

ROVEMA Sustainability

Communication on Progress 2020



Global Compact
Netzwerk Deutschland

www.rovema.com



Passion for packaging



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Notice:

The editorial deadline for this progress report was January 22, 2021.

This is the first Communication on Progress report of ROVEMA GmbH.
For individual subareas and topics, not all information for the reporting year 2020 was available at the editorial deadline. Unless otherwise indicated, all information in this report refers to the main production site in Fernwald.

Purpose

Enable our customers to provide **safe and durable food while preserving the environment.**

Vision

We want to become: **“THE – leading global partner for sustainable packaging solutions”** and generating **100% of our sales from sustainable product and service applications.**

Dear Sir or Madam,

ROVEMA's efficient, innovative and sustainable packaging solutions have been contributing to the global supply of safe, hygienically packaged food for decades. By joining the United Nations Global Compact in 2020, we have now also officially committed to integrating the 10 principles from the areas of human rights, labor standards, environmental protection and anti-corruption into our corporate strategy and to report annually on our progress.

Sustainability is an elementary part of ROVEMA's corporate strategy and already secures competitive advantages and growth opportunities for us. In addition to the classic monetary targets, it is a particular concern of ours to underline the importance we attach to the topic of sustainability at product level, but also in our cultural interaction and to constantly drive forward the diverse opportunities for change with clear targets. In this first progress report, we describe our approaches and measures to continuously improve the integration of the Global Compact and its principles into our business strategy, corporate culture and daily operations.



Yours sincerely



Jens Torkel
CEO

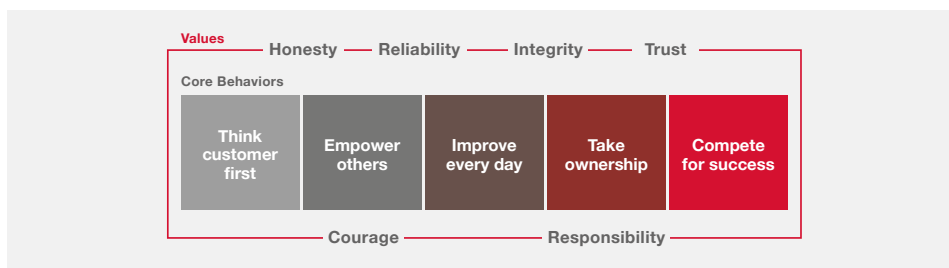
Company Overview

ROVEMA Company Profile

ROVEMA is a specialist in packaging machines and an international technology leader in the equipment business. Almost all leading branded goods manufacturers in the food and non-food sector pack with the innovative ROVEMA technology. With subsidiaries and agencies ROVEMA is present in more than 50 countries worldwide.

At the main production site in Fernwald, Germany, ROVEMA manufactures systems for the vertical primary packaging of food and non-food products, as well as for packaging in cartons or in shelf-ready and transport-optimized end-of-line packaging.

Modern corporate values and an open and fair company culture form the basis for ROVEMA's sustainable success and healthy economic growth.



In 2019, ROVEMA generated approximately 100 million euros in sales with more than 600 employees worldwide.

Product Portfolio



Company Overview

ROVEMA is an active supporter of the United Nations Sustainable Development Goals.

With our membership in the UN Global Compact, we have committed ourselves as a company to the United Nations 2030 Agenda for Sustainable Development. These goals were defined in 2015 at a historic UN summit by all 193 UN member states as a plan to achieve a better future for all. As a way to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of the 2030 Agenda are the 17 Sustainable Development Goals (SDGs), which clearly define the world we want and apply to all nations. These global goals resulted from a process in which governments involved businesses, civil society and citizens from the very beginning. This is because everyone involved was aware: “Meeting these ambitions will require unprecedented efforts from all sectors of society – and business has a very important role to play.” ROVEMA integrates the SDGs into its long-term corporate strategy.



Human Rights

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

Principle 1

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

Principle 2

Sustainable economic, ecological and social action is an indispensable element of the corporate culture for ROVEMA. This also includes integrity in dealing with employees, business partners and the public, which is best achieved through exemplary behavior.

ROVEMA fully supports the principles for human rights and applies the corresponding national and international laws. The protection of human rights is anchored in ROVEMA's Code of Conduct and is obligatory for all ROVEMA employees. It represents a guideline for dealing with colleagues, customers and other business partners. ROVEMA treats employees and business partners with dignity, respect and integrity. Any form of psychological, physical, sexual or verbal abuse, intimidation, threats or harassment will not be tolerated.



In this context, managers serve as role models. They exemplify ROVEMA's values such as honesty, reliability, integrity, credibility and trust. Through a regular exchange with their employees, managers ensure that the principles of the Code of Conduct and the corporate values are implemented and anchored in the corporate culture.

Within the framework of the procurement policy, ROVEMA strives to select suppliers that meet the quality requirements and contribute to achieving the sustainability goals. ROVEMA expects its suppliers to behave according to the Supplier Code developed by ROVEMA. For the future, the commitment to the ROVEMA Supplier Code shall be obligatory for all suppliers.



Human Rights

Canteen operation and catering for visitors by proLiLo Gastrowelt gGmbH (in short: proLiLo):

The meal offers for breakfast and lunch breaks are used by the majority of the workforce, the lunch is subsidized by ROVEMA. In addition, the entire catering for external visitors (international customers and suppliers) is also carried out by the proLiLo team. Vegetarian dishes are offered at every meal.

ProLiLo is an inclusive company according to § 215 SGB IX. and is mainly active in the field of canteen management in schools and companies. Currently, 13 canteens are operated in economic independence. proLiLo employs 49 people, 23 of whom are disabled. The people with disabilities who are employed and cared for by proLiLo gGmbH are persons with a mental, intellectual or physical disability recognized by the pension office, all of whom have a severely disabled certificate. The degree of disability is between 50% and 100%. The aim: to offer people with disabilities a job in the primary labor market that is subject to social insurance contributions. At ROVEMA in Fernwald, two of the current five canteen employees are people with disabilities.

Garden and landscape maintenance by Lebenshilfe Gießen

Since 2020, ROVEMA has entrusted Lebenshilfe Gießen with the maintenance of outdoor facilities: lawn, bush and tree pruning, as well as yard cleaning.

Lebenshilfe Gießen e.V. is a non-profit organization and accompanies over 2,800 people with and without disabilities into a self-determined life. Together with its nine subsidiaries and 1,300 employees, it is active in around 50 facilities and services in the city and district of Gießen. Lebenshilfe Gießen offers services in the areas of child and family centers, youth welfare, education, work, housing, leisure and counselling for people with and without disabilities. Its concepts are trend-setting nationwide and are based on the idea of inclusion.

Labor Standards

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

Principle 3

Businesses should uphold the elimination of all forms of forced and compulsory labor.

Principle 4

Businesses should uphold the elimination of child labor.

Principle 5

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Principle 6

ROVEMA promotes an unprejudiced and trustful cooperation with all employees, customers and suppliers. Different treatment based on nationality, gender, race, skin color, disability, origin, religion, ideology, age or sexual orientation is not tolerated. ROVEMA recognizes the freedom of association and the right to collective bargaining and advocates the abolition of child labor and the elimination of all forms of forced labor.

Health and occupational safety

The prevention of occupational accidents and work-related illnesses is a declared goal of ROVEMA, ideally the number of accidents should be zero per year.

Accordingly, great importance is attached to occupational health and safety. Employees are regularly trained with regard to occupational safety and are obliged to contribute to the prevention of hazards, accidents and illnesses through their behavior. The entire workforce is called upon to communicate deficiencies and potential for improvement in order to contribute to a safe and healthy workplace.

For the protection of the employees ROVEMA regularly checks the occupational safety at the workplace. For this purpose, possible hazards and resulting health risks are assessed and necessary protective measures are taken. In case of ambiguities, questions or possible safety violations, a safety specialist is available as the first contact person. In addition, employees are continually trained in topics relevant to occupational safety and health protection.

In the reporting year, 100% of employees at the Fernwald site took part in e-learning on occupational health and safety. There are currently 62 first aiders and 34 trained fire protection assistants.

Labor Standards

As part of its health management, ROVEMA offers its employees various preventive services, including flu vaccinations, vision and hearing tests, and seminars with health-related content, such as smoking cessation. Sports offers, such as running clubs and subsidies for gym memberships, complement the range of services.

In 2020, work was affected by the Covid-19 pandemic. To help maximize employee health and safety, ROVEMA allowed all employees to work flexibly at short notice, as far as the job allowed. For employees on site, ROVEMA introduced protective measures, including temperature measurement, equalized shift work, virus defense by erecting plexiglass walls, disinfection dispensers, CO₂ measuring devices in meeting rooms, and special travel kits for employees in the field.

The health rate at the Fernwald site was kept constant in 2020 despite the Covid-19 pandemic.

Employee development

For ROVEMA, employees are the most valuable resource. Finding talents, promoting and developing employees is of central importance for the Human Resources strategy.

During the reporting period, ROVEMA developed an internal professional development program aimed specifically at technicians. The aim of the program is to make the professional field more attractive in order to attract new talent and inspire employees to take on new tasks. The modular program was launched in January 2021. The know-how of employees in this field is particularly important in the long-term and sustainable support of existing machines. The holistic technical consulting and implementation competence is one of the pillars of the ROVEMA Life Cycle concept and forms the basis for a circular economy in which existing machines can be made fit for new tasks or returned and overhauled as part of the ROVEMA Second Life principle.

In 2020, 46 managers took part in the new training program for managers. The aim of the program is to have a common understanding of the corporate strategy and to develop the associated implementation techniques, as well as to learn methods to encourage and support employees in their development. The program is aimed at executives from different areas of responsibility and countries. In the coming reporting year, additional managers will be trained and the training content will be cascaded throughout the organization.

In order to systematically record the potential and development options of all employees, ROVEMA has developed a structured annual feedback discussion. During this discussion, the employee's performance and behavior in the past year are assessed and goals for the new year are set. In addition, supervisor and employee discuss development options and measures. In the reporting year, the talks were initially held with employees at the top management level; in 2021, the employee talks are to be held at all levels.

Labor Standards

Employee satisfaction

Satisfied employees are important for ROVEMA's business success. In 2020, ROVEMA started to systematically collect feedback from all employees. The aim of the survey is to understand if and how satisfied the employees are, what potential for improvement exists and how ROVEMA is seen as an employer. A participation rate of more than 77% confirms the great interest of the workforce. The central indicator of the survey is the eNPS (employee Net Promoter Score), which measures employee loyalty and satisfaction. The result of the survey forms the basis for further communication with employees and improvement measures to be derived from it. The development of the eNPS and the progress of the implemented improvement measures are regularly documented and discussed at management meetings. The employee survey takes place twice a year.

Work-life balance also contributes to employee satisfaction. For many years, ROVEMA has offered various working time models that take into account the different life situations of employees. These include part-time models, flexitime accounts and different variants of partial retirement models.

Diversity

ROVEMA is convinced that diversity in the company has a positive effect on cooperation and company success. Therefore, ROVEMA actively supports and promotes diversity in the company. This is already taken into account when selecting employees.

The diversity in the company is also reflected in the nationalities of the employees. Employees from 19 different nations worked at the Fernwald site during the reporting period.

The promotion of female specialists and managers as well as the increase of the share of women in the company is a declared goal of ROVEMA. In 2020, the quota of women at the Fernwald site was improved to 12%. The quota of women at senior and middle management level was increased from 0% to 15% in the reporting period. In the coming reporting year, the share of women in the company is to be further increased and a common understanding of diversity in the company is to be defined.

Environmental Protection / Environment and Climate

Businesses should apply the precautionary principle in dealing with environmental problems.

Principle 7

Businesses should undertake initiatives to promote greater environmental awareness.

Principle 8

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

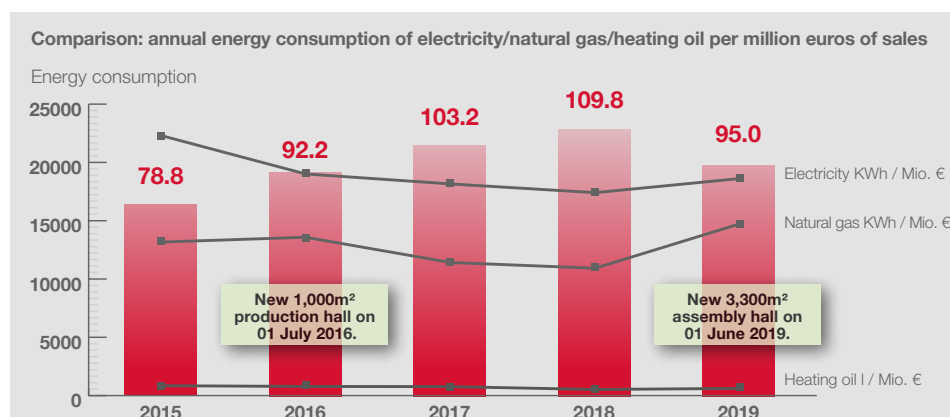
Principle 9

ROVEMA is convinced: Only those who operate sustainably can be successful in the long run. The environmental law provides ROVEMA with binding standards for this purpose. The employees responsible for environmentally relevant plants and activities are aware of their special responsibility in complying with environmental law.

In recent years, ROVEMA has invested in modernization and refurbishment at the Fernwald site. Through energetic roof renovation, window replacement and the consistent use of modern light sources, electricity consumption was reduced and gas consumption kept almost constant in 2016 and 2019 despite massive production expansion. In order to improve the indoor climate for employees at the Fernwald site, the installation of modern air conditioning systems was started in 2020.

For 2021, the continuation of roof renovations and further modernizations in the area of social rooms and sanitary facilities are planned.

In addition, the introduction of an environmental management system in accordance with ISO 14001 is planned for 2021, which is intended to create a further basis for the continuous improvement of environmental performance.



Environmental Protection / Environment and Climate

Vehicle fleet

Since 2020, all new vehicle acquisitions of ROVEMA GmbH have been checked for the use of vehicles with electric or hybrid drive. In total, 23% of the company vehicles were replaced by electric or hybrid vehicles in the reporting period.

The target for 2021 is a share of electric or hybrid vehicles of at least 40%. There are plans to expand the range of filling stations for electronically powered vehicles on the company premises in Fernwald. Furthermore, employees with an appropriately powered company vehicle are to be given an additional charging option by setting up an electric charging station at home.



**about sustainable
packaging solutions**

Environmental Protection / Environment and Climate

Business model: Sustainable-efficient packaging solutions

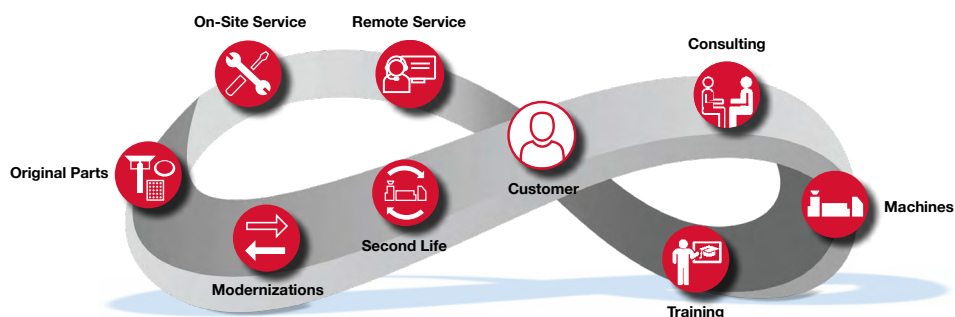
ROVEMA offers a wide range of products for the packaging industry:

- Dosing systems
- Vertical Form Fill and Seal Machines
- Block packaging machines
- Cartoning machines
- End-of-line packaging machines
- Packaging lines combining the above machines into turnkey systems

With passion and the experience of more than 60 years, ROVEMA develops and builds packaging machines and lines that meet the complex demands of the modern circular economy. Comprehensive consulting, which takes into account the environment, market, product and packaging, is an entrepreneurial core competence. On this basis, the custom-fit development of efficient and sustainable packaging machines with high availability is possible.

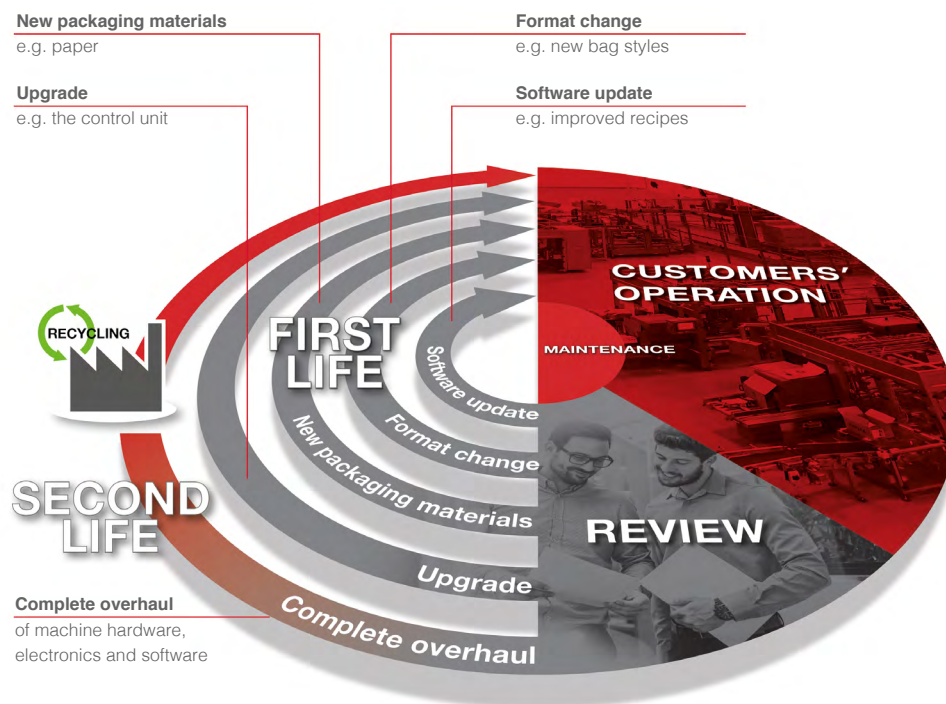
A sustainable solution that fits the characteristics of the product to be packaged and its requirements for logistics, packaging material, shelf life and energy efficiency is a top priority for ROVEMA. As a solution provider, we continuously examine possibilities for packaging material savings and have prepared our machines for the use of very thin packaging materials. Together with customers and packaging material suppliers, ROVEMA tests new packaging materials made of renewable or recyclable materials to ensure processability on ROVEMA machines with maximum output.

ROVEMA machines are designed for a long service life. The long supply of spare parts, and also the possibility to adapt to new packaging tasks by upgrades and modernizations, are firmly planned from the beginning.



Environmental Protection / Environment and Climate

With ROVEMA Second Life used machines become fit for new packaging tasks. ROVEMA takes back used machines, overhauls them and makes them available to new buyers.



Since 2020, ROVEMA regularly conducts customer satisfaction surveys in order to continuously improve the product and service offering and to develop as close as possible to customer expectations.

ROVEMA is proud of its cNPS (customer Net Promoter) score of 28% in 2020.

Environmental Protection / Environment and Climate

Development and dissemination of environmentally friendly technologies

ROVEMA packaging systems offer manufacturers and producers various approaches to save resources:

For ROVEMA responsible development means working very carefully with available resources and protecting the environment in the process. Our products and systems become economically sustainable by the use of innovative technologies that enable the processing of regrowing, renewable packaging materials. This also includes the reduction of energy consumption and the optimization of packaging volumes. With an optimized design for the transport packaging, the CO₂ emissions are reduced on route.

Product quality must be protected especially for perishables and baby foods, durability and safety is our number one priority. Maintaining high quality after production, combined with modern and efficient packaging processes, drastically reduces product losses and saves packaging material resources.

Acting in modern times means taking responsibility for people and the environment.

Supply Chain

Packaging material savings and lower transport volumes through compact and transport-optimized packaging forms

Safe Food

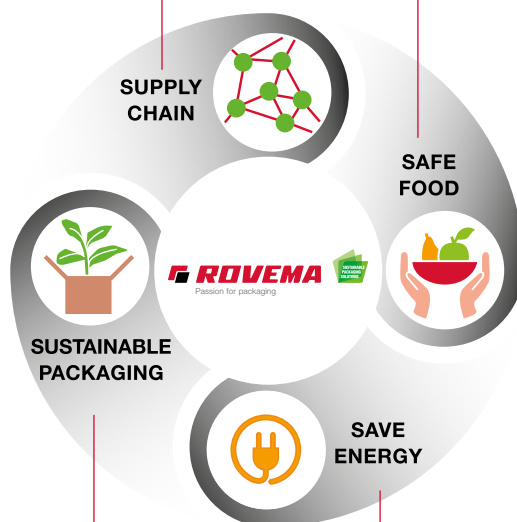
Prolonging the shelf life of food products through controlled leak tightness and packaging processes that are gentle on the product

Sustainable Packaging

Use of alternative packaging materials made of plastic or paper; packaging material savings through reduction of sealing seam widths and innovative sealing technologies

Save Energy

Energy and compressed air savings through efficient drives, optimized movements, and reduced masses. Energy savings through efficient sealing processes



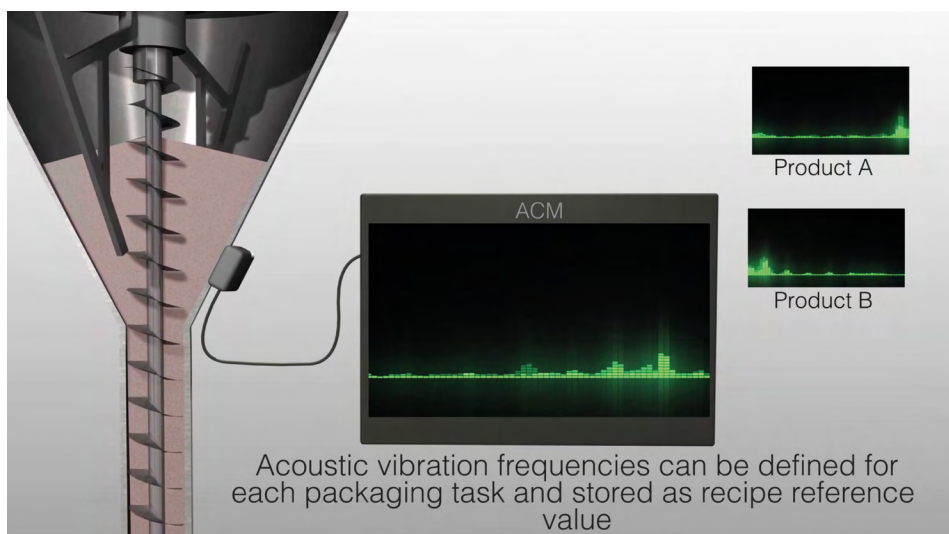
Environmental Protection / Environment and Climate

Practical examples of environmentally friendly innovations

Award-winning packaging solution Vacuum Powder Filler: The trend-setting process of low-dust and compact metering convinces with a significant increase of the dosing accuracy by up to 50%. In addition, the compression of the product enables a reduction in bag size – this saves packaging material and improves the utilization of the transport volume.



ROVEMA ACM (Auger Condition Monitor): With this safety system for auger dosing, contamination by the smallest particles – which cannot be detected in the metal detector – can be detected in time.



Environmental Protection / Environment and Climate

Field tests of new alternative packaging materials

Coffee packaged efficiently and sustainably

Sophisticated packaging solutions for whole beans, ground, agglomerated, or freeze-dried coffee: we have investigated a variety of alternative packaging materials for coffee and other oily products. There are now some promising alternatives. Not all of them offer the previous flexibility in pouch design, but the issue of product protection seems to be solved with the sustainable variants.

ROVEMA uses new, recyclable materials safely – without compromising durability and with maximum flexibility when changing recipes.



Coffee beans in Polypropylen (PP) with EVOH oxygen barrier



Ground coffee safely packed with particularly thin PP packaging material



Coffee powder in Polyethylene (PE) Mono material



Coffee powder packed in polyolefin composite with sealing medium made of 85% renewable raw materials

Successful paper solutions for short-cut pasta and pulses

Pasta is predestined for new alternative paper packaging materials – e.g. kraft papers for dried pasta and monomaterials with barrier properties for fresh pasta. On ROVEMA machines the processing of these new packaging materials, e.g. kraft papers, is possible without any problems. Retrofits on existing machines have also been successfully carried out several times with little effort.



Short-cut pasta and pulses packed quickly and efficiently in flat paper bags



Attractive paper stand-up pouches with minimum use of resources



POS strong stand-up pouches with optional window

Environmental Protection / Environment and Climate

Practical topic: Keeping existing machines in production

Case Study: Extending the machine life cycle through upgrade options

Paper or plastic packaging materials – easily and quickly convertible

Flashback to 2013: The Schnell family owns a very complex SBS packaging system, which also enables the production of block-bottom bags with cardboard tabs or clips. This allows them to react flexibly and ad hoc to market changes. Premium variants and “everyday noodles” can be produced and packed easily and without major changeover work. The Schnells are impressed by their new packaging technology, which is intuitive and easy to understand. The SBS enables the best possible differentiation of Altmühltal pasta at the point of sale: a wide variety of bag top shapes can be produced. Christian Schnell praises the easy machine accessibility due to the modular design, but at that time he was just as unaware as ROVEMA of the developments in the field of packaging materials in 2019. That is what we understand by “long life” through flexibility.

Today, ROVEMA’s SBS actually demonstrates its investment security to the highest degree, because it can still be flexibly expanded. But what is currently even more important: The ROVEMA SBS not only processes plastic films, but also paper. It thus fulfills the trend that has swept onto retail shelves as a result of the sustainability wave: More and more frequently, today’s discerning consumers buy their quality pasta only if it has been packaged in paper.



Corruption Prevention

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

Principle 10

ROVEMA does not tolerate any kind of corruption, extortion or bribery, neither towards public nor private officials, neither active nor passive. Dealings with all customers, suppliers and authorities shall be transparent and shall comply with international anti-corruption standards. The ROVEMA Code of Conduct clearly states the underlying ethical understanding and the expected business methods. Compliance with and implementation of the Code of Conduct are mandatory for all employees.

In order to sensitize employees to possible corruption and to act preventively, the correct conduct is taught in regular training sessions. Participation in the training courses is mandatory. In 2020, more than 320 employees in Fernwald were invited to the e-learning training on corruption prevention, and the participation rate was just under 100%.

In the event of unclear situations and indications of misconduct, employees have the option of reporting through various channels, e.g. by contacting the Chief Compliance Officer directly or via a separate e-mail address.

There were no reported cases of suspicion or corruption in the 2020 reporting period.



ROVEMA GmbH
Industriestrasse 1
35463 Fernwald, Germany
T. +49 (0)641/409-0
F. +49 (0)641/409-212
info@rovema.de
www.rovema.com

