armacell implemented a **worldwide R&D strategy** based on the principles of sustainability and environmental protection with specific research aims, including constant further development of product formulations that pose no threat to the environment. The use of raw materials is one focal point of Armacell's sustainability-oriented research:

- Development of corrosion-inhibiting foam systems
- Development of low-smoke elastomeric foams
- Development of green foam from recycled PET bottles

WATER CONSUMPTION* in l

ENERGY CONSUMPTION* in MJ

CO₂ EMISSIONS* in kg


* per metric ton of finished goods

The 2015-17 figures for the **Environmental Pillar** of the **World-Class Armacell Mindset programme** (WAM) point to a positive trend, which will be reinforced as we intensify our efforts in these fields.

Latest Company Examples



Annual Ontario Business Achievement Awards (OBAA) presented by Ontario Chamber of Commerce: Armacell Canada won the OBAA Sustainability Award for demonstrating leadership in corporate and environmental sustainability.



Global Armacell Day in Singapore: Armacell employees cleared up the litter along Changi Beach and then travelled to the Kranji Farmlands to plant their own rice.



EuroACE

THE EUROPEAN ALLIANCE OF COMPANIES
FOR ENERGY EFFICIENCY IN BUILDINGS

Armacell supports
Renovate Europe



Armacell Eco-Cycle: In 2017, Armacell became the first manufacturer of elastomeric insulation materials to introduce a return system for its off-cuts in Germany, thus reducing waste and conserving valuable resources.

As a proud member of the European Alliance of Companies for Energy Efficiency in Buildings (EuroACE), Armacell supports the Renovate Europe Campaign (REC), an EU-wide campaign to achieve an 80% reduction in the EU building stock's energy demand by 2050.



Armacell is the first manufacturer of flexible technical insulation to present environmental product declarations (EPDs) and carry out lifecycle assessments.



Armacell has spent years of research developing a process technology to enable production of consistent foam qualities from 100% post-consumer PET (ArmaForm PET lifecycle).



Global Armacell Day in Suzhou, China: Armacell teams picked up rubbish on Shuangshan Island and then organised an Environment, Health and Safety (EHS) knowledge contest.



Global Armacell Day in Brazil: Employees from the Pindamonhangaba and Florianópolis sites planted pomegranate trees.



Environmentally safe ArmaGel, the next-generation aerogel blanket technology: Chloride-free and landfill-disposable, this new product has an up to five times better thermal performance and thus enhances energy efficiency.



New PET foam production line opened in Brampton, Canada in April 2017: Further investing in its PET foam production to meet the high demand for ArmaForm products, Armacell is also setting up a new production line in China, which is expected to be operational by 2019.

Anti-Corruption – Communication on Progress

Relevance of “Anti-Corruption” for Armacell

Armacell combats corruption in all its forms, including extortion and bribery. Armacell established the **Armacell Code of Conduct** in 2011 to demonstrate its commitment to respect and protect Principle 10 of the UN Global Compact. The Armacell Code of Conduct is valid throughout the Armacell Group and defines the rules for our daily work internally and externally, for behaving legally and honestly towards all stakeholders, and for putting the company’s interests before any personal concerns. Our managers are expected to lead by example and drive a culture as set out by our values and Code of Conduct.

- A revised edition of the Armacell Code of Conduct was published in January 2016.
- Posters (“Our Values” and “A.R.M.A. Way”) referring to the Code of Conduct have been hung up in all Armacell premises worldwide.
- The Code of Conduct was translated into the languages of every country where Armacell has a plant and a letter of acknowledgment had to be signed by every employee worldwide. Each new employee is asked to commit to the Code of Contact when signing the work contract.

In March 2017, Armacell updated its global **Anti-Corruption Policy** to reflect its ongoing commitment to integrity. Preventing bribery and corruption is a key priority in our compliance efforts. We are committed to operating our business on the basis of integrity, fairness and transparency. We operate a zero-tolerance approach to the giving or receiving of bribes or any other corrupt practices. Such improper conduct is absolutely prohibited for all Armacell personnel as well as for anyone else acting on behalf of Armacell.

A new global **Anti-Money Laundering Policy** was enacted in November 2017 to raise staff awareness of the need to ascertain the identity of business people they are dealing with and to be on their guard for any potential money-laundering activity.

Contact / Copyright

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About Armacell

As the inventors of flexible foam for equipment insulation and a leading provider of engineered foams, Armacell develops innovative and safe thermal, acoustic and mechanical solutions that create sustainable value for its customers. Armacell's products significantly contribute to global energy efficiency, thus making a difference around the world every day. With 3,000 employees and 25 production plants in 16 countries, the company operates two main businesses, Advanced Insulation and Engineered Foams, and generated net sales of EUR 603 million and adjusted EBITDA of EUR 102 million in 2017. Armacell focuses on insulation materials for technical equipment, high-performance foams for high-tech and lightweight applications, and next-generation aerogel blanket technology.

For more details please visit www.armacell.com