

SUSTAINABILITY REPORT

2021

NON-FINANCIAL REPORT



TOPICS OVERVIEW



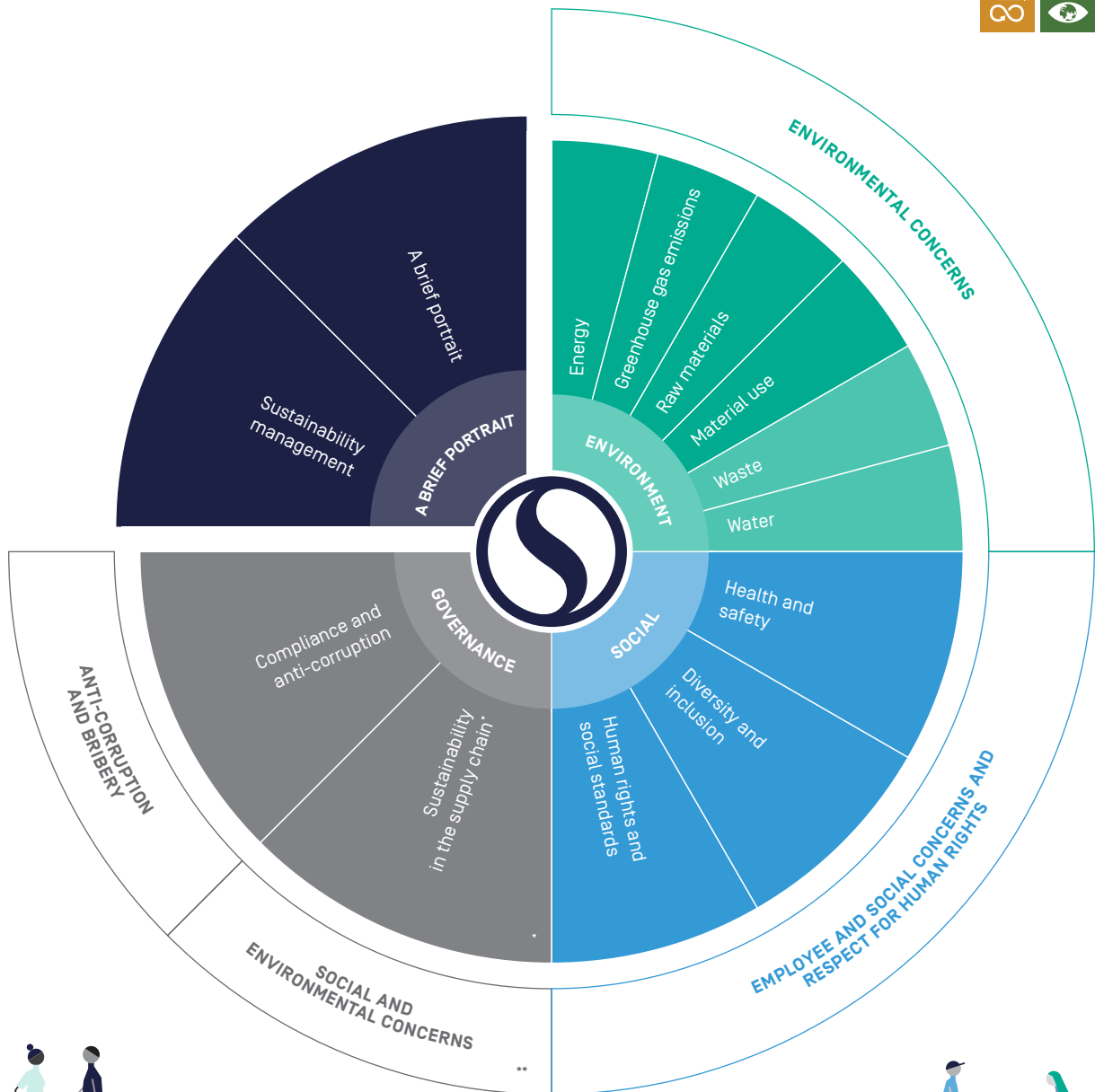
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GROUP**

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**ENVIRONMENT AND
CLIMATE PROTECTION**



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GOVERNANCE

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SOCIAL

Page 82



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

** Concerns according to the Sustainability and Diversity Improvement Act (Nachhaltigkeits- und Diversitätsverbesserungsgesetz - NaDiVeG)

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STATEMENT IN SUPPORT OF THE UN GLOBAL COMPACT

Dear Secretary General,
dear stakeholders,

We are pleased to confirm that Semperit AG Holding continues to support the ten principles of the United Nations Global Compact in the areas of human rights, working standards, protection of the environment, and anti-corruption.

Our Sustainability Report 2021 provides an overview of the various measures we have taken to continually improve integration of the UN Global Compact and its principles into our business strategy, corporate culture, and day-to-day activities.

We look forward to sharing our work with you as together we drive the ten principles of the UNGC forward.

Yours faithfully,



A handwritten signature in black ink, appearing to read 'Karl Haider'.

Dr Karl Haider
CEO



A handwritten signature in black ink, appearing to read 'P. Preining'.

Petra Preining
CFO



A handwritten signature in black ink, appearing to read 'K. Brok'.

Kristian Brok
COO

FOREWORD FROM THE EXECUTIVE BOARD

|
CHANGE WILL HELP US
POSITION THE SEMPERIT
GROUP FOR
THE FUTURE AND TO
GRADUALLY SEE
OUR VISIONS AND GOALS
COME TO FRUITION.
|

Dear readers,

2021 was a record breaking year for us. We not only managed to build on the success achieved in 2020, we were also able to overcome the challenges associated with the COVID-19 pandemic in an extremely demanding environment, and to continue driving the transformation of our company forward. We would like to express our sincere thanks to all those involved for this achievement and their contributions.

However, we should bear in mind that the next few months will not be any less all-consuming. Whilst we have succeeded in continually developing as a company and setting some essential milestones, we are still a long way from reaching the end of our journey. External factors, such as the prevailing supply chain and logistics issues and the broader ramifications of the COVID-19 pandemic, as well as geopolitical changes, will continue to keep us occupied and tie up resources. Our strategic objective to achieve the next phase of our company transformation by stepping up growth initiatives (organic and inorganic) will also continue to present a challenge. Change is and will continue to be our constant companion going forward.

Change will help us position the Semperit Group for the future and to gradually see our visions and goals come to fruition. Alongside innovation, topics that will be at the forefront here are safety in the workplace and digitalisation. Our focus will also be on increasing our attractiveness as an employer, stepping up our talent management activities and ensuring that the issue of sustainability is firmly anchored in our DNA. Semperit is a company rich in tradition with an excellent reputation and a strong brand, something we not only want to maintain, but also to continue putting our weight behind and pushing forward. It is important to face the coming changes and requirements head on and with new ideas, whilst creating an environment that enables us to continually develop as people and as a brand in order for us to gain a sustainable foothold in the market in the long term.



A handwritten signature in black ink, appearing to read 'Karl Haider'.

Dr Karl Haider

We took some key steps in 2021 in connection with the sustainable orientation of our company. A sustainability strategy was drawn up for the first time in the company's history and this has already been put into practice in many areas. Based loosely on the motto 'Move hearts and minds', our aim is to anchor the multifaceted aspects of sustainability in all areas of our company, but especially in the hearts and minds of our employees.

With the aim of promoting ideas and innovations, our focus is now mainly on involving all the relevant stakeholders and increasing awareness. Only with the appropriate mindset and a change of culture can we achieve an honest and transparent sustainable business approach.



A handwritten signature in black ink, appearing to read 'P. Preining'.

Petra Preining

And that is exactly what our long-term goal is: over the next few years, we want to make the transition from implementing a 'reduction strategy' to becoming a sustainable company. We are aware that this will not be an easy task for a company that processes rubber and is part of the chemical industry. The challenges are as diverse as the topics on which our Sustainability Strategy 2030 is based. However, we are convinced that we will also be successful in forging this path.

Trends that have been observed in recent months, the topic areas that we have defined as important and the goals we have set ourselves for the next stages of our journey towards a sustainable future are set out in the following pages of this report. We would be pleased to have you join us on our journey!

Vienna, 23 March 2021
The Executive Board



A handwritten signature in black ink, appearing to read 'K. Brok'.

Kristian Brok



SEMPERIT GROUP

A brief portrait
Sustainability management
Sustainability Strategy 2030

9
17
29

GLOBAL PRESENCE OF THE SEMPERIT GROUP

SEMPERMED

- ★ Vienna, AT, HQ
- ② Wimpassing, AT
- ③ Allershausen, DE
- ④ Waldböckelheim, DE
- ⑩ Levallois, FR
- ⑮ Budapest, HU
- ⑰ Sopron**, HU
- ⑱ Shanghai**, CN
- ⑲ Kamunting, MY
- ⑳ Nilai, MY
- ㉑ Singapore, SG
- ㉒ Brighton, New Jersey, US
- ㉓ Clearwater, Florida, US
- ㉔ Coppel, Texas, US
- ㉕ Ontario, California, US

SEMPERFLEX

- ② Wimpassing, AT
- ④ Waldböckelheim, DE
- ⑮ Odry, CZ
- ⑱ Shanghai**, CN
- ㉒ New Delhi, IN
- ㉑ Singapore, SG
- ㉓ Hat Yai, TH
- ㉕ Fair Lawn, New Jersey, US

SEMPERTRANS

- ★ Vienna, AT, HQ
- ② Wimpassing, AT
- ⑦ Moers, DE
- ⑩ Levallois, FR
- ⑪ Béthune, FR
- ⑬ Belchatów, PL
- ⑭ Warsaw, PL
- ⑰ Chennai, IN
- ⑲ Delhi, IN
- ㉑ Kolkata, IN
- ㉒ New Delhi, IN
- ㉓ Roha, IN
- ㉔ Jakarta, ID
- ㉕ Winnipeg, CA
- ㉖ Querétaro, MX
- ㉗ Atlanta, Georgia, US
- ㉘ Perth, AU
- ㉙ Thornton, AU

SEMPERFORM

- ② Wimpassing, AT
- ⑩ Levallois, FR
- ⑫ Birmingham, UK
- ⑰ Sopron**, HU
- ⑱ Shanghai**, CN
- ㉕ Fair Lawn, New Jersey, US

SEMPERSEAL

- ② Wimpassing, AT
- ④ Dalheim*, DE
- ⑤ Deggendorf, DE
- ⑥ Hückelhoven*, DE
- ⑨ Seligenstadt, DE
- ⑱ Shanghai**, CN
- ㉕ Fair Lawn, New Jersey, US

★ 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

* Merger of the Dalheim and Hückelhoven sites

** Two separate production sites

A BRIEF PORTRAIT






Publicly listed company Semperit AG Holding has been a global supplier of quality products made from natural and synthetic rubber or polymer materials for almost 200 years. The international group of companies develops, produces and markets products in over 100 countries for the Medical and Industrial Sectors.

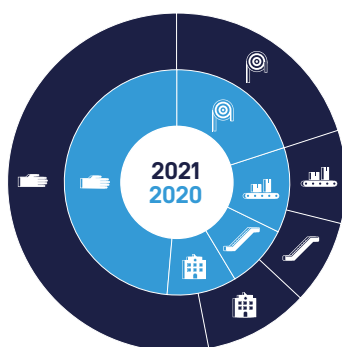
The roots of the Semperit Group date back to 1824. At the end of 2021, the Group employed around 6,900 people. Semperit operates 15 production sites and markets its products in the B2B space through its own sales network in Europe, Asia, North and South America, and Australia. The most important product groups are hydraulic and industrial hoses, conveyor belts, escalator handrails, window and door profiles, cable car rings, ski foils, products for railway superstructures, examination and protective gloves, and surgical gloves.



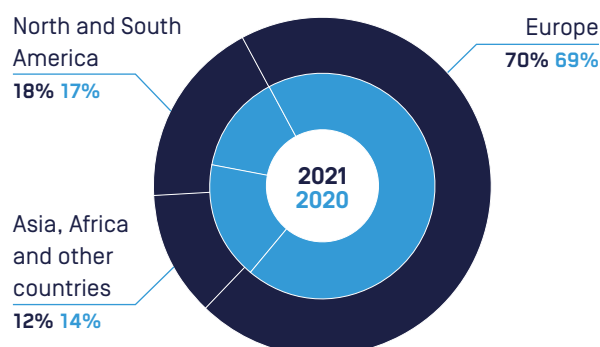
THE GROUP HAS 15 PRODUCTION SITES
WORLDWIDE AND NUMEROUS SALES
OFFICES IN EUROPE, ASIA, AUSTRALIA,
AND THE AMERICAS.

REVENUE SPLIT BY SEGMENT

	Semperflex	20% 20%
	Sempertrans	9% 12%
	Semperform	8% 9%
	Semperseal	10% 10%
	Sempermed	53% 48%



REVENUE SPLIT BY REGION



The shares of the Semperit Group are traded on the Vienna Stock Exchange. In 2021, the majority shareholder, B&C Privatstiftung, indirectly 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.

The restructuring steps taken have strengthened the resilience of the Industrial Sector significantly and created a good basis for future growth. A significant increase in customer proximity, a market-oriented alignment of the overall organisation and a stronger focus on applications are paramount for the existing Industrial segments. The goal is to serve existing and future markets faster, more effectively and more efficiently. In addition, there is the systematic continuous improvement in all areas of the company, which is intended to further promote the competitiveness and sustainability of the Semperit Group. To achieve the defined key performance indicators, the organic growth potential in the Industrial Sector is set to be coupled with an inorganic M&A strategy. At the forefront of the strategic M&A activities is the objective to profit from key trends, improve the geographical footprint, expand the range of business of the Industrial Sector and press ahead with the topics of digitalisation and circular economy.

In terms of markets and cyclability, a balanced and sustainable industrial portfolio with target revenue in excess of EUR 1 billion and an EBITDA margin of more than 13% is envisaged.

After achieving the temporary goal of benefiting as long and as comprehensively as possible from the attractive contributions to operating income provided by the industry-specific boom in medical protective gloves, the separation process will be continued in line with the fundamental strategic decision.

KEY PERFORMANCE FIGURES (EUR million)

	2021	2020	2019
Revenue	1,182.2	927.6	840.6
EBITDA	361.8	208.6	67.8
EBITDA margin	30.6%	22.5%	8.1%
EBIT	315.0	237.8	-16.5
EBIT margin	26.6%	25.6%	-2.0%
Earnings after tax	247.5	194.6	-44.9
Earnings per share*, in EUR	12.0	9.1	-2.5
Gross cash flow	323.4	193.7	46.7
Return on equity**	45.7%	58.0%	-16.3%

BALANCE SHEET KEY FIGURES (EUR million)

	2021	2020	2019
Balance sheet total	958.6	764.4	701.8
Equity**	540.1	332.3	273.4
Equity ratio	56.3%	43.5%	39.0%
Investments in tangible and intangible assets	56.4	28.5	31.4
Employees (at balance sheet date)	6,948	6,943	6,902

* Earnings per share are attributable to the core shareholders of Semperit AG Holding (excluding remuneration from hybrid capital)

** Attributable to the shareholders of Semperit AG Holding (excluding non-controlling interests)

THE SEMPERIT SEGMENTS

At the end of 2021, the Semperit Group consisted of the five segments Semperflex, Sempertrans, Semperform, Semperseal, and Sempermed, which are allocated to the Industrial and Medical Sectors.



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 for 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 service life are crucial. 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 cable car technology and escalator handrails to ski foils. In addition to production sites around the world, the Semperform segment is successfully positioned mainly in Europe.



SEMPERSEAL

Semperseal is one of the leading European manufacturers of construction and industrial profiles (window 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), Semperseal develops, produces and services user-specific solutions, which often make a crucial contribution to the success of overall solutions. Cooperation is usually project-oriented and takes place via a central contact person.



SEMPERMED

Sempermed has been producing gloves for over 100 years in Austria and since the 1980s in Asia as well. 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 crucial factor when it comes to securing a company's long-term success. Social developments such as demographic change, increasing internationalisation, or the shortage of skilled workers are challenges that have an impact on the area of human resources. Semperit focuses on the combination of expertise, commitment, and integrity and makes sure to create an appropriate environment in order 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 in relation to employees are set out in the [People Policy](#)¹, which is publicly available on the website.



THE SEMPERIT GROUP COMPRISED
AROUND 6,900 EMPLOYEES AT THE
END OF 2021.

At the end of 2021, the Semperit Group had around 6,900 employees (full-time equivalent), approx. 3,400 in Europe, approx. 3,500 in Asia, and approx. 90 in the Americas (including the rest of the world). 23% of the employees were women and just under 400 contingent workers. The turnover rate was around 20% and includes terminations by the company, expiries of fixed-term contracts and retirements, and is also due to the high proportion of employees that Semperit has in Asia, a region with 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 targets in terms of employees, such as the zero-accident policy or increasing the number of management vacancies filled internally. Skilled workers can be developed and vacancies filled internally through various

initiatives such as the People Days, Technical Development Path, or the Talent Academy (see Diversity and inclusion section on page 92) as well as the "Internal Job Market", which notifies current employees of new vacancies.

EMPLOYEE INDICATORS

	2021	2020	2019
NUMBER OF EMPLOYEES AT YEAR-END (FTE)	6,949	6,943	6,902

EMPLOYEES BY REGION (FTE)

Female Europe	895	795	818
Male Europe	2,470	2,272	2,351
Total Europe	3,365	3,067	3,169
Female Asia	636	685	567
Male Asia	2,861	3,127	3,101
Total Asia	3,497	3,812	3,668
Female Americas (including rest of the world)	33	25	24
Male Americas (including rest of the world)	54	39	42
Total Americas (including rest of the world)	87	64	66

PERCENTAGE OF EMPLOYEES BY GENDER

Female	23%	22%	20%
Male	77%	78%	80%

EMPLOYEES BY AGE GROUPS (FTE)

< 30	2,157	2,419	2,417
30-50	3,630	3,455	3,394
> 50	1,163	1,069	1,091

For more employee indicators see pages 96–98.

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

The employee data is collected directly at the individual sites.

The key figures for 2019 to 2021 include all employees from the fully consolidated companies of the Semperit Group.

FTE = full time equivalent

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, reinforcing 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. 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 in 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.



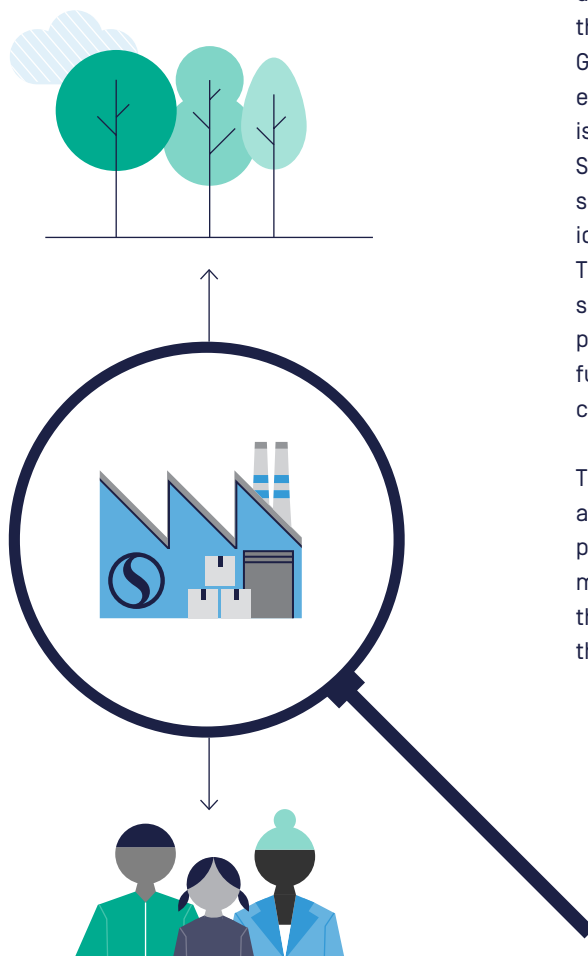
After the packaging and shipping of the products comes the usage phase. In this context, too, Semperit attaches great importance to close cooperation with its customers. At the end of the usage phase, products and production waste are recycled, used thermally, or disposed of in accordance with the requirements,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



SUSTAINABILITY MANAGEMENT

MATERIALITY ANALYSIS 2021

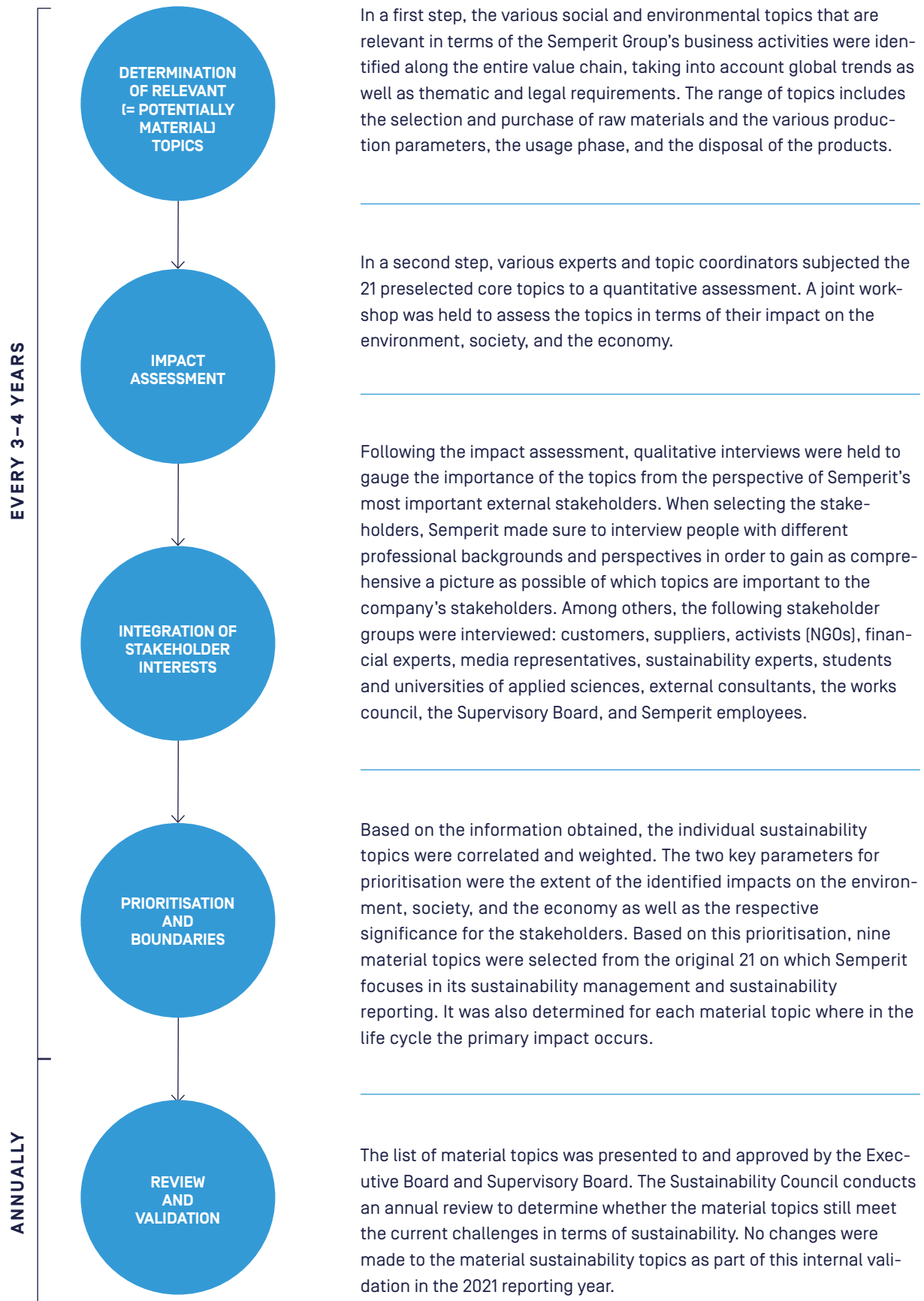
The materiality analysis carried out in 2020 serves Semperit as a basis for sustainability management as well as for determining the content of this report. The approach chosen – the materiality analysis – complies with the legal requirements of the Sustainability and Diversity Improvement Act and the standards of the Global Reporting Initiative (GRI) and involves the key stakeholders. In accordance with these standards, quantitative data and qualitative information must be disclosed on the topics identified.



The materiality analysis also serves to identify and evaluate the various sustainability topics that arise along the entire value chain as a result of the Semperit Group's business activities. Semperit's impact on the environment and society in the context of these topics is taken into account, as is their importance for Semperit's various stakeholders. In addition to the social and environmental impacts, 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. The process is repeated every four years.

The topicality of the material topics is reviewed annually and adjusted if necessary in order to respond to possible changes and trends in the business environment. In the 2021 reporting year, the topicality review by the Sustainability Council found no changes in the thematic landscape.

STEP BY STEP TO MATERIALITY (PROCESS DESCRIPTION)



MATERIAL TOPICS OF THE SEMPERIT GROUP IN 2021



	SECTION	NADIVEG CONCERNS	GRI STANDARD	BOUNDARIES OF PRIMARY IMPACT	STAKEHOLDERS
Energy	Energy and emissions	Environment	GRI 302	Within the company	Semperit, investors, employees, customers, authorities and politics
Greenhouse gas emissions	Energy and emissions	Environment	GRI 305	Within the company, upstream and downstream	Semperit, customers, suppliers, investors, employees, authorities and politics
Raw materials	Selection of raw materials and innovation	Environment	GRI 301	Within the company, upstream	Semperit, customers, suppliers, employees, authorities, and politics
Material use	Material use and waste management	Environment	GRI 301	Within the company	Semperit, customers, suppliers, investors, employees
Health and safety	Occupational health and safety	Employees	GRI 403	Within the company	Semperit, employees, investors, authorities
Diversity and inclusion	Diversity and inclusion	Employees	GRI 401 GRI 405	Within the company	Semperit, suppliers, employees, customers
Human rights and social standards	Human rights & social standards	Respect for human rights, social concerns	GRI 412	Within the company, upstream	Semperit, employees, suppliers, customers, NGOs, media
Sustainability in the supply chain	Sustainability in the supply chain	Environment, social concerns	GRI 308 GRI 414	Upstream	Semperit, suppliers, customers, investors, NGOs
Compliance and anti-corruption	Compliance and anti-corruption	Social concerns, anti-corruption, and anti-bribery	GRI 205 GRI 206 GRI 307 GRI 406 GRI 419	Within the company, upstream and downstream	Semperit, customers, suppliers, investors, employees
OTHER TOPICS					
Waste	Material use and waste management	Environment	GRI 306	Within the company, downstream	Semperit, employees, investors, authorities, and politics
Water	Water	Environment	GRI 303	Within the company	Semperit, neighbours and residents, authorities

STAKEHOLDER INVOLVEMENT

Stakeholders are individuals, institutions, or companies that have an interest in an organisation for personal or professional reasons because the actions of the organisation may have an impact on them, or because they themselves can influence the development of the company concerned. This is why knowing the interests and needs of your stakeholders is essential in order to address them in the best possible way. Ongoing exchange with stakeholders takes a variety of forms, such as face-to-face meetings, workshops, surveys, expert discussions, training courses, and the participation in national and international initiatives, and is part and parcel of the company's understanding of business. Semperit symbolises open and continuous dialogue. This means it is not only possible to create trust, but also to identify at an early stage which topics are relevant for Semperit in terms of sustainability or are likely to be in the future.



KNOWING THE INTERESTS AND NEEDS
OF YOUR STAKEHOLDERS IS
ESSENTIAL IN ORDER TO ADDRESS
THEM IN THE BEST POSSIBLE WAY.



The interaction between Semperit and the various stakeholders depends on the sector and topic and can take different forms. In the reporting year, for example, Semperit conducted a customer satisfaction survey with a separate section on sustainability and, in particular, the environment. Special attention was paid to packaging and the respective criteria and certificates such as FSC and PEFC.

The following table shows which topics are important to Semperit's various stakeholder groups and which dialogue formats the company uses to communicate with them and involve them.

STAKEHOLDER OVERVIEW

STAKEHOLDER GROUPS	TOPICS	FREQUENCY	INTEGRATION AND DIALOGUE FORMATS
Supervisory Board	ESG risks, sustainable financial market, sustainability strategy and target setting, implementation of new laws and guidelines	Ongoing	Meetings, individual and group discussions, interviews
Capital market (shareholders, outside creditors, etc.)	ESG ratings, targets and risks in the area of sustainability, sustainable financing, greenhouse gas emissions, future business alignment (Green Deal, green investments, etc.)	Ongoing	Individual and group discussions, conferences, information events, road shows, telephone calls, Annual General Meeting, annual press conference
Employees	Social standards, diversity, attractive employer, waste, energy, greenhouse gas emissions, etc.	Ongoing	Employee dialogues and survey, internal media, town hall meetings, management calls, employee events, staff meetings, mentoring programmes, group conference
Customers	Raw material selection, greenhouse gas emissions, certificates and audits, responsibilities, health and safety, water and waste	Ongoing	Customer meetings, customer survey, social media, trade shows, media
Suppliers, business partners	Raw material selection, energy, greenhouse gas emissions, certificates and audits, efficiency, market developments	Ongoing	Dialogues, events, trainings, talks, supplier surveys, audits
Civil society, NGOs	Recycling economy and waste management, human rights and social standards, Green Deal	Ongoing	Dialogues, one-to-one meetings, specialist events, answers to enquiries, media
Local stakeholders	Health and safety, waste, water, corporate management, emissions, employee indicators	Ongoing	Personal conversations, factory tours, neighbourhood meetings, press conferences
Political decision makers	Greenhouse gas emissions, energy, innovative performance, employee indicators	Ongoing	Events, submissions
Science, research	Recycling economy, raw material selection, smart technologies	Ongoing	Round tables, R&D cooperation, speeches, discussions
Media	Future alignment of the company and the product portfolio, circular economy, effects caused by climate change	Ongoing	Press meetings, press releases and press conferences, trade shows, interviews, individual interviews, phone calls, informal exchange
Networks, associations	Greenhouse gas emissions, circular economy, human rights, supply chain, material use, social standards	Ongoing	Participation of Executive Board members, managers or technical experts in initiatives, forums and events, memberships

SEMPERIT AND THE GLOBAL SUSTAINABLE DEVELOPMENT GOALS (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 a national, regional, and international level by 2030. Semperit has analysed the 17 sustainable development goals in terms of their significance for its business activities. The goals on which Semperit has the greatest influence are presented in the chart on page 2 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 terms of these goals is not seen as primary. Other SDGs are mentioned in the substantive part of the report.



SDG 3 GOOD HEALTH AND WELL-BEING

Semperit makes a significant contribution to SDG 3 on a wide variety of levels. Health and safety of employees have top priority for the company. With the help of a comprehensive catalogue of services and measures, the occupational health and safety of employees is constantly being improved across all processes, from the storage of raw materials and handling of hazardous substances and chemicals to the operation of machinery. Training courses, information offers, and a raft of other services and measures are designed to prevent accidents of any kind and ensure maximum safety for employees. In addition, by producing examination and surgical gloves, Semperit contributes directly to the supply of medical products and thus to the protection of society.



SDG 5 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 addition to promoting diversity and equality, Semperit works hard to avoid all forms of discrimination.



SDG 8 DECENT WORK AND ECONOMIC GROWTH

Through long-term investments and the appropriate innovative performance, the Semperit Group promotes the local economy and contributes to regional value creation, thus creating 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 works continuously on these issues.



SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Semperit attaches great importance to research and development and is characterised by its high level of innovation and high quality standards. This not only satisfies customer needs, but also makes a significant contribution to issues such as resource efficiency, the circular economy, and long product life cycles. 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.



SDG 13 CLIMATE ACTION

The Semperit Group works continuously on optimising its production processes. The associated activities aim at using resources more efficiently, promoting the use of clean and environmentally friendly technologies, and constantly promoting innovation. The focus here is on energy and emissions, material use, and avoidance of waste. The “Energy Excellence” programme implemented in 2021 is dedicated exclusively to the topic of energy, with the aim of creating greater awareness and sustainably improving the energy efficiency of production processes.



SDG 16 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 environmental and social criteria.

SEMPERIT'S COMMITMENT TO THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

The United Nations Global Compact (UNGC) is a global initiative for responsible corporate governance. The vision of the UNGC is an inclusive and sustainable global economy based on the ten universal principles. The goal of the worldwide movement of economy, politics, and civil society: to make globalisation more social and ecological. The central pillar of the UNGC is composed of the ten universal principles and 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 principles. This report serves as Communication on Progress (COP) in accordance with UNGC and provides an overview of the measures and activities undertaken in the relevant topic areas: human rights and working standards, environment and climate protection, as well as prevention of corruption.

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

HUMAN RIGHTS

01

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

02

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

WORKING STANDARDS

03

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

04

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

05

Businesses should uphold the effective abolition of child labour.

06

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

PROTECTION OF THE ENVIRONMENT

07

Businesses should support a precautionary approach to environmental challenges.

08

Businesses should undertake initiatives to promote greater environmental responsibility.

09

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

ANTI-CORRUPTION

10

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

EXTERNAL INITIATIVES, PARTNERSHIPS AND MEMBERSHIPS

Sustainable development requires innovative approaches and framework conditions that can often only be developed in partnership with other stakeholders. With this in mind, Semperit supports several external initiatives for sustainable development and makes a committed contribution to achieving the goals of these initiatives (for example, UNGC, BSCI and Tfs).

The company also maintains a partnership-based cooperation with various universities, technical colleges, other research institutes, and industry-relevant institutions. Sustainability issues are not only the focus in research and development projects, but also in the associations and interest groups of which Semperit is a member. The strategically most important initiatives, partnerships, and memberships are listed below.



EXTERNAL INITIATIVES AND MEMBERSHIPS

- amfori BSCI - Business Social Compliance Initiative
- BVH - Bundesverband Hautschutz e.V. (Federal Association for Skin Protection)
- C.I.R.A. - Cercle Investor Relations Austria
- EcoVadis - 2021 Gold Standard (Semperit Group)
- International Rubber Study Group
- IV - Industriellenvereinigung (Federation of Austrian Industries)
- UN Global Compact - Network Austria
- Tfs - Together for Sustainability
- WdF - Wirtschaftsforum der Führungskräfte (Austrian Managers Association)
- WDK - Wirtschaftsverband der Deutschen Kautschukindustrie e.V. (Association of German Rubber Manufacturing Industry)



PARTNERSHIPS

- A.S.I. - Austrian Standards International
- CEN - European Committee for Standardization
- DIK - Deutsches Institut für Kautschuktechnologie e.V.
- DIN - Deutsches Institut für Normung e.V.
- DKG - Deutsche Kautschuk Gesellschaft e.V. (German Rubber Society)
- University of Applied Sciences Wiener Neustadt
- FMM - Federation of Malaysian Manufacturers
- GKFP - RAL-Gütegemeinschaft Kunststoff-Fensterprofilsysteme e.V.
- ift Rosenheim - Institut für Fenstertechnik e.V.
- Joanneum Research Weiz
- MARGMA - Malaysian Rubber Glove Manufacturers Association
- Montan University Leoben
- MRC - Malaysian Rubber Council
- MSOSH - Malaysian Society for Occupational Safety and Health
- OFI - Österreichisches Forschungsinstitut für Chemie und Technik
- PCCL - Polymer Competence Center Leoben GmbH
- Graz University of Technology
- Technische Universität Wien (Vienna University of Technology)

ORGANISATIONAL ANCHORING OF SUSTAINABILITY

At Group level, sustainability management falls within the remit of the Chairman of the Executive Board. He is informed by the Sustainability Council on a regular basis about current issues and developments and, as the highest decision-maker, bears ultimate responsibility for the sustainable orientation of the company. The Sustainability Council, in consultation with the Group Head of Sustainability, is responsible for defining the focal points of operational sustainability management and driving the implementation of appropriate measures within the company.

Coordinating sustainability agendas is the responsibility of the Group Head of Sustainability, who handles all tasks in the context of ESG (Environment, Social and Governance). The Group Head of Sustainability reports to the Group Brand Management Director, who reports directly to the COO in matters relating to sustainability. The Executive Board of the Semperit Group informs the Supervisory Board on a regular basis about current sustainability issues and the progress of sustainability activities, and drives the issue internally in a wide

variety of corporate areas. Consequently, there are numerous functions within the Semperit Group that deal with the issue of sustainability. At plant and thus at national level, there are further positions that deal with specific issues and the operational implementation of ESG measures relating to topics such as energy, waste or water, compliance, and HR management.

In the 2021 reporting year, the focus of sustainability work was primarily on developing the sustainability strategy, incorporating the requirements of the EU Taxonomy Regulation and on work in connection with the "Together for Sustainability" initiative, which deals with sustainable supply chain management. The Sustainability Council's remit includes in particular topics such as ongoing data management, human rights, current developments at regulatory level, and in the area of finance. Annual ESG risk management is also an important part of the Council's work. For more details, see page 109 ff. Another topic that was widely discussed in the various committees was the slow change in market requirements with regard to sustainability, which is becoming noticeable mainly due to increasing customer demands and affects a wide variety of areas within the Semperit Group.

ORGANISATION OF SUSTAINABILITY MANAGEMENT

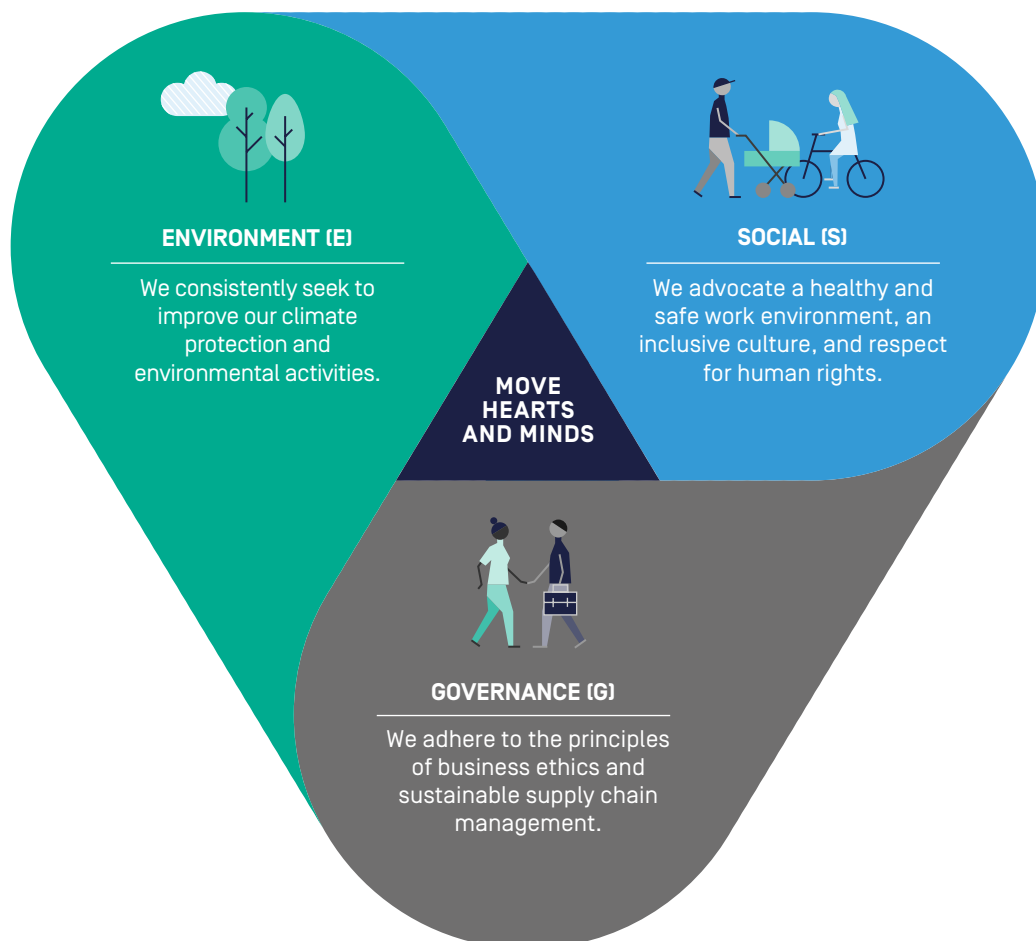


SEMPERIT CONTINUES ITS COMMITMENT TO SUSTAINABILITY

SEMPERIT SUSTAINABILITY STRATEGY 2030

After carrying out the last materiality analysis in 2020, Semperit began developing a Group-wide sustainability strategy. Building on the material topics and taking into account current megatrends and market developments, the first step was to define the most important topic areas that are relevant in terms of ESG (Environment, Social, Governance) and that the sustainability strategy should cover. In a second step, a comprehensive peer group analysis was carried out to find out which sustainability topics are of strategic relevance to our competitors and other industrial companies and what specific goals they are striving to achieve in relation to these. This information served as the basis for

internal discussions and subsequent formulation of the quantitative and qualitative goals. The targets were defined by the respective areas in cooperation with the sustainability department and other relevant stakeholders. The Executive Board and the Supervisory Board were informed on a regular basis of the current status and planned next steps and were involved in the ongoing discussions. In line with the EU Green Deal and associated targets, the strategy focuses on the period up to 2030. During this period, it is important to create a high level of involvement and successfully promote sustainable changes within the company.



The Semperit Sustainability Strategy 2030 aims to improve existing processes within the framework of the current business model in order to meet the industry standard and prevent or minimise negative environmental and social impacts as far as possible. Creating awareness and commitment is one of the most important tasks of the Sustainability Strategy 2030. The goals can only be achieved if internal and external stakeholders can be involved and if everyone pulls together. Once a common understanding has been reached and the first signs of success are visible and tangible, the plan is to take further steps.

This will pave the way for the post-2030 phase in which the transformation of the company will occur; the transformation that is necessary for a carbon-free economy where materials are recycled as far as possible. In its next sustainability strategy, which is expected to cover the period 2030 to 2040, Semperit will focus on disruptive changes to both materials and products as well as to production processes.

The current status of the goals is reviewed on an ongoing basis and communicated internally to ensure that countermeasures can be taken in a timely manner. There are also plans to review the targets with regard to new scientific findings or political requirements and to adjust them if necessary.

CURRENT TOPIC AREAS OF THE SEMPERIT SUSTAINABILITY STRATEGY 2030

ENVIRONMENT (E)



Energy and emissions



Waste and water

SOCIAL (S)



Health and safety



Diversity and inclusion



Respect for human rights

GOVERNANCE (G)



Supply chain management



Business ethics

SEMPERIT'S COMMITMENT 2030

TARGETS 2030



ENVIRONMENT (E)

ENERGY AND EMISSIONS

- 30% less energy
- 30% lower emissions
[Scope 1 & 2]

30 by
2030



Page 58 ff.

WASTE AND WATER

- 30% less water
- 30% less waste

30 by
2030



Page 76 ff.



SOCIAL (S)

HEALTH AND SAFETY

- 8–10% annual improvement in the accident rate
- Zero accidents



Page 84 ff.

DIVERSITY AND INCLUSION

- Adapt age distribution to relevant labour markets
- Adapt gender distribution to relevant labour markets
- Adapt proportion of people with disabilities to relevant labour markets
- Improve intercultural cooperation and presence in local communities



Page 92 ff.

RESPECT FOR HUMAN RIGHTS

- 100% training*
- 100% external audits*
- Zero violations



Page 99 ff.



GOVERNANCE (G)

SUPPLY CHAIN MANAGEMENT

- Ongoing evaluation of suppliers (80% of expenditure for direct materials – raw materials, packaging materials and trade goods)
- Setting up of a supplier cooperation programme



Page 113 ff.

BUSINESS ETHICS

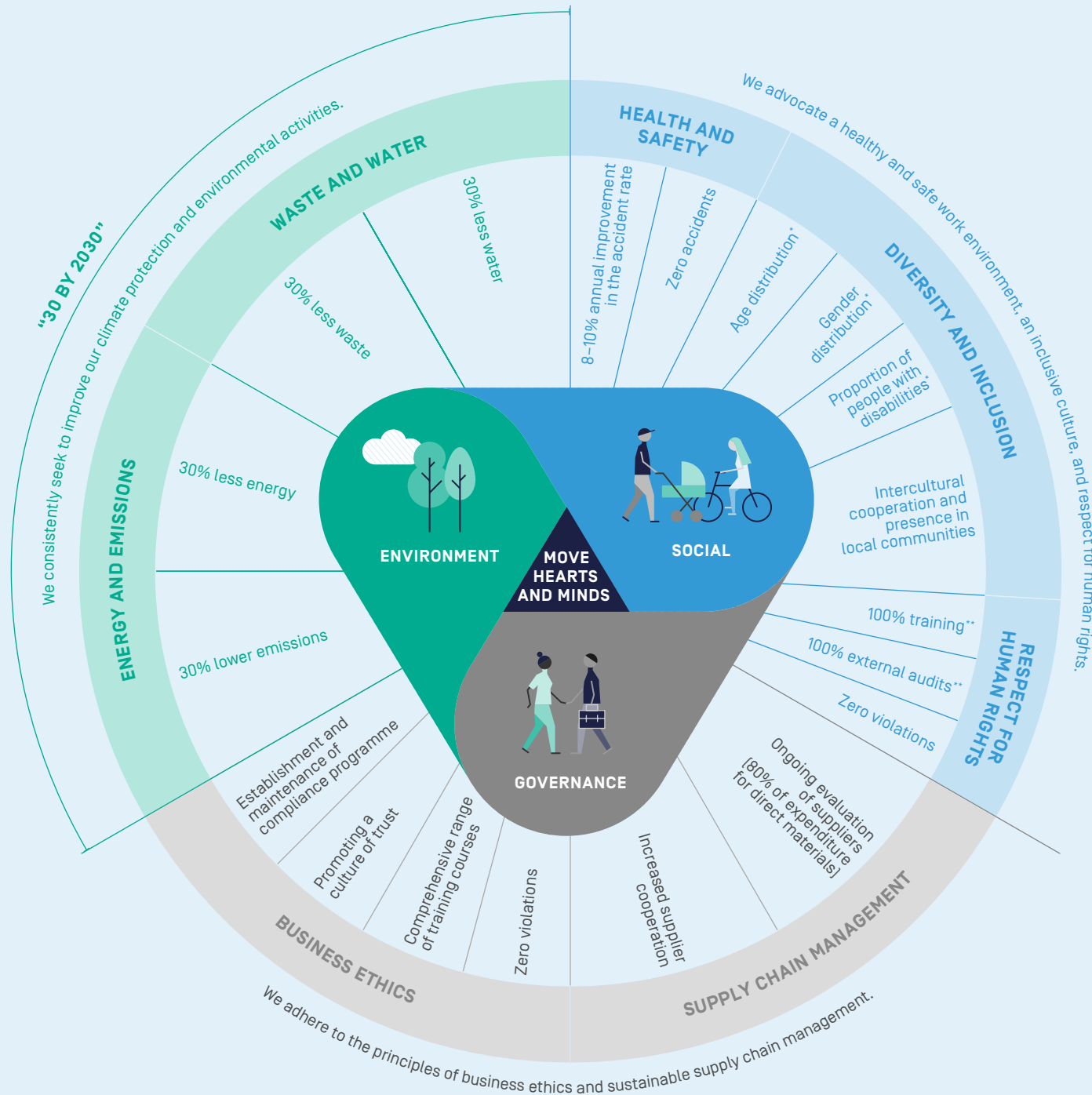
- Establishment and maintenance of compliance programme
- Comprehensive range of training courses
- Promoting a culture of trust through communication and awareness raising
- Zero violations



Page 119 ff.

* for employees and sites that are characterised by a relevant risk

SUSTAINABILITY STRATEGY 2030 "MOVE HEARTS AND MINDS"



SUSTAINABILITY STRATEGY 2030: OVERVIEW OF TARGETS ACHIEVED IN 2021



ENERGY AND EMISSIONS

9%

IN 2021

(kWh/production unit)

4%

IN 2021

(Scope 1 & 2/Production unit)



WASTE AND WATER

11%

IN 2021

(T/production unit)

13%

IN 2021

(m³/production unit)



HEALTH AND SAFETY

40%

improvement in the accident rate



DIVERSITY AND INCLUSION

23%

women

1%

people with disabilities



RESPECT FOR HUMAN RIGHTS

0

violations

>70%

of employees trained**

100%

of sites audited**



BUSINESS ETHICS

>90%

of white-collar workers trained

16

core areas of communication

0

violations



SUPPLY CHAIN MANAGEMENT

39%

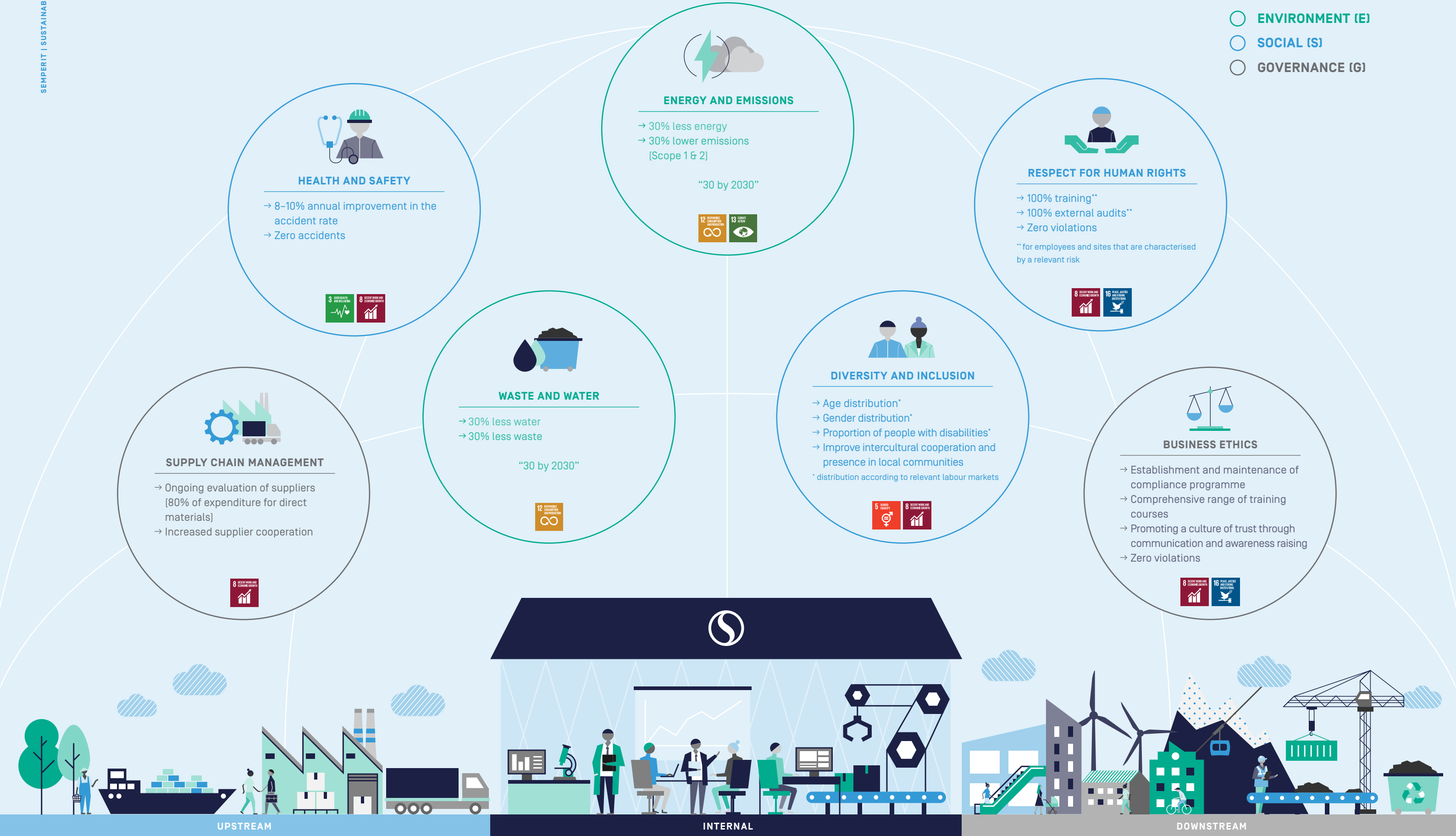
of overall purchasing volume for direct materials

70%

improvement rate

More details on the targets as well as the associated measures can be found in the respective sections.

OVERVIEW: VALUE CHAIN OF SEMPERIT AND RELEVANT TOPICS AND GOALS FOR 2030





ENVIRONMENT AND CLIMATE PROTECTION

Climate-relevant information	40
Energy and emissions	58
Selection of raw materials and innovation	68
Material use and waste management	76
Water	79

Climate change is no longer just something abstract that is discussed at different levels but is becoming increasingly tangible. The effects and consequences are diverse and range from regional impacts to new emerging regulations. Some experts are already talking about a climate crisis that will affect many areas of our lives and work. Climate-relevant topics as well as the protection of the environment are gaining more and more momentum, becoming an inescapable factor that companies must consider.

|
ACCORDING TO CURRENT
KNOWLEDGE, IT CAN BE ASSUMED
THAT GOVERNMENTS AND
REGULATORY AUTHORITIES WILL
INCREASINGLY TAKE
MEASURES TO CURB CARBON
DIOXIDE EMISSIONS AND TO
ACHIEVE CLIMATE NEUTRALITY
BY 2050 AT THE LATEST.
|



The careful handling of resources, waste and scrap prevention, the optimisation of energy use, as well as the step-by-step reduction of emissions and the gradual substitution of critical substances are important environment- and climate-relevant objectives in production. Activities in this area actively contribute to environmental protection and at the same time bring economic benefit. This is because potential savings can be realised on the one hand while risks can be prevented and opportunities exploited on the other, for example, by expanding the product portfolio and possibly developing new markets. In keeping with the latest scientific findings, it can be assumed that governments and regulatory authorities will increasingly take measures to curb carbon dioxide emissions and to achieve climate neutrality by 2050 at the latest. Since many experts consider a CO₂ tax to be the most effective and direct way to combat climate change, it is to be expected that an increasing number of countries will make use of this instrument.

In addition, climate protection is also becoming increasingly important on the market. An ever-larger number of customers, suppliers, investors, and other stakeholders are interested in it. Transparency and accountability regarding climate protection performance and objectives are increasingly demanded of more and more market participants. These dynamic changes, which are already being felt today and will have an even greater impact on the business activities of the Semperit Group in the future, are classified as what are referred to as transition risks.

All Semperit employees are encouraged to proactively work on sustainable improvements and to get involved. Suggestions for improvement are reviewed for effectiveness and feasibility, evaluated and implemented quickly if necessary. By further developing processes, products, and services, Semperit ensures that they contribute to a long-term and holistic improvement. Accordingly, product development, for example, focuses on the entire life cycle. The company ensures that resources are used as efficiently as possible from production and use to disposal and that environmental pollution, such as emissions to soil, air, or water, is avoided. It is important to always keep the effects of noise, odour, or emissions on employees, neighbours, residents, and ecosystems as low as possible. Semperit regularly develops emergency plans and appropriate preventive measures to avoid environmentally relevant incidents as well as to be prepared for possible emergencies and operational disruptions. These activities are accompanied by comprehensive employee training, which makes it possible to act quickly and in a targeted manner in an emergency. This applies to the higher-level crisis team as well as to the employees of the corporate fire brigade or the relevant specialist departments. In an emergency – in compliance with the

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-related Financial Disclosures (TCFD).



Group's internal recording and reporting system – all relevant departments are to be informed, and proper conditions restored as quickly as possible. In addition to employee training and developing appropriate measures, the ongoing analysis of potential risks and weaknesses is at the forefront of environmentally relevant considerations. Production sites that are certified according to ISO 14001 regularly perform what is referred to as environmental impact analyses. This applies to all consolidated production sites of the Semperit Group with the exception of the sites in Nilai, Malaysia and Hückelhoven, Germany. In the scope of these analyses, potential environmentally relevant risks and weaknesses as well as any associated impacts are identified and evaluated. Based on this data, measures are developed to minimise potential negative impacts. Regular controls, the active involvement of all employees, and internal and external audits also help to ensure that Semperit's exceptional environmental standards are met.

COMBINED MANAGEMENT SYSTEM

To achieve essential improvements in the 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 desire to optimally control and support all activities. This is ensured in the longer term through continuous improvement of technological and management processes, a Group-wide environmental management system, as well as training and active involvement of all those involved. The applied principles are captured in the Group-wide guidelines "Resource Management" and "Health, Safety, Environment, Energy, and Quality" and are publicly available on the [Semperit Group website](#). The second guideline was revised across departments in 2021 and a section on energy, which was not previously included, was added.

The new guideline is available in the most common Semperit languages as a poster display at the sites or on the Semperit website and intranet.

The ISO 14001 certified environmental management system is integrated into the Group-wide "Semperit Combined Management System", which defines the relevant processes, responsibilities, and detailed procedures for implementing internal guidelines. The management systems certified according to ISO 9001, ISO 13485, and ISO 45001 (formerly OHSAS 18001) are also available there. Preparations for the switch to ISO 45001 have been completed. The system was audited for the first time in 2021. The management systems certified according to the ISO standards include all employees, processes, and activities at the affected sites. The effectiveness of the management system is checked regularly through internal and external audits. If necessary, measures are implemented to improve the management approach.

COMPANY	SITE	ISO 9001	ISO 13485*	ISO 14001	ISO 45001	ISO 50001
Semperit Technische Produkte Gesellschaft m.b.H.	Austria	●	●	●	●	
Semperit (Shanghai) Rubber & Plastic Products Co. Ltd.	China	●		●	●	
Semperflex Shanghai Ltd.	China	●		●	●	
Semperit Profiles Deggendorf GmbH	Germany	●		●	●	●
Semperit Profiles Leeser GmbH	Germany	●		—	—	●
Semperflex Rivalit GmbH	Germany	●		●	●	
M+R Dichtungstechnik GmbH	Germany	—		—	—	—
Sempertrans India Private Limited	India	●		●	●	
Latexx Partners Berhad	Malaysia	●	●	●	●	
FormTech Engineering (M) Sdn. Bhd.	Malaysia	—	—	—	—	
Sempertrans Betchatów Sp. z o.o.	Poland	●		●	●	
Semperform Kft.	Hungary	●		●	●	
Sempermed Kft.	Hungary	●	●	●	●	
Semperit Industrial Products Inc.	USA	—	—	—	—	—
Semperflex Asia Corporation Ltd.	Thailand	●		●	●	
Semperflex Optimit s.r.o.	Czech Republic	●		●	●	

* ISO 13485 refers to the manufacture of medical devices and thus exclusively to the corresponding production sites.

ADDITIONAL INFORMATION ON THE SCOPE OF CONSOLIDATION IN THE ENVIRONMENT SECTOR

The preceding list includes all Semperit Group production companies. The companies in grey are not included in the consolidated environmental data:

- Semperflex Rivalit GmbH, Germany is not shown as a production site but as a sales site due to the processes performed there and its small size. Since this site is ISO certified, it appears in the overview for the sake of completeness.
- The new site in America did not go into operation until the beginning of 2022 and is listed in the overview for the sake of completeness. The consolidation of this site is not planned until 2022.
- The M+R Dichtungstechnik site was acquired by the Semperit Group during the 2021 reporting year. To make this transition as efficient as possible, Semperit is gradually integrating the company into the Group structure. This means that M+R Dichtungstechnik GmbH will only be included in Group-wide sustainability reporting in the coming years.

More information on the scope of reporting can be found in the chapter entitled "About this report" on page 133.

This chapter covers the topics classified as essential



Energy



Greenhouse gas emissions



Raw materials



Material use

as well as information on



Waste



Water

The selected indicators used to describe the topics relate to the production sites. Sales locations and Group headquarters are not included in these topics due to their marginal impact. The American site and the new site in Germany, which were acquired by the Semperit Group in 2021, are also not yet included in the key figures. It is planned to integrate these sites into the scope of consolidation after the acclimatisation period.

Your contribution counts!



30 by 2030



30%
less
energy



30%
less
CO₂



30%
less
waste



30%
less
water

YOUR CONTRIBUTION COUNTS – “30 BY 2030”

As part of the Group-wide Sustainability Strategy 2030, published in 2021, clear goals were set in the environmental sector and relate primarily to the production sites. It is important that all employees get involved to achieve these goals. Sustainability can only be anchored in the Semperit Group and beyond in the longer term through shared understanding and awareness and, subsequently, joint action.

As part of the “30 by 2030” initiative

→ **30% less energy**

→ **30% lower emissions from Scope 1 and Scope 2**

→ **30% less waste**

→ **30% less water**

every employee, whether they work in the office or in production, is encouraged to contribute. This can be as simple as using energy and water sparingly in the workplace. Employees are also invited to contribute their ideas for increasing efficiency and conserving resources. This is supported by a corresponding communication campaign, which was designed in 2021 as part of the adoption of the sustainability strategy.

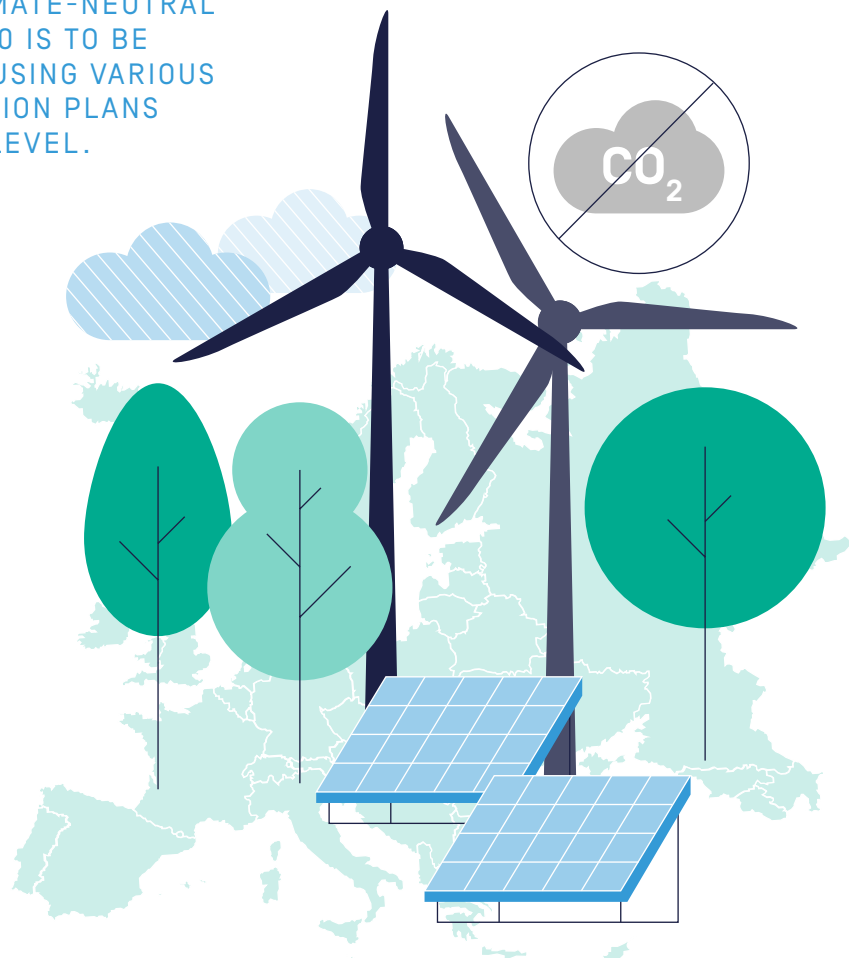
However, achieving the targets as part of the “30 by 2030” initiative requires not only a high level of employee participation, but also a clear reduction path to be met. To ensure this, the Group-wide target was broken down into annual targets for each site. Each site is required to achieve annual savings of 3% in energy, water, waste, and emissions (base year 2019). At Group level, this also means a 3% target achievement per year.

CLIMATE-RELEVANT INFORMATION

In December 2019, the EU Commission presented the “Green Deal” with the intention of leading the entire EU into a sustainable future. The major objective of making Europe the first climate-neutral continent by 2050 is to be achieved gradually using various measures and action plans. This development also entails increasing responsibility on the part of companies in climate and environmental protection. Corporate decisions must be increasingly analysed based on their ecological, as well as social impact. Clear goals are necessary to minimise negative impacts as much as possible. Viable strategies are also needed to permit further development of business models in such a way that they are resilient, sustainable and thus fit for the

future. Since the climate crisis is considered one of the greatest global challenges, companies must deal with it and systematically analyse the impact their business activities have on the climate. Conversely, they must also consider what risks and opportunities could be associated with advancing climate change for the company and whether the business model, the materials used, the goods produced, etc. are “climate fit”. In this context, the physical impacts directly related to climate change, such as the increase in extreme weather events or rising sea levels, must be considered, as well as market and regulatory impacts, such as changing customer and market requirements.

THE MAJOR OBJECTIVE OF MAKING EUROPE THE FIRST CLIMATE-NEUTRAL CONTINENT BY 2050 IS TO BE ACHIEVED GRADUALLY USING VARIOUS MEASURES AND ACTION PLANS AT EUROPEAN LEVEL.



The impact analysis of climate change and its consequences distinguishes between two main approaches: effects that act from the outside in (from the outside world to the company) and from the inside out (from the company to the outside world). This approach is referred to as double materiality and includes interactions between corporate activities and climate change:

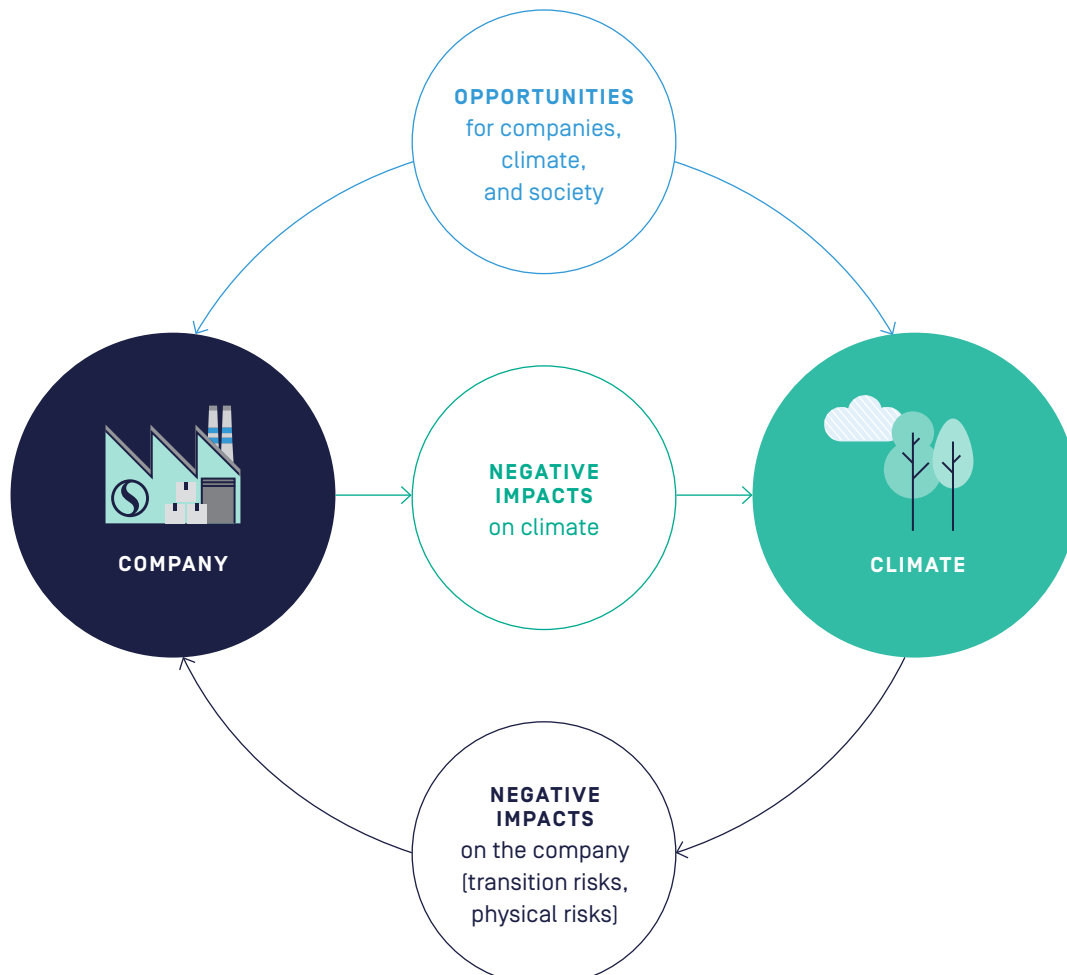
- Effects that the company has on the climate and climate change, for example through its consumption of resources (raw materials and energy) = from the company to the outside world (from the inside to the outside)

- Effects that climate change and its consequences can 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 intense heat waves and droughts

b. Transition risk such as rising costs, stricter limits, or special market requirements which arise due to a structural change on the market side across the sectors or on the regulatory level on the path to a climate-friendly economy. These transition risks include changes in climate policy, the technology, and the direct market environment, which can have a direct impact on the positioning of the Semperit brand and thus on the financial sector with its stakeholders as well.

DOUBLE MATERIALITY



INFORMATION ACCORDING TO THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The disclosure of climate-related information in this report follows 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 and targets. The following table shows where the relevant information on the key points according to the TCFD can be found in the report. Semperit has not yet performed the recommended scenario analyses, thus they cannot be reported on.

AREA	TCFD-RELEVANT DETAIL INFORMATION	PAGE
Responsibilities and governance	→ Management (governance) of climate-related risks and opportunities	→ 43
	→ Management role for evaluating and managing climate-related risks and opportunities	→ 43
Strategy	→ Climate-related risks and opportunities (short, medium and long term)	→ 44
	→ Impact of climate-related risks and opportunities on business, strategy, and financial planning	→ 44
	→ Resilience of business strategy considering various climate-related scenarios, including a 2°C scenario or less	→ Semperit currently does not have a dedicated scenario analysis
Climate-relevant risk management	→ Process description for identifying and assessing climate-related risks	→ 45 ff.
	→ Management of climate-related risks	
	→ Linking the identification, assessment, and management of climate-related risks with traditional corporate risk management	→ 45 ff. → 45 ff.
Metrics and targets	→ Metrics used to assess climate-related risks and opportunities.	→ 47
	→ Scope 1, Scope 2, and, where applicable, Scope 3 greenhouse gas (GHG) emissions and associated risks	→ 47
	→ Metrics used to measure the impact of climate-related risks and opportunities in relation to associated objectives	→ 47

1. RESPONSIBILITIES AND GOVERNANCE

The Chief Operating Officer (COO) of the Semperit Group is primarily responsible for climate-related issues. During Executive Board meetings, relevant topics surrounding sustainability and the potential risks and opportunities associated with them are discussed. Thus, Semperit ensures that these topics are managed and considered in forward-looking decisions. The Executive Board subsequently reports to the Supervisory Board about current developments in environmental and climate protection, as well as in social affairs and governance, and about Semperit's goals and performance in the context of the ESG. Regular information enables the Supervisory Board to monitor and promote progress in the individual areas.

Sustainability management is part of Group Brand Management and deals with the Group-wide coordination of all sustainability agendas and the related internal and external communication and representation. The Group Head of Sustainability acts as an interface between the decision-makers in production and those in other relevant areas, such as the innovation, purchasing, or risk departments. The respective department heads are responsible within the departments and promote the corresponding topics.



On the production side, the Chief Operating Officer (COO) has the highest authority and is, in regard to climate aspects, currently primarily responsible for increasing efficiency in the areas of energy, materials, and waste. Together with the CEO and CFO, he also deals with questions regarding the future orientation of the product portfolio, production, and innovation performance, and develops appropriate solutions with the Executive Board. The Directors of Operation report to the Chief Operating Officer and coordinate the segment-wide management of relevant production parameters. Jointly with the site managers, they are responsible for setting goals in energy efficiency and material use and for ensuring that the necessary measures are implemented to achieve the goals. The segment managers are responsible for the strategic orientation of the segments in cooperation with the technical managers and the innovation department.

On the product side, responsibility lies with the segment managers as well with the research and innovation department, which promotes new and further developments at the product level. Semperit maintains close cooperation with customers, suppliers, and research institutions to develop and offer needs-based and innovative products and solutions.



2. STRATEGY

For a company to plan the proper steps to combat climate change and adapt to its consequences, it must be aware of the associated risks and opportunities. Possible risks could include:

- The risk that the use of fossil raw materials will become increasingly limited or expensive, and that access to alternative raw materials from renewable sources, recycled raw materials, or secondary raw materials must be secured in a timely manner
- The risk that energy from fossil sources will no longer be available, or only to a very limited extent, and that the energy supply and the associated plants and processes will have to be converted accordingly
- The risk of production losses at various sites because they are in areas affected by flooding (due to increasing heavy rainfall or gradual rise in sea level) or extreme drought, or also due to population migration because of excessively high temperatures, droughts, etc.

In order to make a sustainable contribution here and take timely countermeasures, a long-term vision is needed as well as 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 developing the Group-wide Semperit Sustainability Strategy 2030 was launched in 2020 and was successfully completed in 2021. The Sustainability Strategy 2030 and, in particular, the "30 by 2030" initiative it encompasses represent another important step for environment and climate protection in the Semperit Group and form the basis for further activities. The sustainability strategy and the associated objectives are also considered in the Group and innovation strategy and in aligning the individual divisions. This strategy includes, for example, expanding the sustainable product range, optimising various production processes to minimise climate-relevant risks, and considering sustainability aspects in evaluating possible future markets. Based on the Group-wide strategy and its goals for 2030, further steps will be designed in the near future to initiate the longer-term transformation of the Semperit Group.

Current and future actions



a. Energy and emissions

Increasing energy efficiency, reducing Scope 1 and 2 emissions, continuous expansion of the survey of Scope 3 emissions, and expanding the share of energy demand that comes from renewable energy sources



b. Aspects of the recycling economy

Selecting raw materials, efficiency in using materials, increased use of secondary raw materials, analysing recycling potential, optimising waste management, efficient handling and low consumption of water



c. Expansion of the sustainable product range

Anchoring sustainability aspects in the corporate strategy is an essential tool at a higher level to successfully promote change as well as to ensure the success of the business model in the long term.

3. CLIMATE-RELEVANT RISK MANAGEMENT

In 2019, Semperit integrated the ESG risk management required by the Sustainability and Diversity Improvement Act (NaDiVeG) into its existing company-wide risk management. Since then, during the annual ESG risk assessment [see page 109 ff.], relevant risks and opportunities in the areas of environment, social affairs, and governance (ESG) have been collected, discussed, and evaluated. The last few years have shown that climate-related risks and opportunities are increasing in importance and tend to affect all areas of the company. The decisive factor for climate-relevant risks is that emerging issues and the associated opportunities are already known but will only have an impact in the medium and long term from a business perspective and according to current knowledge.

Physical risks

The term physical risks includes the direct effects of climate change. They are usually referred to as short-term risks, since – depending on the region – they may already be noticeable. A distinction is made:

-
- **Direct physical risks:** acute events (storms and heavy rainfall) and chronic changes (rising sea levels)
The consequences to the economy range from storm damage to buildings, temporary interruption of global supply chains, and loss of coastal locations.
-
- **Indirect physical risks:** for example, production losses due to a shortage of water supply because of prolonged droughts
-

From today's perspective, the Semperit Group is not affected by any physical risks from climate change. The production sites are in areas where physical risks such as water shortage or extreme weather events currently have little impact. However, as this may change in the coming years, physical risks are continuously monitored in terms of their probability of occurrence and potential impact.

Transition risks

The physical risks are offset by climate-relevant transition risks, which from a business perspective could have a greater impact on the activities of the Semperit Group in the short to medium term. Transition risks arise primarily due to regulatory and political requirements, such as the introduction of a CO₂ tax or the expansion and tightening of emissions trading, as well as because of market-specific and socially motivated developments in decarbonisation and the recycling economy, which can lead to rising company costs, as well as due to the changing needs of customers. These risks can affect the business model of entire sectors or the use of certain technologies and changes in customer behaviour.

Adapting to these effects can involve extensive investments and primarily affect innovation, production, and logistics. The main risks regarding corporate orientation 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 may lead to a weakening of brand positioning as well as market share loss. Conversely, appropriate countermeasures can lead to an image gain and thus to a competitive advantage and increased employee loyalty. The following table lists the transition risks identified during the ESG risk assessment.

OVERVIEW OF THE MOST IMPORTANT CLIMATE-RELEVANT RISKS AND OPPORTUNITIES FROM THE ESG RISK PROCESS 2021

RISK	AREAS OF THE COMPANY	POSSIBLE CONSEQUENCES	POSSIBLE OPPORTUNITIES	FUTURE EFFECTS
Little consideration of sustainability aspects in corporate and innovation strategies	Strategy and innovation	Weakening of brand positioning and loss of market share; lack of attractiveness for investors and customers	Competitive advantage; image gain	Increasing
No low-carbon products in the range that meet the current EU taxonomy requirements	Sales	Loss of customers; image loss; weakening of brand positioning; loss of investors	Competitive advantage; attractiveness for financial market; expansion of product range; development of new markets	Increasing
Promotion of climate risks through corresponding raw material selection	Purchasing and innovation	Image loss; weakening of brand positioning; loss of investors; cost disadvantage	Competitive advantage; attractiveness for financial market; expansion of product range; development of new markets	Increasing
Greenhouse gas-intensive production	Production	Increasing costs; image loss	Environmental and climate protection; cost advantage; employee retention	Increasing
Climate-relevant external effects such as new regulations and changing market requirements in connection with combating climate change	Environment	Increasing costs; image loss	Environmental and climate protection; cost advantage; employee retention	Increasing
Lack of attractiveness for the sustainable financial market	Finances	More difficult access to the financial market	Access to sustainably oriented financial streams; competitive advantage	Increasing

4. METRICS AND TARGETS

To minimise risks and take advantage of opportunities that arise in connection with climate change, it is important to define clear, measurable goals and to take appropriate measures. Conversely, these can be used to adapt (climate change adaptation) to already prevailing climatic changes or to avoid climate impacts in the longer term by reducing or neutralising greenhouse gas emissions (climate change mitigation).

Semperit Group focus points

a. Increase efficiency and reduce resource and energy consumption as well as waste by 30% by 2030 through process optimisation (base year 2019)

The “30 by 2030” initiative of the Sustainability Strategy 2030 bundles and accelerates all previous activities relating to efficiency and thus makes a significant contribution to climate protection. The focus is on continuously improving energy efficiency in production as well as in building management and reducing the volume of scrap and waste and the use of water. In addition, further measures to reduce CO₂ emissions are to be developed and implemented, such as installing photovoltaic systems.

The objectives were broken down to site level and all participants were involved in the best possible way to successfully advance the Group-wide objectives and to make them tangible (3% per site per year). In 2021, corresponding processes and tools for tracking the status quo of achieved goals were also developed and implemented. In this context, all projects as well as specific information for continuously improving production factors must be entered into the relevant database to allow for Group-wide control. This is done using regular system status reports and during numerous internal meetings. An annual review is performed at the Group level to determine whether the key figures, including greenhouse gas emissions, are within the planning corridor. If this is not the case, further measures must be agreed on. More information about target achievements in the 2021 target year are in the accompanying chapters [Energy, Emissions, Waste and Water].

b. Further activities to protect the environment and climate

In addition to optimizing production processes, further steps are being taken to initiate the path for long-term change. In addition to the ongoing balancing of greenhouse gas emissions and the successive expansion of the survey of Scope 3 emissions, the focus is on exploring possible material-specific measures such as product recycling or the use of secondary raw materials. In the materials sector in particular, various approaches are emerging that must be evaluated in a timely manner in the coming years in terms of their technical and economic possibilities and their climate effect. Currently, the possibilities to recycle rubber are still limited because of often intensive energy and chemical processes.

On the customer and market side, the aim is to identify future trends and potentials through close cooperation with customers and 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. In summary, 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 make it more attractive for sustainable investors, for example by gradually improving the ESG rating results.

THE SIX ENVIRONMENTAL OBJECTIVES OF THE EU TAXONOMY



CLIMATE CHANGE MITIGATION



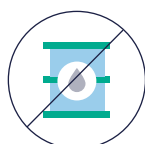
CLIMATE CHANGE ADAPTATION



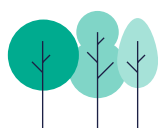
SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES



TRANSITION TO A CIRCULAR ECONOMY



POLLUTION PREVENTION AND CONTROL



PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS

INFORMATION ACCORDING TO THE TAXONOMY REGULATION

At the end of 2019, the European Commission introduced the Green Deal to the public, which aims to transform the EU economy for sustainable development. A central component of the plan is to make Europe a climate-neutral continent by 2050, i.e., to reduce net emissions of greenhouse gases to zero. To achieve this and to support the financing of the Green Deal, private sector financial flows are also be redirected to “environmentally sustainable” activities. The EU taxonomy, a uniform and transparent classification system of environmentally sustainable business activities, was developed for this purpose. According to the provisions of the EU Taxonomy Regulation, companies that fall within the scope of the regulation must disclose the their proportion of revenues, the capital expenditures [capex], and the operational expenditures [opex] related to “environmentally sustainable” activities. The disclosure of the relevant data is intended to establish a link between financial and non-financial issues in the longer term. Taxonomy-aligned revenues indicate how “environmentally sustainable” a company is from a European perspective. Taxonomy-aligned capital expenditures should index the extent to which a company is preparing for a decarbonised economy in 2050.

The following disclosure of information on the EU taxonomy is based on the Taxonomy Regulation (EU) 2020/852 and the requirements published as a supplement to the Regulation on 4 June 2021 (technical criteria) and on 6 July 2021 (Article 8). Accordingly, the report contains information on the proportion of Semperit's business activities covered by the taxonomy (taxonomy eligible) as well as the required qualitative information. The first two environmental objectives of the EU taxonomy, “climate change mitigation” and “climate change adaptation”, were used to determine the key figures (revenue, capex, and opex) relating to business activities. The Semperit Group activities that correspond to the taxonomy can primarily be assigned to the environmental objective “climate change mitigation”.

THE PRINCIPLES OF THE EU TAXONOMY

According to the EU taxonomy, business activities are considered “environmentally sustainable” if they:

- **1.** Substantially contribute to climate change mitigation or climate change adaptation, which can be demonstrated through compliance with certain technical screening criteria;
- **2.** Do not have a considerable negative impact on attaining the five other EU environmental objectives (do no significant harm; DNSH), which is also specified in the subordinate delegated acts; and
- **3.** Comply with the Minimum Safeguards for occupational safety and human rights

AD 1. SIGNIFICANT CONTRIBUTION TO AN EU ENVIRONMENTAL OBJECTIVE

The EU taxonomy-relevant business activities of the Semperit Group relating to significant capital and operating expenditures almost exclusively make a contribution to the first environmental objective “climate change mitigation” and can be divided into the following four major topics:

- **Planning and construction of photovoltaic systems**
- **Optimisation of water use and treatment**
- **Transport – acquisition, financing, renting, leasing, and operating e-vehicles**
- **Building management**

Activities in building management, such as the installation, maintenance, and repair of façade and roof elements additionally contribute to the second environmental objective “climate change adaptation”.



AD 2. NO SIGNIFICANT NEGATIVE IMPACT OF THE OTHER EU ENVIRONMENTAL OBJECTIVES (DNSH)

In addition to the significant contribution to an environmental objective, it must be ensured that the selected activity does not have a significant negative impact on the five other environmental objectives (climate change adaptation, water quality, recycling economy, environmental pollution, and biodiversity). This is also referred to as the “Do No Significant Harm” principle, which, however, will first be applied for the 2022 financial year and is only mentioned here for the sake of completeness.

The requirements set by the EU are mainly legal and regulatory provisions as well as minimum technical requirements. There is currently no specific information regarding Semperit’s relevant activities for the environmental objective “sustainable use and protection of water and marine resources”. This also applies to a large extent to the environmental objective “transition to a circular economy”. Information that is already available relates to parameters such as a high recycling rate and reusability. Specific requirements for the objective “pollution prevention and control” are only available for individual cases, for example, minimum emission requirements in transport or asbestos in building management. The existing criteria for the last relevant environmental objective, “protection and restoration of biodiversity and ecosystems”, refer to the pollutant content of water or to environmental impact assessments and comparable tests as a key prerequisite for the building permit or operating permit for facilities.

SEMPERIT ENSURES COMPLIANCE
WITH SOCIAL STANDARDS,
SUCH AS IN THE AREAS OF LABOUR
AND HUMAN RIGHTS OR HEALTH
AND SAFETY AT WORK,
AT THE GROUP LEVEL FOR ALL
ITS COMPANIES AND SITES.



AD 3. MINIMUM SAFEGUARDS FOR OCCUPATIONAL SAFETY AND HUMAN RIGHTS

According to the taxonomy regulation criteria, minimum social requirements must also be met for activities to be classified as sustainable. Semperit ensures compliance with social standards, such as in the areas of labour and human rights or health and safety at work, at the Group level for all its companies and sites using various tools, activities and a diverse range of services and training. Information on the Group-wide guidelines as well as on the measures taken and performance achieved can be found in the respective chapters on pages 84 ff. and 99 ff. The corresponding key figures show Semperit’s continuous improvement in these areas.

ADDITIONAL INFORMATION

The EU-wide requirements [classification] based on which economic activities are considered “environmentally sustainable” are intended to create transparency as well as security for investors. At the same time, companies can use the requirements as a guideline to align future decisions and activities accordingly. The following section lists the taxonomy-relevant products and activities of the Semperit Group that contribute to the environmental goals of “climate change mitigation” and “adaptation to climate change” in accordance with the regulation.

REVENUE-RELEVANT PRODUCTS AND ACTIVITIES

Based on the currently published information and assessment criteria, only the thermal-insulating products [door and window profiles] from the segment Semperseal and activities related to their production can initially be designated as taxonomy-eligible. Other product groups from the Semperit portfolio are currently not mentioned in the classification system. However, this may change in subsequent years because of possible expansion of the categories and activities. In the area of manufacturing, the EU Commission emphasises that only a part of the economic activities in this sector have currently found their way into the taxonomy. The basis for the EU's selection was greenhouse gas emissions at the sector level. According to the EU Commission, areas that are not currently covered have lower greenhouse gas emissions compared to the areas included [e.g. production of cement, aluminium, iron and steel, hydrogen, carbon black, etc.] and will only be integrated later, if at all. The window and door profiles product group provides a positive contribution to the reduction of greenhouse gas emissions in the buildings sector due to its thermal insulation and sealing properties. Because of the significant reduction of greenhouse gas emissions in the buildings sector, Semperseal products can be assigned to the activity “production of other low-carbon technologies”.

An economic activity in this category is an eligible activity in the sense of Article 10(1)(i) of Regulation (EU) 2020/852 if it meets the technical assessment criteria determined in this section.

ADDITIONAL INFORMATION AND OUTLOOK (REVENUE)

Regarding the revenue-relevant information, which currently relates exclusively to the Semperseal segment, it should be noted that from a sustainability perspective, a distinction can be made between products that are considered sustainable according to the requirements of the EU taxonomy and those that have a positive ecological added value due to their properties or production method [see Product innovations p. 74].

Products that already fall under the taxonomy must also fulfil the “technical screening criteria” in subsequent years. These criteria and requirements of the EU taxonomy at product level are very specific in the area of rubber processing and relate primarily to the “product carbon footprint” (PCF), which must be significantly better than that of comparable products on the market. Since data in this area is not yet available for most products, comparability is currently not given, which is why the criterion would not yet be applicable. Accordingly, it will be necessary in the coming years to collect the product carbon footprint and work on its optimisation.

-
- **Semperseal products are part of the following activity based on the definition in the implementation regulations:**

Production of other low-carbon technologies

RELEVANT TOPICS IN RELATION TO TAXONOMY-ELIGIBLE CAPEX/OPEX EXPENSES

Activities and thus the associated capital and operating expenditures [capex/opex], which can currently be designated as taxonomy-eligible, relate primarily to the following broad topics:

- **Energy**
- **Water supply, waste water and waste disposal, and elimination of environmental pollution**
- **Transport**
- **Construction and real estate**
- **Information and communication**
- **Professional, scientific, and technical activities**

Based on the activities listed by the EU, the relevant ones for Semperit were selected in a first step to subsequently collect the associated expenses [capex/opex] that can be reported as taxonomy-eligible in the reporting year.

ADDITIONAL INFORMATION AND OUTLOOK (CAPEX/OPEX)

When interpreting the disclosed information and data related to capital and operating expenditures, it should be considered that activities that are not listed in the taxonomy and are thus not reported as “environmentally sustainable” within the meaning of the classification are not by definition unsustainable or not fit for the future. Numerous corporate activities and the associated expenditures that serve to improve the environmental and social performance or also the achievement of the company’s sustainability goals are currently not considered by the EU taxonomy and thus do not appear in the key figures. This applies, for example, to investments in process and production optimisation, which, according to EU taxonomy, may only be included if they serve the production of a taxonomy-eligible product, but not if they are assigned to the production of another product.

In the future, it will be necessary to fulfil the “technical screening criteria” in the area of taxonomy-eligible activities and the corresponding expenses [capex/opex] to be taxonomy-aligned. The associated requirements are narrowly defined, depending on the topic, and compliance will pose certain challenges.

In subsequent years, the “technical screening criteria” will also have to be met for products that already fall under the taxonomy. These criteria and requirements of the EU taxonomy at the product level are very specific in rubber and plastic processing and primarily relate to the product carbon footprint (PCF), which must be significantly better than that of comparable products on the market. Since carbon footprint calculations are not yet available for most products, comparability is currently not provided, and the criterion is not yet applicable. Semperit aims to focusing more on the footprint of its products and optimising them in the coming years. The targeted optimisation is in line with the Group’s efforts to promote a circular economy.

EXPLANATIONS ON THE PROCEDURE FOR COLLECTING KEY FIGURES

The EU taxonomy currently primarily includes information on economic sectors and economic activities that can make a significant contribution to climate change mitigation or climate change adaptation. Together with an external expert and based on the company’s NACE code, the first step after setting up the project management was to evaluate whether the Semperit Group’s business activities fall into these sectors and are therefore subject to reporting requirements. Based on this information, the activities specified by the taxonomy that are relevant for Semperit were selected in a second step and evaluated in relation to the required criteria. Subsequently, the key figures were collected, and existing processes and systems were analysed regarding its optimisation potential for future compliance with the EU taxonomy requirements.

OVERVIEW OF THE MOST IMPORTANT STEPS

1. PROJECT MANAGEMENT

- **Project lead:** Group sustainability
- **Participating areas:** Group Controlling, Group Accounting, Group Communications, Maintenance, Operations
- **Tasks:** Project organisation, internal and external communication
- **Objectives:** Creating a uniform understanding of the taxonomy criteria and reporting obligations as well as involvement of internal stakeholders

2. SELECTING AND ANALYSING BUSINESS ACTIVITIES COVERED BY THE TAXONOMY

- Allocation of the economic sector and economic activities according to NACE code
- Identifying EU taxonomy activities relevant for Semperit
- Content-related assessment of the taxonomy eligibility of the respective capex- and opex-relevant projects based on individual interviews with the respective experts [e.g. from the areas of production, infrastructure, energy, and environmental protection] to prepare key figures
- Assessment of the “Do No Significant Harm” requirement in relation to the other environmental objectives [based on basic compliance with legal requirements]
- Reviewing compliance with minimum social standards at Group level
- Obtaining evidence and preparing for external audit
- Collecting revenue, capex, and opex for “environmentally sustainable” activities

3. ANALYSING DATA COLLECTION SYSTEMS AND PROCESSES

- Analysing the various reporting processes that contribute to collecting the relevant data
- Creating a list of criteria for collecting key figures

4. ADAPTING THE SYSTEMS TO FUTURE REQUIREMENTS (PLANNED FOR 2022 ff.)

- Analysing possible system adjustments to optimally provide the necessary data based on the EU Taxonomy Regulation in the future
- Design and initial implementation of adjustments to internal systems and processes
- Test and trial phase
- Collection of key figures and collecting supporting documents and evidence

The following table shows the information and key figures required to comply with the EU Taxonomy Regulation. During the survey, special care was taken to avoid double counting. Furthermore, the following assumptions were made to facilitate the data collection process in the first reporting year:

- Focusing on production sites where significant activities take place in those sectors that are already listed in the EU taxonomy [e.g. in the energy or building management sector]
- Establishing thresholds for selecting the relevant accounts, as well as the companies concerned, which were used for data collection during the first reporting year
- Identifying the extent to which activities can be understood as enabling or transitional activities is based on the information provided in the EU taxonomy and was performed only where appropriate information was available to make a distinction.

REVENUE – DETAILED INFORMATION (SEMPERSEAL)

ECONOMIC ACTIVITIES	CODE	REVENUE EUR MILLION	REVENUE %	PERMITTED ACTIVITY	TRANSI- TIONAL ACTIVITY
A. TAXONOMY-ELIGIBLE ACTIVITIES					
Production of other low-carbon technologies	3.6	120.5	10	●	
Sales taxonomy-eligible [A]		120.5	10		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES					
Sales non-taxonomy-eligible activities [B]		1,061.7	90		
Total [A + B]		1,182.2	100%		

REVENUE

According to the classification of Semperit products based on the EU taxonomy data, only the products from the Semperseal segment are taxonomy-eligible. Excluded from this are merchandise and services, which have a comparatively low share of revenue. Thus, the percentage of revenue is just under 10% for the 2021 financial year due to the EU-wide transitional regulation "eligible". The specified percentage and information result from the denominator, which corresponds to the revenue of the Semperit Group in the IFRS consolidated financial statements of EUR 1,182.2 million. In contrast, the numerator – revenue of EUR 120.5 million for the Semperseal segment (see page 47 in the consolidated financial statements) – is limited to the products that make a significant contribution to reducing greenhouse gas emissions based on the EU taxonomy information.

In comparison, the "aligned" criteria which must be applied in the 2022 financial year would currently result in the following effect: due to the above-mentioned strict requirements for products in the production of other low-carbon technologies and production of plastics in primary moulds, which cannot currently be met by the Semperit Group, the revenue according to the "aligned" variant would be a significantly lower percentage.

To counteract this effect in the future and to meet the new requirements, further steps are planned in this area. Accordingly, and in the interest of efficient production and promoting a circular economy, Semperit plans to take a close look at the carbon footprint (PCF) of its products in the coming years and implement measures that are appropriate to reduce the PCF, contribute to efficient production, and promote a circular economy. In this way, the requirements of the EU taxonomy are fulfilled and, by the targeted selection of raw materials used and creating a range of low-carbon products, a positive impact in environment and climate is created at the same time.

CAPEX – DETAILED INFORMATION

ECONOMIC ACTIVITIES	CODE	CAPEX EUR MILLION	CAPEX %	PERMITTED ACTIVITY	TRANSI- TIONAL ACTIVITY
A. TAXONOMY-ELIGIBLE ACTIVITIES					
Production of other low-carbon technologies	3.6	3.8	5	●	
Installation, maintenance, and repair of energy efficient devices	7.3	1.5	2		
Further activities (<1% capex share)	4.1; 5.2; 6.5; 7.4; 7.5; 7.6	1.3	1.8		●
Share taxonomy-eligible [A]		6.6	8.9		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES					
Share non-taxonomy-eligible activities [B]		67.6	91.1		
TOTAL (A + B)		74.2	100%		

The percentage of taxonomy-eligible capital expenditures (capex) results from the denominator – the sum of additions to property, plant and equipment (incl. IFRS 16) and intangible assets totals EUR 74.2 million. This is compared to the numerator, which is made up of the taxonomy-eligible activities and the related capital expenditures in the various subject areas as described in the table (capex details).

In connection with the sales-related capex activities (Semperseal activities) the focus is on improving the production processes for manufacturing the taxonomy-eligible products (Semperseal). This refers to the use and exchange of machinery as well as the optimisation of existing processes.

A significant share in this context resulted in the reporting year from the construction of the new production site in America, which will go into operation in 2022, as well as from the acquisition of M+R Dichtungstechnik GmbH and thus the expansion of production capacity in the Semperseal division. Another factor was the integration of the German site in Dalheim into the existing German site in Hückelhoven. During the merger of the sites, environmentally relevant measures were defined and implemented at the same time, which will be continued in the following year. The focus is on a circular economy and establishing closed cycles to promote aspects of material efficiency.



Further capex activities are collected in relation to various ancillary activities in the EU taxonomy areas of energy, transport and real estate. These investments in this context were primarily in the area of infrastructure installation to improve building management, optimise energy use, and generate our own energy through photovoltaic systems. Semperit also invests in the expansion of energy measurement systems to be able to specifically measure consumption and generate further measures based on these results.

The focus in transport is on purchasing or leasing vehicles and small vehicles relating to e-mobility or compliance with maximum emission limits. Accordingly, Semperit published a new vehicle policy in autumn 2021 which promotes the change to lower CO₂ emissions as well as the conscious decision to switch to e-mobility.



OPEX – DETAILED INFORMATION

ECONOMIC ACTIVITIES	CODE	OPEX EUR MILLION	OPEX %	PERMITTED ACTIVITY	TRANSI- TIONAL ACTIVITY
A. TAXONOMY-ELIGIBLE ACTIVITIES					
Production of other low-carbon technologies	3.6	0.9	8.4	●	
Transport by motorcycles, passenger vehicles, and light commercial vehicles	6.5	0.3	3.1		●
Installation, maintenance, and repair of energy efficient devices	7.3	0.2	2.0		
Further activities (<1% opex share)	7.2; 7.5; 7.6	0.5	0.4		
Share taxonomy-eligible [A]		1.6	13.9		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES					
Share non-taxonomy-eligible activities [B]		9.7	86.1		
TOTAL (A + B)		11.2	100%		

The percentage of taxonomy-eligible operating expenses (opex) results from the denominator – the sum of operating expenses from direct non-capitalised costs for research and development expenses, IT services, building renovation measures, short-term leasing, maintenance, and repair expenses and amounts to EUR 11.2 million. This is compared to the numerator, made up of the taxonomy-eligible activities and the corresponding operating expenses in the various subject areas as described in the table (opex details).

In connection with sales-related opex activities, the focus is on improving the production processes for manufacturing taxonomy-eligible products. This refers to the maintenance of production machinery as well as other process improvement work. Other categories based on the taxonomy include research and development activities and training. Since these activities are difficult to distinguish from other Semperit Group activities in terms of the economic activity referred to by the taxonomy, and it is assumed that the proportion is small, these activities are not collected in the first reporting year.

Other opex-relevant expenditures regarding ancillary activities are made in connection with building renovations and maintenance projects, such as the renewal and conversion of lighting systems to LED or work during building insulation.

The key figures on expenditures and investments are directly related to the overall objectives of the Semperit Group, which are included in the Sustainability Strategy 2030 and in particular in the “30 by 2030” initiative and are planned for the future.

OUTLOOK

Currently, it can be assumed that the key figures for taxonomy-eligible activities and taxonomy-aligned activities will continuously change even in the following years due to various parameters. This effect is based on the ongoing expansion and thus inclusion of new activities in the taxonomy, or on the application of the technical screening criteria, which will take effect in the 2022 financial year. It is assumed that lower ratios will result for taxonomy-aligned activities than for taxonomy-eligible activities, as the activities must fulfil all the specified criteria (technical screening criteria) to be considered taxonomy-aligned. Yet, the percentage of taxonomy-aligned activities could increase in the future.



ENERGY AND EMISSIONS

Efficient production is the first step in actively contributing to climate and environmental protection. Decisive factors include energy use and consumption, as well as the associated greenhouse gas emissions. To successfully promote developments and achieve a long-term change in thinking, Semperit is increasingly focusing on employee training and participation. Building knowledge along the entire supply chain, considering the total cost of ownership (TCO), and raising awareness are the foundation for initiating the necessary decarbonisation in the company.



TO SUCCESSFULLY PROMOTE DEVELOPMENTS AND ACHIEVE A LONG-TERM CHANGE IN THINKING, SEMPERIT IS INCREASINGLY FOCUSING ON EMPLOYEE TRAINING AND PARTICIPATION.

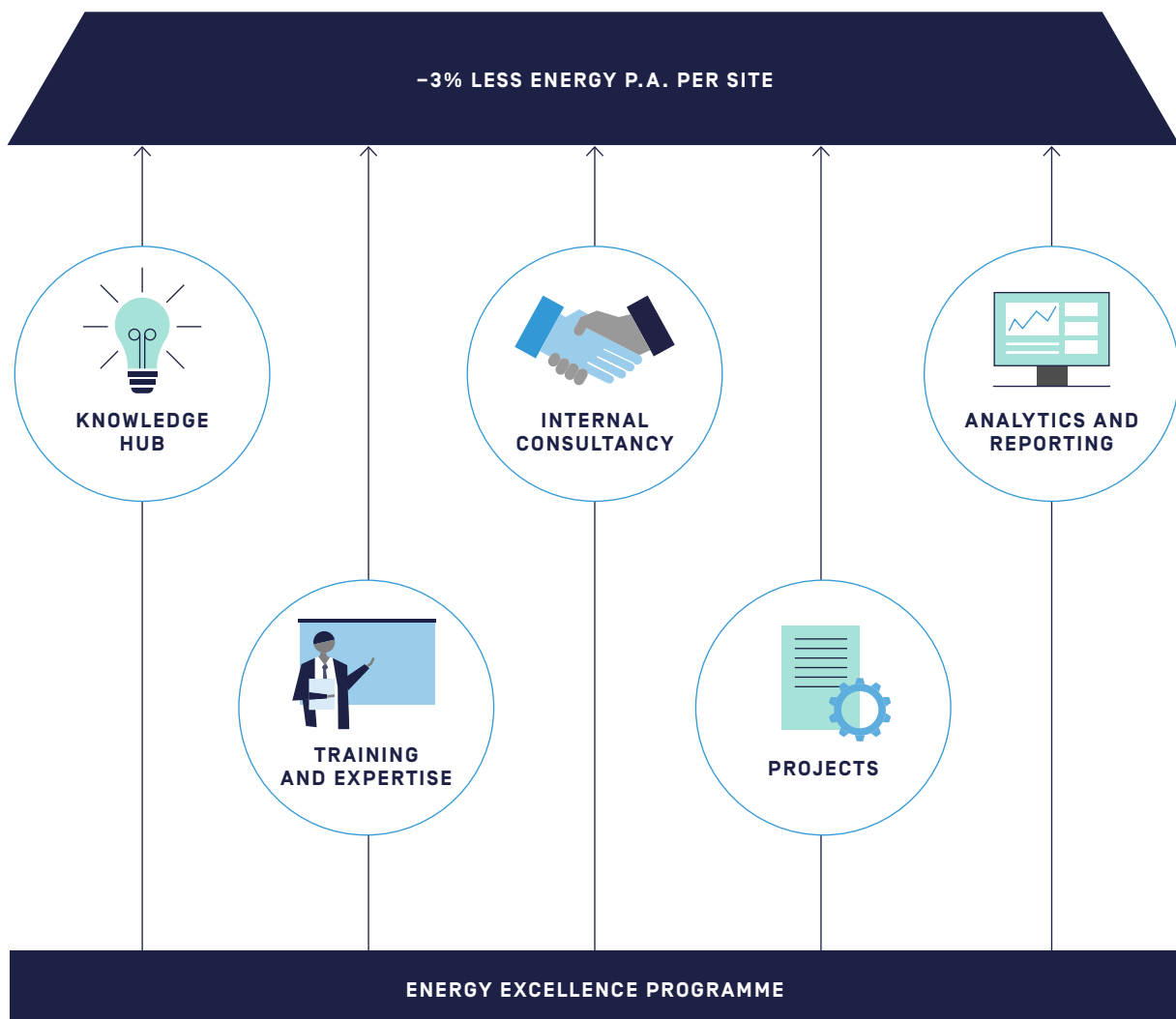
ENERGY

ENERGY EXCELLENCE

Efficiency is in the interest of every manufacturing company. Semperit has implemented a wide range of measures and activities throughout the Group to increase the efficiency of production processes and reduce energy consumption. For example, the Group-wide “Energy Excellence” programme was launched in 2021. It focuses on employee training, implementing energy efficiency projects in the manufacturing process, and measures for energy conversion or expanding renewable energy sources such as photovoltaic systems. As part of the programme, each site has the option of receiving energy advice provided by an independent consultant as well as by appropriate specialised companies acting as general contractors.

13 energy managers from the production sites were trained in 18 various topics with a focus on “training and expertise”. In addition to the training sessions, numerous virtual meetings were held to share implemented improvements with the other sites as part of “Best Practice Sharing”. In addition to energy managers at the various sites, almost 88% of all employees were also trained on energy excellence using e-learning courses. The online training was focused on raising awareness in energy as well as identifying savings potential on a personal and company level.

The programme supports the sites in achieving the “30 by 2030” goals by providing targeted advice to the sites and developing technical projects, transferring knowledge in a structured way, and monitoring consumption. As part of the “30 by 2030” initiative, Semperit is aiming, among other things, to reduce energy consumption in relation to production volume by 30% by 2030. A clear path has been set to achieve this. Accordingly, the production sites are required to increase their energy efficiency by 3% annually. The necessary Group-wide measures and activities are supported by the “Energy Excellence” programme.



Employees' suggestions for improvement and ideas for measures to increase energy efficiency are collected, analysed, and implemented where possible. The ISO 14001-certified environmental management system and, in particular, the ISO 50001-certified energy management system and the associated Plan-Do-Check-Act cycle provide the scope for systematically addressing issues related to increasing energy efficiency. Optimisations can take place at various levels such as at individual machines, entire processes, or at the industrial building.

The following focal points have been defined for this:

- **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**

Some of the activities related to these focal points, such as increasing efficiency in building management through appropriate maintenance and renovation measures, are considered as part of the EU taxonomy (see page 48 ff.).

The Semperit Group's main sources of energy are electricity, gas, fuel, and steam, with natural gas accounting for the largest share.



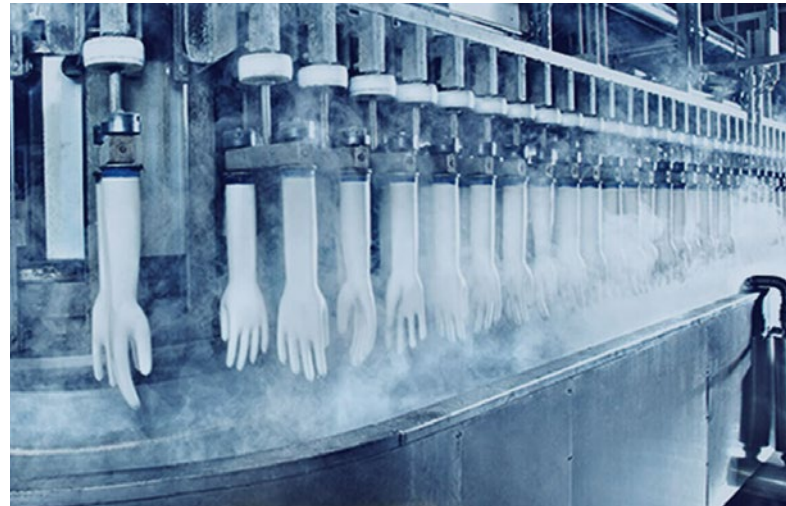
OVERVIEW ENERGY MIX AT THE SEMPERIT GROUP



Viewed in terms of processes, glove production (Sempermed plant Kamunting) consumes the most energy. In addition, four plants of the Semperit Group (Kamunting, Wimpassing, Odry, and Bełchatów) are responsible for over 90% of energy consumption. The other plants account for the remaining 10% due to their size and process landscape.

VIEWED IN TERMS OF PROCESSES,
GLOVE PRODUCTION
(SEMPERMED PLANT KAMUNTING)
CONSUMES THE MOST ENERGY.

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



TOTAL ENERGY USE OF THE SEMPERIT GROUP (MWh)

2021	2020	2019
1,443,370	1,573,055	1,465,723

ENERGY CONSUMPTION OF THE SEMPERIT GROUP BY SOURCE (MWh)

Source	2021	2020	2019
Natural gas	1,158,308	1,293,238	1,185,619
Liquid natural gas (LNG)	0	n.a.	614
Oil	6,778	7,625	9,437
Fuel consumption of vehicles (gasoline)	685	n.a.	n.a.
Fuel consumption of vehicles (diesel)	2,691	n.a.	n.a.
Fuel consumption of vehicles (total)*	3,375	3,760	4,003
Liquid nitrogen	1,270	1,081	1,088
Other sources (propane gas, etc.)	799	n.a.	n.a.
Electricity consumption	226,083	223,098	218,177
Heating energy (district heating)	10,339	10,822	12,342
Steam	36,532	34,680	35,742
Heating sold	114	168	211

n.a. = not applicable

* The values for fuel consumption by diesel and gasoline are not available until 2021 with the exception of the site in Nilai, Malaysia, for which no data is available.

**30 by
2030**

“30 BY 2030” – THE ENVIRONMENTAL OBJECTIVES OF THE SUSTAINABILITY STRATEGY 2030

The “30 by 2030” initiative of the Semperit Sustainability Strategy 2030 includes targets such as reducing the intensity of energy use, greenhouse gas emissions (Scope 1 and Scope 2 emissions), waste generation, and water consumption by 30% by 2030. The targets always refer to consumption or volume in relation to the respective production volume. For the Industrial segments Semperflex, Semperform, Semperseal, and Sempertrans, the indicator refers to the kilogrammes or metres of goods produced, while for the Medical segment Sempermed it refers to the number of gloves produced.

To track the current status of targets achieved, the relevant key figures for calculating targets are continuously collected and evaluated at the site level. This is how we ensure that the site-specific parameters are considered and, if necessary, more measures are taken. Consolidation at the Group level is performed by weighting the respective sites, for example, according to their share of total energy consumption or total waste generation. This approach allows for a joint consolidation of the sites despite different units in the intensity calculation as well as the consideration of site-specific characteristics. The Semperit sites are characterised by a high degree of heterogeneity and differ greatly in size, core processes, and product portfolio. It can therefore be assumed that some sites will easily achieve the reduction goal at the beginning and then must successively expand their innovation performance to achieve the targeted reductions in subsequent years. Other sites will have a more difficult time, as they are already efficiently aligned. For this reason a Group-wide target was established to consider the site-specific factors as much as possible in consolidation at Group level.


9%
IN 2021

(kWh/production unit)

“30 BY 2030” – ENERGY: ENVIRONMENTAL OBJECTIVES IN THE SCOPE OF THE SUSTAINABILITY STRATEGY 2030

In the first year, the Semperit Group not only achieved the set target of 3% per year (base year 2019), but also achieved 9%³ energy savings. The success is based on various measures as well as the groundwork in the energy sector.

In addition to clearly set targets, corresponding processes and tools are also needed to track the planned activities and to obtain an overview of the planned projects. Only by using targeted project management is it possible to determine the current status of measures, as well as to preview planned initiatives and the associated savings potential. In the reporting year, Semperit expanded the “MOVE” project platform, which had already been implemented throughout the Group, so that it can now also be used to record all projects and activities that make a positive ecological contribution to the “30 by 2030” targets – i.e., in the areas of energy, emissions, waste, and water. As part of project information entry, the expected impacts are also quantified and the corresponding savings potential is documented.

Additionally, projects that create improvements related to other environmentally relevant aspects can also be entered. MOVE thus serves the structured Group-wide collection and monitoring of all activities in the environmental and climate protection sector and contributes to the continuous improvement of Semperit’s performance in this field of action.

PHOTOVOLTAIC

Around 15% of the Group's total energy consumption is accounted for by the demand for electrical energy. Semperit intends to produce this in the future – to a certain extent – and plans to generate 2% of its current electricity requirements with its PV systems as a first step. In 2020, a project was launched to construct a photovoltaic system (1 MWp output) for the Semperit headquarters in Wimpassing, Austria.

Work on this project moved forward in 2021 and the feasibility for additional plants at other sites was evaluated. In this context, a 440 kWp plant was already constructed in China in 2021.

“ENERGY EXCELLENCE” EXAMPLE PROJECT

At the Belchatów site in Poland, all single screw extruders were replaced by twin screw extruders in recent years. These machines are being used for the first time in rubber processing.

In addition, an annual energy saving of up to 546,000 kWh can be achieved by using them. The energy demand for mixing equipment is high compared to the other production steps, therefore it is crucial to invest in new energy-saving solutions.

GREENHOUSE GAS EMISSIONS

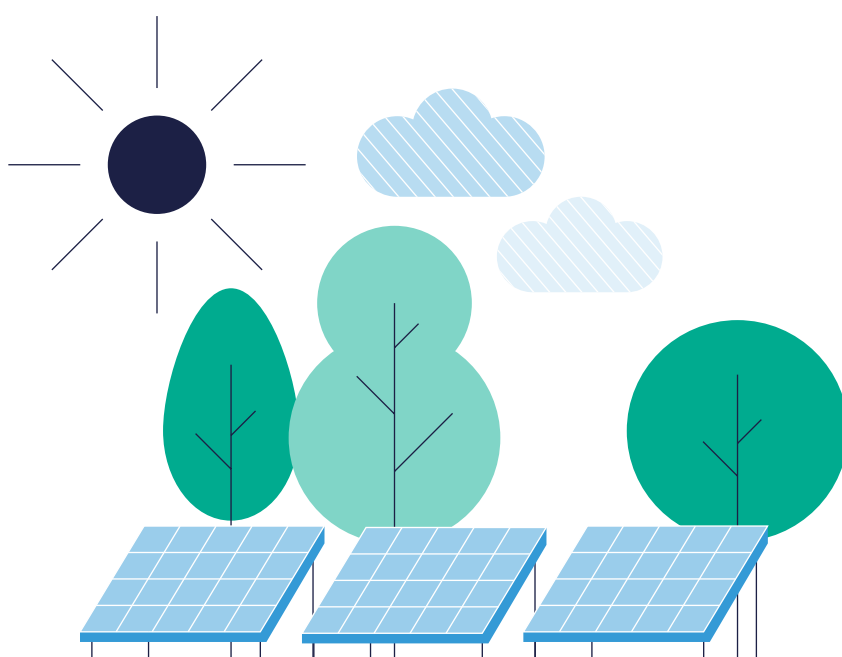
By 2030, the Semperit Group aims to save 30% of greenhouse gas emissions, including Scope 1 and Scope 2 emissions, per production volume. In the 2021 reporting year, the Semperit Group was able to achieve 4%³, thus exceeding the planned target of 3% annually (base year 2019) in the first year.

The emissions and the savings target are directly related to the efficiency of the energy use and the energy mix. The target for emissions refers to the total weight of goods produced (production units) in tonnes.

**30 by
2030**

“30 BY 2030” – EMISSIONS: ENVIRONMENTAL OBJECTIVES IN THE SCOPE OF SUSTAINABILITY STRATEGY 2030

In addition to clearly defined targets and corresponding monitoring, further steps are needed in emissions, which also relate to the other areas within the Scope 3 activities. Semperit is continuously working on improving the database for calculating its corporate carbon footprint. In doing so, the company gains knowledge that can be used to further reduce greenhouse gas emissions.

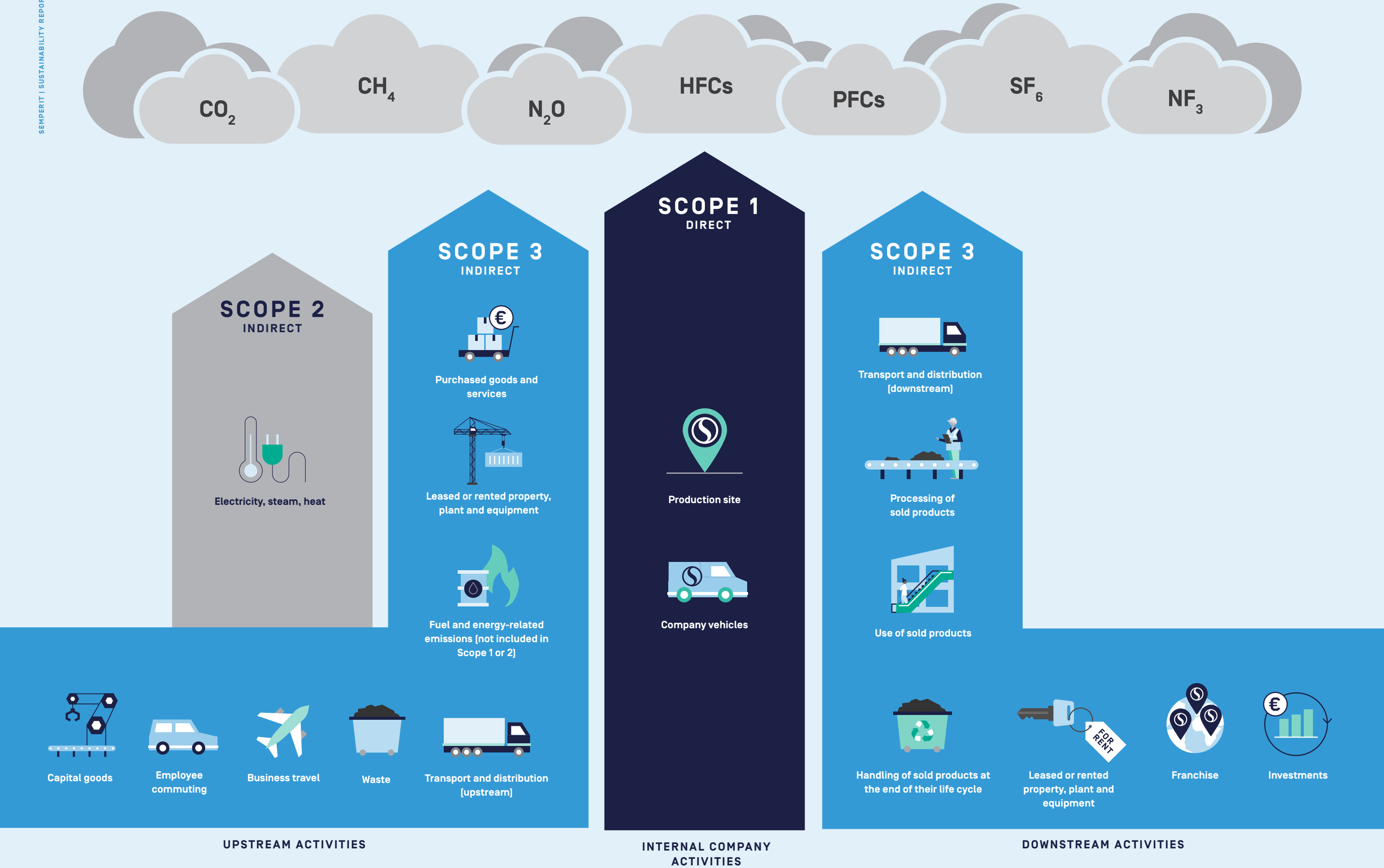


4%

IN 2021

[Scope 1 & 2/production unit]

OVERVIEW SCOPE 1, SCOPE 2, AND SCOPE 3



SCOPE 1 AND SCOPE 2 EMISSIONS

DIRECT EMISSIONS AND INDIRECT EMISSIONS FROM ENERGY PROVISION BY THIRD PARTIES

Scope 1 emissions result from a company's direct activities, such as the combustion of fuels and combustibles. At Semperit, the level of Scope 1 emissions correlates closely with the production-specific consumption of primary energy. The calculation of Scope 1 emissions includes all greenhouse gas emissions from Semperit plants that are released during the combustion of natural gas, heating oil, coal, diesel, fuel, and liquefied petroleum gas. In addition, emissions caused by refrigerant losses from air conditioning systems are also included. Process emissions are insignificant and are therefore not included in the greenhouse gas balance.⁴

Scope 2 emissions arise from the consumption of secondary energy such as electricity, district heating, or steam. This energy is usually purchased from energy supply companies. Semperit records Scope 2 emissions according to the requirements of the Global Reporting Initiative (GRI) using two methods: location-based (country-specific) and market-based (provider-specific). National emission factors are used for sites that do not have country-specific information available.

SCOPE 3

OTHER INDIRECT EMISSIONS

Scope 3 emissions are indirect emissions (Scope 3 – fuel- and energy-related activities proportionately) that occur during the extraction, production, and processing of the energy sources used, and emissions resulting from activities in upstream and downstream areas of the value chain. According to the GHG Protocol (Greenhouse Gas Protocol), these activities are divided into 15 categories [see table below].

OVERVIEW OF THE SCOPE 3 CATEGORIES

UPSTREAM ACTIVITIES

Purchased goods and services	Production or extraction, processing, and transport of purchased goods and services
Capital goods	Production or extraction, processing, and transport of purchased capital goods (as far as not included in other categories)
Fuel- and energy-related emissions (not included in Scope 1 or 2)	<ul style="list-style-type: none"> → Dismantling, production, and transport of purchased energy sources and fuels → Dismantling, production, and transport of purchased energy sources and fuels used for generating purchased electricity and steam, as well as purchased heating and cooling. → Transmission losses during transport and distribution of purchased energy → Generating energy that is first purchased and then resold by the company concerned
Transport and distribution (upstream)	<ul style="list-style-type: none"> → Transport and distribution of purchased goods between suppliers (Tier 1) and company or between company locations in vehicles not owned or operated by the company → All transport and distribution services purchased by the company (note: inbound and outbound)
Waste	Handling and disposal of waste resulting from operations (at facilities not owned or controlled by the reporting entity)
Business travel	Business travel by employees in vehicles not owned or operated by the company
Employee commuting	Commuting of employees between place of residence and place of work in vehicles not operated by the company

Leased or rented property, plant and equipment	Operation of property, plant and equipment leased or rented by the company for business operations (as far as not included in Scope 1 and 2)
DOWNSTREAM ACTIVITIES	
Transport and distribution [downstream]	Transport and distribution of sold products between own facilities and customers in vehicles not owned or operated by company (note: only downstream if company does not pay for it, otherwise upstream).
Processing of sold products	Further processing of sold intermediate products by other companies
Use of sold products	Use of the company's sold products by end consumers
Handling of sold products at the end of their life cycle	Disposal and handling of sold products (in the reporting year) at the end of their life cycle
Leased or rented property, plant and equipment	Operation of buildings, machinery, and vehicles belonging to the company but leased or rented to external companies (as far as not included in Scope 1 and 2)
Franchise	Operation of franchise business activities in which the company acts as franchisor (as far as not included in Scope 1 and 2)
Investments	Business activities of investments made by company (as far as not included in Scope 1 and 2)

Semperit has worked on successively expanding the collection, calculation, and presentation of Scope -3 emissions since 2020. These efforts were continued in 2021. The currently available data on Scope -3 emissions include fuel- and energy-related emissions (not included in Scope 1 or 2), business travel, and "transport and distribution (upstream as well as downstream)".

GREENHOUSE GAS EMISSIONS SCOPE 1, 2, & 3 (CO₂ eq in t)*

	2021	2020	2019
Scope 1	259,674	277,684	261,453
Scope 2**	154,785	158,587	158,173
Scope 3 (fuel and energy-related activities)	82,971	92,638	85,174
Scope 3*** (business travels)	1,188	2,773	-
Scope 3 (logistics)	82,442	80,626	76,766

* The emission values of the Semperit Group were recalculated in 2021 for the years 2019 to 2021. More details can be found in the chapter "About the report" in the notes.

** Scope 2 includes emissions for electricity according to the market-based approach. For sites for which no corresponding conversion values were available, location-based factors were used according to the GHG protocol. The Scope 2 values according to the location-based approach are as follows: 2019: 181,690; 2020: 179,850; 2021: 183,794.

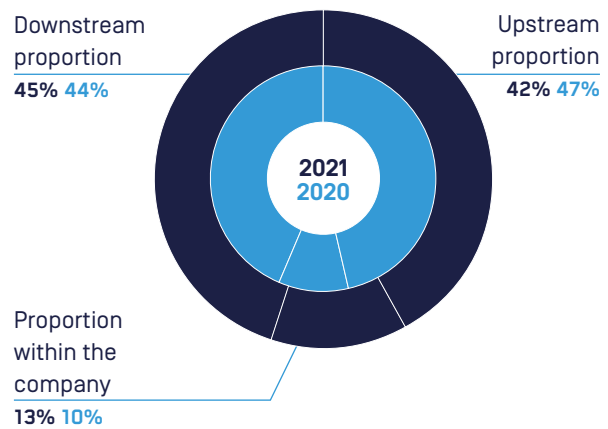
*** Scope 3 (business travels): The 2021 value includes all countries of the Semperit Group (except England and Australia) and includes air, rail, bus as well as car travel that did not take place with company cars. Due to the change in travel behaviour as a result of COVID-19, the value in 2021 is lower than in the previous year. * The 2020 value includes business travel from Europe, China, the Americas, and India and refers to air, rail, and bus travel.

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. Most transports take place via truck or rail. Semperit consistently works with customers and partners to optimise its logistics services. Data analysis provides additional information related to this.

PRODUCT CARBON FOOTPRINT

In the future, Semperit also intends to increasingly address the greenhouse gas emissions that individual manufactured products cause along their entire life cycle, referred to as the the product carbon footprint. This is a requirement resulting from the EU taxonomy. Conversely, Semperit expects to gain further insights into selecting and using raw materials and to contribute to the circular economy.

LOCATION OF EMISSIONS CAUSED BY LOGISTICS SERVICES (%)



EMISSIONS FROM DUST AND MICROPARTICULATES

Semperit collects and evaluates environmental aspects that arise along the product life cycle. Based on this, appropriate measures are taken to minimise possible negative effects. This evaluation includes surveying and assessing possible emissions into the atmosphere, soil, and water. In addition to the Group-wide objective of reducing CO₂, complying with legal requirements and preventing additional emissions is indispensable and mandatory. Dust and other particles generated and emitted along the production processes are filtered, collected, and properly disposed of. These legal requirements apply at every site and correspond to national requirements. Compliance with measures and all legally required limit values is monitored internally on a regular basis. The sites are required to report any deviations as environmental incidents and must immediately initiate appropriate countermeasures. Corresponding internal guidelines regulate the uniform procedure.



RAW MATERIAL SELECTION AND INNOVATION

The raw materials and materials from which products are manufactured are important for the life cycle of products. For this reason, Semperit is increasingly focusing on the ecological properties of raw materials in its selection of raw materials and product development. The aim is to manufacture products of the highest quality while keeping the environmental impact as low as possible along the entire product life cycle. Semperit develops innovative and sustainable solutions using targeted efforts in research and development as well as a close cooperation with manufacturers, suppliers, and customers.



MATERIAL USE IN THE SEMPERIT GROUP (t) (RAW MATERIALS AND REINFORCING MATERIALS)

	2021	2020	2019
Non-renewable materials	221,394	218,324	227,544
Renewable materials	16,464	16,024	13,325
Total	237,858	234,348	240,869

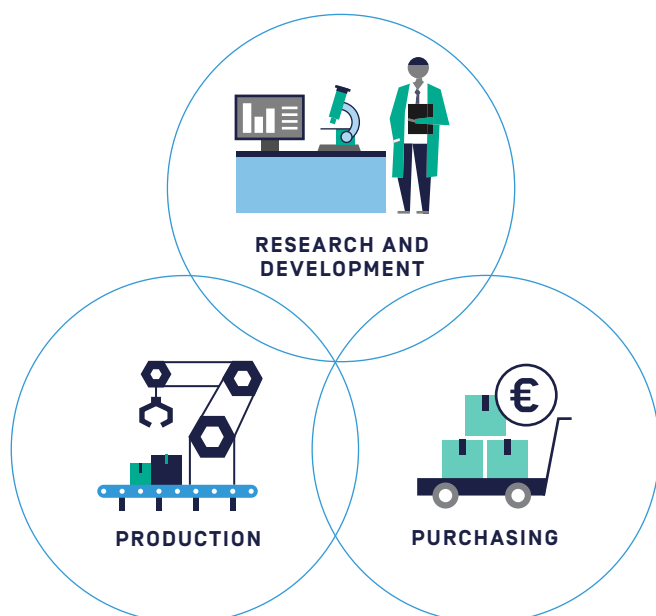
Semperit uses various raw materials to manufacture its elastomer products such as belts, hoses, gloves, and seals. The main components are natural and synthetic rubber, latex, fillers (e.g. carbon blacks), chemicals, and various materials to increase strength (steel, textile, etc.). Many of the products manufactured by Semperit are therefore composites which, in addition to the elastomer, also contain reinforcing materials such as steel

cables or wires, yarns, or fabrics. As the proportion of process and packaging materials is relatively low in comparison to product materials, Semperit limits its reporting to the consumption of raw materials and reinforcement materials. Rubber/polymer and fillers (carbon blacks or light-coloured fillers) account for the largest share in terms of volume.

To meet market and customer requirements, elastomer materials are continuously being further developed, and new raw materials are used in addition to those that are already known and approved. Purchasing, production, and the research and development departments must work closely together in selecting, approving, and introducing new raw materials. Changing the scope as well as new findings must be passed on in a timely manner to ensure predictability along the entire value chain, from selecting raw materials to availability and materials use. In addition to many other aspects that need to be considered, environmental and climate protection issues are increasingly coming into focus.



PURCHASING, PRODUCTION,
AND THE RESEARCH AND
DEVELOPMENT DEPARTMENTS
MUST WORK CLOSELY
TOGETHER IN SELECTING,
APPROVING, AND INTRODUCING
NEW RAW MATERIALS.



Semperit processes a large amount of non-renewable, predominantly petroleum-based materials every year. These materials must increasingly be recycled or replaced by renewable and environmentally friendly alternatives. Many companies, especially in the chemical industry, are faced with this challenge. The use of recycled rubber or carbon black and the recycling of chemicals are at the forefront of current discussions at Semperit. Semperit also uses recycled materials in some areas of the plastics sector, and efforts are being made to further increase these proportions.

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 discussions. The extraction of natural rubber can have negative environmental impacts, such as the promotion of monocultures or a loss of biodiversity by using synthetic chemical pesticides. When purchasing these raw materials, Semperit ensures that the concerned suppliers follow the highest ecological and social standards. Thus, the largest share comes from small rubber farms or is purchased through reliable intermediaries.

USE OF RECYCLED MATERIALS

The use of secondary raw materials is linked to the required material and product properties of the end product. Not every raw material of the rubber compound can be substituted by a secondary raw material since a change in the formulation quickly affects process-related properties. 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. Thus, the use of secondary raw materials is still limited.



OVERVIEW 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)
- Rubber powder
- Zinc oxide from zinc waste
- Recycled polyamide
- Hose wire made of steel scrap

OVERVIEW OF SECONDARY RAW MATERIALS

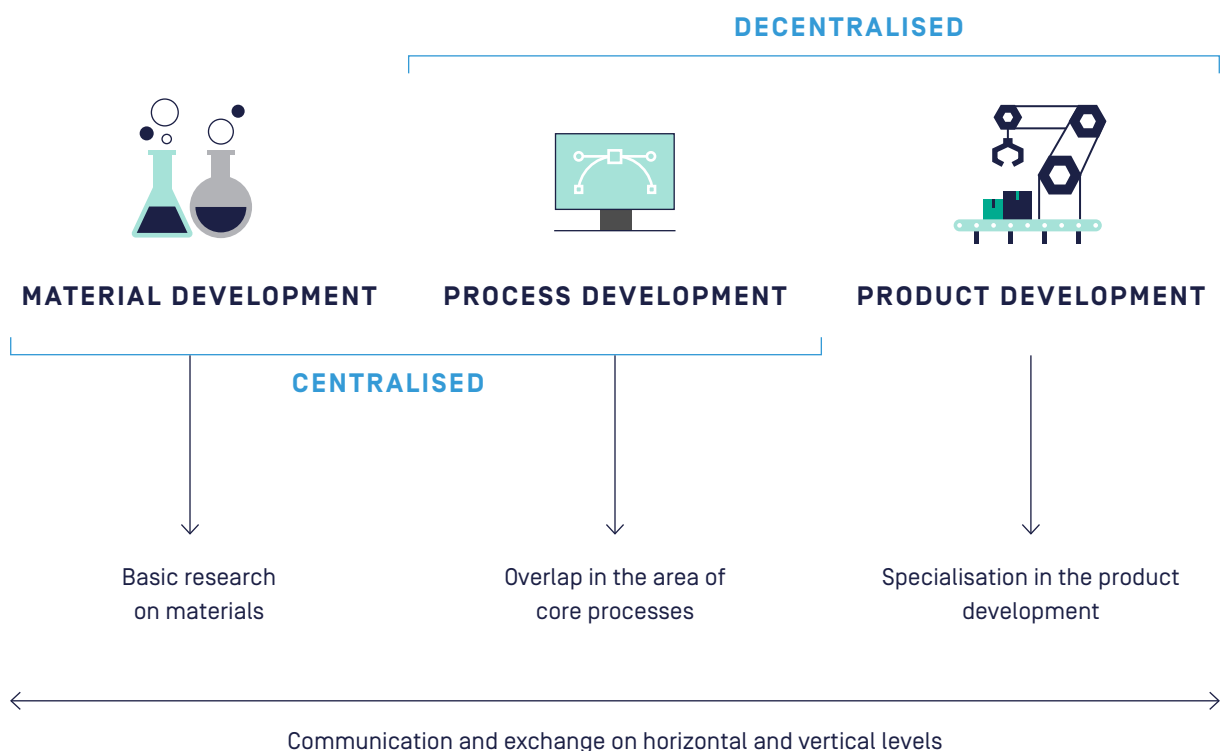
In addition to difficulties related to material properties, there are also challenges in terms of availability. Although the market for recycled carbon black has developed in recent years, it is still manageable and consists largely of start-ups. Another important aspect to consider when using secondary raw materials is whether their use is in fact more environmentally and climate friendly. Often, the processes for extracting the materials in question are energy-intensive and additionally involve using high levels of chemicals. However, it is to be expected that the processes and technologies will become significantly more efficient in the coming years and that the eco-balance of these materials will thus also improve. The Semperit Group closely monitors these developments and is working on establishing a stable supplier network as well as improving technical possibilities through research and development with cooperation partners.

RESEARCH AND DEVELOPMENT

The Research and Development (R&D) team of the Semperit Group continuously works on developing innovative materials and products as well as improving manufacturing processes. The innovation management system implemented throughout the Group is at the heart of all R&D activities and includes systematically identifying potential, selecting appropriate ideas, risk analysis regarding the impact of products on the environment and people, as well as targeted 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 and acts 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.

ORGANISATION OF THE RESEARCH AND DEVELOPMENT DEPARTMENT



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](#)"⁵, which is publicly available on the Semperit website.

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 becoming increasingly important. Semperit relies on close cooperation with customers to be able to respond promptly to their requests and requirements in the best possible way and in a timely manner. In addition, we are continuously working on expanding the product portfolio to offer products with positive ecological or social added value to our customers. Ecological advantages include low materials consumption in production and therefore a lower weight in the application and a reduction in energy consumption in operation.

EMPLOYEES IN R&D (FULL-TIME EQUIVALENTS)

2021	2020	2019
> 230	> 220	> 230

OVERVIEW OF MAJOR KEY FIGURES

	2021	2020	2019
R&D expenses (EUR million)	> 16.1	> 14.7	> 15.5
Total volume participation Basic research projects (EUR million)	> 1.0	> 1.6	> 1.5

SEMPERIT RELIES ON CLOSE
COOPERATION WITH CUSTOMERS
TO BE ABLE TO RESPOND
PROMPTLY TO THEIR REQUESTS AND
REQUIREMENTS IN
THE BEST POSSIBLE WAY AND
IN A TIMELY MANNER.



Developments are also promoted in the field of bio-based elastomers; this relates to the use of traditional natural rubber as well as an artificially produced bio-based polymer as a substitute for the petroleum-based starting material. The Semperit Group also researches ways to prevent or replace ecologically questionable or harmful additives. 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. Important topics such as pollutant-free materials in housing and house construction as well as medical and industrial gloves are continuously being worked on.

However, not only the safety and health considerations of the products play a role in their use, but also the ecological effects that may arise during the use phase can be reduced to some extent. These are not as serious with Semperit products, for example, because there is no significant abrasion during use, as with vehicle tyres. Nevertheless, as a manufacturer, Semperit can also adjust the environmentally friendly use of its products. For example, certain material properties, such as low weight, low rolling resistance, or high strength, can contribute to environmentally friendly operation or low impact in the use phase of the products. The “Silent Pad”, which is used in the railway superstructure, contributes to a reduction in noise emissions of approx. 3 dB when driving over the sleepers, thus increasing the quality of life of the local residents. Product durability is another decisive factor. This is also determined by material properties. In addition, Semperit relies on technologies to extend the life cycle. Thus, by using integrated sensors, specific data can be collected and used for operational optimisation. Another key point is automated fault detection to initiate repairs in a timely manner and thus extend the life cycle of the product.

Extending the life cycle of medical gloves is often a challenge due to hygiene requirements. The product is classified as a disposable product and in the scope of product use the focus is primarily on health aspects such as preventing allergies when worn. In addition, it is crucial that gloves have a certain resistance to alcohol-based disinfectants. The new cross-linking system for the “Green Glove”, which is currently being tested, already achieves similar results as a standard glove and thus contributes to the durability of the glove.

Ensuring product safety along all processes is essential, from product development to production and distribution to the customer. Semperit is mindful in keeping the ecological impact of its products as low as possible. For this reason, environmentally relevant aspects are increasingly incorporated into research and development work.



CORPORATE INNOVATION

In addition to traditional research and development work, Semperit increasingly focuses on implementing standardised Group-wide innovation processes and tools for producing ideas. In 2021, an innovation platform was launched for the first time in the company's history so that ideas can be reported in the initial phase and their development can be monitored further down the line. This ensures that ideas are systematically recorded and, conversely, their potential is analysed in a structured manner and subsequently evaluated. The ideas are then evaluated and prioritised based on various parameters such as field of application, newness, implementation timeline, and financial potential, and those responsible for preparing internal presentations are supported. In this way, future activities of the Semperit Group can be explored in a targeted manner and the innovative strength of the company systematically strengthened.

SEMPERIT PRODUCT AND PROCESS HIGHLIGHTS

PRODUCT	ECOLOGICAL OR SOCIAL VALUE ADDED	SEGMENT
Lead oxide reduction Reduction of the lead oxide content in special heat-resistant belts by 50%. The long-term goal is to reduce the proportion of lead oxide to zero.	Circular economy → Material efficiency and material health	
Sempercord belts with increased tensile strength Development of a special core rubber compound, characterised by increased resistance to mechanical tearing to extend product life in areas with extreme mechanical requirements.	Circular economy → Service life extension	
Flame retardant AS-S belts [Australian standard] Optimisation of conveyor belts for Australian underground mines in terms of weight and rolling resistance. Using this combination, the energy requirement in the application – when transporting material – can be significantly reduced.	Decarbonisation → Energy saving during operation	
New generation of chemical hoses [industry] The new generation of chemical hoses is designed for higher performance and impresses with a longer service life and increased robustness and flexibility. The hoses with braided inserts also meet high performance and safety standards as well as the step towards digitalisation (link to the Hose Wiki app via QR code).	Circular economy → Service life extension → Digitalisation	
Pore stability sponge rubber By developing new production methods, pore stability of sponge rubber profiles can be decisively improved.	Optimisation of product properties	
Climate-neutral glove for trade The Semperit Green Glove has also been available as a "climate-neutral" glove for end consumers since 2021. With ClimatePartner the CO ₂ footprint of the gloves was calculated with the aim of offsetting it through selected projects. The Semperit Green Glove was chosen for this project because this type of glove is produced with reduced water consumption, lower CO ₂ emissions, and entirely without chlorine due to the production technology used.	Decarbonisation	

PROCESS	ECOLOGICAL OR SOCIAL VALUE ADDED	SEGMENT
Digital distribution Distribution of digital delivery information to our customers upon delivery. This fully automated solution transmits all relevant product, order, and delivery data to the respective customer before Semperit products arrive. This provides a better overview with a higher level of detail information about the deliveries, which enables a quicker receiving process and improved process capability and traceability of all Semperit data. In addition, the automated transfer of information reduces process costs along the supply chain. Likewise, waste is reduced when cutting the hoses, as the individual hose lengths per bundle can be recorded in the customer's ERP so that the optimal bundle length for the line requirement can be selected by the customer.	Digitalisation → Material efficiency	
EDI – Electronic Data Interface Digital connection from the ERP of large customers to Semperit. This results in significantly simplified processes and reduced paperwork.	Digitalisation → Material efficiency	
Paperless manufacturing While revising internal processes and at the same time intensifying the implementation of lean thinking, the internal communication of entire production lines was successfully converted, and the segments consistently continued to pursue this goal. By digitalising the processes, the error rate was reduced, the speed of communication increased, a "single point of truth" was created, and at the same time the amount of paperwork was reduced. This measure makes a significant contribution to quality assurance.	Digitalisation → Quality assurance and conservation of resources	
Recycling In-house production of hose marking tape from waste used PP mandrels instead of buying from third party suppliers.	Circular economy → Material efficiency	
Photovoltaic plant Installation of a 400 kWp photovoltaic system at the Semperit production site in Shanghai, China.	Decarbonisation	
Optimisation of profile extrusion Through flow simulations and new injection head technologies, it was possible to significantly increase the output in profile extrusion and reduce the specific energy input for product manufacturing.	Circular economy → Material efficiency → Energy efficiency	
Board thickness stability Through the intelligent application of raw material properties measured during compound production, a significant improvement in thickness variations could be achieved.	Circular economy → Material efficiency	
3D printers The use of 3D printer technology has improved the flow design of the manufacturing tools, allowing new material combinations to be used efficiently.	Circular economy → Material efficiency	
Hand rail automation By automating the handrail assembly machines, a significant contribution could be made in resource efficiency.	Circular economy → Material efficiency	
Semperit Engineering Solutions digitalisation By using digitalisation in the manufacturing process, energy efficiency was improved around shaping processes in product manufacturing.	Decarbonisation → Energy efficiency	
Efficient waste management By using waste compactors, the transport routes for waste disposal and recycling could be significantly reduced.	Decarbonisation → Reduction of transport routes	

MATERIAL USE AND WASTE MANAGEMENT



The most efficient use of materials along the value chain and targeted waste and scrap prevention are important control variables for sustainable production. In the scope of the circular economy, it is important to optimise material flows inside and outside the company and to recycle materials and products where possible and sensible. Systematic waste management and careful separation and documentation of the various residual and waste materials are a condition for this and a matter of course for Semperit.

IN THE SCOPE OF THE CIRCULAR ECONOMY, IT IS IMPORTANT TO OPTIMISE MATERIAL FLOWS INSIDE AND OUTSIDE THE COMPANY AND TO RECYCLE MATERIALS AND PRODUCTS WHERE POSSIBLE AND SENSIBLE.



Site managers, technical segment managers, and the Chief Operating Officer are responsible for the control of various production parameters. Various programmes and activities are used to optimise the use of materials and to reduce waste and scrap. Product design is crucial for efficient material use. For example, optimised material use can be achieved by adjusting the thickness of the material or the diameter of the mould. However, care must be taken to ensure that the material and product properties (strength, load-bearing capacity, dimension, etc.) as well as the technological requirements of the manufacturing processes can be met. For years, Semperit has worked successively on optimising its product design with the aim of using less material while maintaining the same functionality.

It is important to push the manufacturing processes technologically to such an extent that as little scrap and waste as possible are produced while not sacrificing stability and thus operating optimally. This is how Semperit intends to move steadily closer to its vision of "zero waste".

[(INTERNAL) RECYCLING AND 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 when no vulcanisation has taken place yet. The proportion of recycled volume depends on the various internal processes and varies accordingly. 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. Semperit uses reclaimed rubber when possible. This refers to 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. Conveyor belts, for example, can be retreaded in a similar way to tyres, thus extending their service life. However, this is usually done on site and by the user company, as dismantling and transporting back to the manufacturer would often be too costly and ecologically questionable for long transport distances.

Regarding 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 ropes and wires or fabrics and yarns. The separation of the individual fractions after use is essential to make the individual materials accessible again. The question arises as to which technologies the recycling processes are based on and thus

how resource-intensive they are and in what quality the separated fractions are then available. The quality can subsequently be decisive for possible further processing steps. In addition to the technical questions regarding the recycling of rubber products, logistical questions must also be clarified, such as how the dismantling of products at the customer's site and their return transport to the producer can be organised so that the producer can subsequently recycle them. This is where new service models will be needed in the future.

PERCENTAGE OF RECYCLED SOURCE MATERIALS [RAW MATERIALS AND REINFORCING MATERIALS]

2021	2020	2019
3.1	2.9	2.6

WASTE MANAGEMENT

Waste management is part of the Group-wide environmental management system, which is certified according to ISO 14001 and is an important element of the issue-specific due diligence process. All relevant waste and scrap key figures are continuously collected and are reflected in monthly production reports. The decision-makers analyse the data and derive improvement measures. This 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.

In 2021, Semperit began the Group-wide collection of waste indicators according to the Global Reporting Initiative standard (GRI 306). For the first time, the data for 2021 is available separately according to the most important waste categories for Semperit. The selected categories were defined in advance with the respective managers at the site level. This process is designed to consider all fractions and, at the same time, to train employees on recording and reporting key figures. In addition to the categories, a distinction is also made between recycled waste and that which is disposed of. National legislation dictates the type of disposal, for example, thermal use through incineration. Exact data on the type of disposal is not yet available. However, it is intended to improve data collection in the coming years. The reported waste volumes are recycled or disposed of outside the Semperit sites.

Semperit also works with customers to find new solutions for product and transport packaging. Since customers usually have precise specifications regarding the size and type of packaging, good communication and coordination is required with customers. Semperit tries to use as little and as environmentally friendly packaging as possible. Semperit can only exert a limited influence on packaging that is produced during raw material delivery. However this packaging is separated, collected, and disposed of properly.

**30 by
2030**

“30 BY 2030” – WASTE: ENVIRONMENTAL OBJECTIVES IN THE SCOPE OF SUSTAINABILITY STRATEGY 2030

As part of the Sustainability Strategy 2030 adopted in 2021 and the associated “30 by 2030” initiative, Semperit has defined a Group-wide waste reduction target. By 2030, the Group aims to save 30% of waste per production volume. In the 2021 reporting year, the Semperit Group was able to achieve 11%³, thus exceeding the planned target of 3% annually (base year 2019) in the first year.

The measures that are taken to achieve the goals vary from segment to segment and are accompanied by quality criteria as well as with corresponding innovation performance.



11%

IN 2021

(T/production unit)

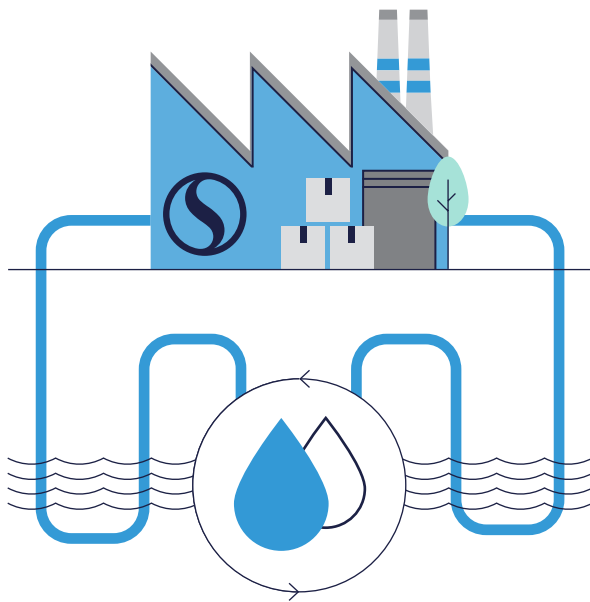
TOTAL VOLUME OF WASTE (t)*

	2021	2020	2019
Chemicals	77	-	-
Hazardous rubber waste	394	-	-
Other hazardous waste (oil, liquids, etc.)	3,240	-	-
Total hazardous waste	3,711	4,227	5185
Non-hazardous rubber waste – disposed	7,010	-	-
Non-hazardous rubber waste – recycled	3,852	-	-
Paper and ardbboard – disposed	147	-	-
Paper and cardboard – recycled	747	-	-
Plastics and foils – disposed	783	-	-
Plastic and foils – recycled	980	-	-
Metal – disposed	31	-	-
Metal – recycled	962	-	-
Wood – disposed	38	-	-
Wood – recycled	1,238	-	-
Residual waste – disposed	1,364	-	-
Residual waste – recycled	90	-	-
Other non-hazardous waste – disposed	2,697	-	-
Other non-hazardous waste – recycled	32	-	-
Total non-hazardous waste	19,971	19,146	19,969
Waste due to one-off incidents	15	1,024	0
Total hazardous waste – recycled	0 0%	-	-
Total hazardous waste – disposed	3,711 100%	-	-
Total non-hazardous waste – recycled	7,901 40%	-	-
Total non-hazardous waste – disposed	12,085 60 %	-	-

* No data is available for the Nilai, Malaysia site for 2019 and 2020. Data collection first started in 2021 and only includes residual waste for the time being.

WATER

Water is one of the most important resources on our planet. Without water there would be no life. Access to safe and clean drinking water is essential for human well-being and is considered a fundamental human right by the United Nations. However, global freshwater reserves are increasingly under pressure – not least because of climate change. Careful and economical use of water is thus urgently required. Semperit lives up to this responsibility by recycling water wherever possible and thus by using it efficiently.



CAREFUL AND ECONOMICAL
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SEMPERIT LIVES UP TO THIS
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POSSIBLE AND THUS
BY USING IT EFFICIENTLY.

Most of Semperit's production processes require comparatively little water. It is not a component of its products, but is only used in some process steps, such as cleaning or cooling. Therefore, water was classified as less material in the materiality analysis compared to other topics.

WATER WITHDRAWAL (m³ million)

2021	2020	2019
8.6	9.9	9.0

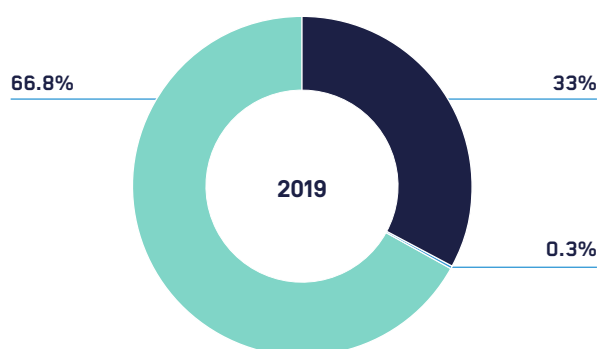
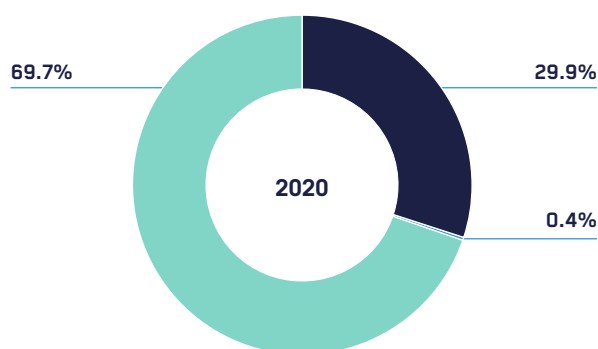
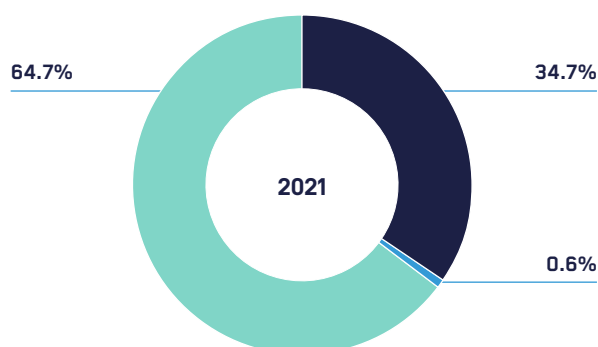
Nevertheless, Semperit is committed to carefully using this valuable resource and employs it efficiently and sparingly. In the interest of transparency, Semperit has decided to report on the Group's impact and performance in connection with this increasingly important topic.

The highest specific water consumption by segment is recorded by Sempermed. Glove production uses water to flush out proteins and chemicals to prevent allergic reactions among other things. With the development of the Green Glove, the use of water per glove was reduced by as much as 10% compared to traditional nitrile examination gloves. The waste water produced during glove production is treated in our own waste water treatment plants according to local regulations, while the relevant limit values are consistently checked using laboratory analyses. The water requirement in the other production areas is comparatively low and serves primarily for cleaning or for machine and process cooling. Any waste water produced here can be disposed of via public sewers since it does not contain any problematic impurities. To prevent and remedy incidents that can lead to exceeding limit value in the waste water sector, Semperit developed action plans throughout the Group. The data on water withdrawal is collected based on meter values and relates exclusively to freshwater resources. No areas characterised by water stress are currently affected by water withdrawal. During the annual ESG risk process, the opportunities and risks associated with water and water scarcity are analysed by and for the company. So far, no significant effects have been identified. Appropriate measures will be taken immediately if this changes in the future.

The increase in water withdrawal in 2020 and 2021 is due to the strong increase in demand and thus production of medical gloves due to COVID-19.

WATER WITHDRAWAL BY SOURCE [%]

	2021	2020	2019
● Ground water	34.7%	29.9%	33%
● Surface water	0.6%	0.4%	0.3%
● Water from third-party providers	64.7%	69.7%	66.8%



**30 by
2030**

“30 BY 2030” – WATER: ENVIRONMENTAL OBJECTIVES IN THE SCOPE OF SUSTAINABILITY STRATEGY 2030

As part of the Sustainability Strategy 2030 adopted in 2021 and the associated “30 by 2030” initiative, Semperit has defined a Group-wide reduction target in the water sector. The Group aims to save 30% water per production volume by 2030. In the 2021 reporting year, the Semperit Group was able to achieve 13%³, thus significantly exceeding the annual target of 3% (base year 2019).

The measures taken to achieve the goals vary from segment to segment and are accompanied by process adjustments as well as corresponding innovation performance. Group-wide water withdrawal is largely based on three sites, with the medical sector being the most water-intensive area. In addition to the Group-wide objective, it is also planned to improve data management in the water sector. Currently, there is not enough information on water discharge and thus not enough data to calculate the actual water consumption. Water consumption is the amount of water withdrawn minus the unpolluted water that is returned via various sources – mostly the public sewage system or surface waters. Water withdrawal is the amount of water Semperit obtains and draws from various sources. Semperit plans to improve its reporting on actual water consumption in the future to focus not only on water withdrawal but also on actual water consumption in production and to achieve the corresponding target in the “30 by 2030” initiative.



13%

IN 2021

[m³/production unit]

Health protection and occupational safety	84
Diversity and inclusion	92
Human rights and social standards	99

The past two years – impacted as they were by the coronavirus pandemic – have shown the importance of social cohesion as well as that of the corresponding structures that support this cohesion. Activities and measures involving issues like inclusion, health protection, securing jobs, and flexible work are creating both individual benefits and social value. Semperit places a high priority on creating a safe environment that fosters respect and sustainable relationships between employees and with stakeholders. This strengthens social capital – an important intangible asset for any company.

Semperit looks back on a long corporate history and employs almost 6,900 people. With each new employee who begins working at Semperit, the responsibility of Semperit as an employer grows. The company must ensure that employees can do their jobs in a healthy and safe way at all times during the workday. This includes consistent accident prevention, providing personal protective equipment, and having the option of working from home. Active efforts for diversity in the workforce, inclusion of people with disabilities, and safeguarding high social standards are of value to society and also enhance the attractiveness of Semperit as an employer. Voluntary social benefits also help ensure that employees, in whose development the company has in some cases invested large sums, remain loyal to the company and that new employees can be acquired. Together with the clear targets



SEMPERIT HAS A LONG CORPORATE HISTORY AND EMPLOYS ALMOST 6,900 PEOPLE. WITH EACH NEW EMPLOYEE WHO BEGINS WORKING AT SEMPERIT, THE RESPONSIBILITY OF THE COMPANY AS AN EMPLOYER GROWS.

contained in the Sustainability Strategy 2030, values and binding policies form the basis for fulfilling the company's social and societal responsibility. The Semperit Code of Conduct was revised and published in 2021 with this in mind. Video interviews were conducted with internal experts, highlighting the importance of topics from the various professional perspectives, for dissemination and as accompanying communication for the Code of Conduct. The Code of Conduct is available to the public on the Semperit website and on the intranet and is a part of the onboarding process. The content is also taught in online training courses.



HEALTH PROTECTION AND OCCUPATIONAL SAFETY

Creating a work environment that is conducive to the health of its employees and taking precautions to protect them from possible accidents and injuries is a key responsibility for every company. To fulfil this responsibility and retain the individual worker, Semperit has installed a health and safety management system that is continuously being further developed.

The coronavirus pandemic continues to be challenging. Semperit nevertheless continued to successfully avoid contagion in the workplace in 2021 and maintained smooth operations through consistent measures.

The topics of health protection and occupational safety are consolidated organisationally with environment and quality within HSEQ (Health, Safety, Environment, and Quality). The [HSEQ Policy](#)⁶, which is publicly available on the Semperit website, defines the Group-wide policies in connection with these topics. An HSE (Health, Safety, and Environment) manager at each location performs all activities on site, from information and training to the documentation of incidents. The local managers report to the Director of HSEQ, who in turn reports to the Executive Board at monthly meetings. This ensures that the effectiveness of the management system and that of the associated processes and measures are continuously monitored and safeguarded from the highest level.

Integrating relevant HSEQ key figures into the individual target agreements with management is an essential measure to support health protection and occupational safety. This initiative was launched in 2020 and further expanded in 2021.



In accordance with the Austrian Employee Protection Act (ArbeitnehmerInnenschutzgesetz), there is an occupational health and safety organisation at all Austrian locations that is staffed by members of the works council, employer representatives, company physicians, and specialists for occupational safety as well as safety officers. These organisations are involved in the further development and evaluation of the management system through regular consultation meetings. Semperit has also set up adequate occupational health and safety organisations at its locations outside of Austria that comply with the relevant regulations. There are corporate fire brigades at the locations in Wimpassing, Kamunting, Odry, and Bełchatów. Employee participation and thus inclusion is crucial when it comes to successfully embedding measures relating to occupational safety and health protection. Visibility measures and gauging participation rates in the various programmes and activities is meant to help ensure the greatest possible employee participation.

GROUP-WIDE MANAGEMENT SYSTEM

Group-wide health and safety targets are part of the integrated "Health and Safety" Management System, which is certified according to international standards. The certification basis was changed in 2020 from OHSAS 18001 to ISO 45001. The system is regularly audited both internally and externally and includes all employees, contingent workers, and third-party providers who work on the company premises and over whose work and workstations Semperit exercises either sole control or joint control together with other organisations. All Semperit Group locations are being audited accordingly. As part of the Group-wide management system, potential hazards and risks are systematically collected and regularly evaluated (due diligence).

OVERVIEW OF EMBEDDING OF HSEQ TOPICS



HAZARD IDENTIFICATION AND RISK ASSESSMENT

To minimise occupational accidents and diseases, all sites are obliged to conduct continuous hazard identification and risk assessment. The method is based on the standards defined in the Group-wide quality procedure. A basic principle is that every employee can and should be able to get away from potential hazards at all times and places. When identifying hazards, assessing risks and determining countermeasures, all relevant employees (staff, contingent workers, and third-party providers), their activities, the machines they operate and the work they perform must be taken into account. If a hazard – which can be an unsafe condition or an unsafe action – is identified, the resulting risk must be assessed by an assessment team. The hazard and risk assessment team must know the work area and therefore the activities and sources of hazards. The results of the evaluation and all necessary documents are stored in the Group-wide Track “Health and Safety” database. In addition to the standardised and regularly performed hazard and risk evaluation by the relevant experts, there are numerous ways to report unsafe conditions or actions. This can be done directly by reporting to the respective supervisor or as part of the shift handover, for example. Reports can also be filed via the Track database. Semperit also offers the option of submitting anonymous reports. This can be done via the SemperLine whistleblower platform or through a whistleblower mailbox set up specifically for this purpose. Reports received are reviewed and processed in a structured procedure by the HSE team at both the Group and site level.

“Unsafe condition” refers to the physical condition of the workstation (building, machinery, process) that could potentially cause property damage or injury to workers, such as defective tools or equipment, or malfunctioning safety devices. “Unsafe actions”, on the other hand, refer to the performance of tasks or activities in a manner that could endanger the health and safety of workers, such as operating equipment without qualifications or authorisation, failing to use or improperly using personal protective equipment, or failing to follow defined safe work procedures.

Injury types are classified and documented according to the Group-wide Semperit system. The degree and location on the body of the injury as well as the associated corrective measures are ascertained and documented here. Serious accidents include, for example, burns, injuries caused by electricity, accidents resulting in the loss of body parts, and injuries involving a hospital stay of more than 24 hours. The most common injuries occurring at Semperit are puncture wounds and cuts on the hands. Many cutting tasks are performed in Semperit’s production area, which requires frequent use of cutting tools and also often leads to cutting injuries. Each site has developed a customised training programme to reduce the specific hazards of certain activities and when using various machines. Staff training has been intensified in recent years and appropriate priorities have been set. In addition, visuals have increasingly been installed at the sites as a communication measure and use of mandatory protective equipment was intensified in the reporting year.

SUBCONTRACTORS

To ensure that employees of other companies working at Semperit’s plant premises also perform their work safely, there are regulations and activities that apply to subcontractors. They are given all safety-related information and requirements in writing before they start work. Health and safety aspects relevant to the agreed activities are analysed through audits (Gemba, PPSA) and plant tours. If hazards are identified in the process, appropriate measures must be taken to reduce or eliminate the risk.

AWARENESS, TRAINING, AND DOCUMENTATION

Training and workshops, as well as visibly labelling potential sources of danger, are important measures to prevent accidents and injuries. To reach all employees as fully as possible and to ensure good understanding of what is being communicated, employee instructions and operational procedures for health and safety are offered in the various languages – in line with the diversity of languages spoken by employees. At some plants, training is held in specially equipped rooms (Dojo/Safety Centre). Practical exercises take place there with the active involvement of the employees.

TRAINING AND WORKSHOPS, AS WELL AS VISIBLY LABELLING POTENTIAL SOURCES OF DANGER, ARE IMPORTANT MEASURES TO PREVENT ACCIDENTS AND INJURIES.

In addition to the various measures for accident and injury prevention, in case something does happen, it is important to ensure complete documentation of all incidents (accidents, near-accidents, and unsafe actions and conditions). A change in thinking and thus a long-term change in behaviour can only be achieved with the help of training and awareness, the analysis of accidents, and the dissemination of the “lessons learned”.

Along with general training and instruction for employees relating to equipment, operating specific programmes and machines, and other measures to minimise strain on employee health during work, Semperit offers a range of other services to promote health and safety:

- **Noise:** Employees whose workstation is located in designated noise areas undergo special suitability and follow-up examinations. These regular examinations are performed annually and in addition are supported by direct examinations at the workstation by supervisors. The workstation as such is also evaluated in order to implement targeted technical optimisations and to optimise the work environment.
- **Stress:** Stress levels are part of the broad-based evaluation of hazards.
- **Knowledge transfer:** Employees can contact company doctors at any time if they have any health questions or problems. Moreover, Semperit offers courses and other services – including preventive medical check-ups, a healthy back programme, and the health bus – that help promote the health of employees and enable them to learn more about health and occupational safety and to be able to perform their work in a safer and healthier way over the long term. Some of the benefits could not be offered or could only be offered to a limited extent in 2021 due to the pandemic.

The benefits described above are aimed at both white-collar and blue-collar employees and are specifically tailored to the job and area of work.

Employee participation and information was also an important topic in the reporting year. Custom-tailored campaigns with suitable targets and actions were developed for the largest locations. The focus at the site in Bełchatów was on cuts, for example, while the emphasis in Wimpasing was on cleanliness and order to prevent accidents. The increasing recording of near-accidents and unsafe conditions and actions is an indicator that the initiatives are working and that awareness and active participation of employees in preventing accidents has increased.

Optimising accident reporting and disseminating lessons learned requires an adequate infrastructure. Implementation of the central Track database was initiated in 2020, and was continued in 2021. With the help of this database, activities and measures can be managed, shared, and tracked in a structured manner. The effectiveness of the existing legal management system, which integrates all legal obligations and monitors compliance, was examined more thoroughly and optimised. In addition, internal communication was intensified across all organisational areas, from the Executive Board to risk management. Communication across all areas achieves broad participation and ensures that the necessary measures are implemented and scalable to other sites.

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 considered a matter of course at Semperit for every employee to have the safety equipment [eye and hearing protection, clothing, etc.] appropriate to their work and to also use it. Semperit also offers a wide range of health-oriented services in areas such as ergonomics, nutrition, and psychosocial health care.

ZERO-ACCIDENT POLICY

Semperit has pursued the goal of a zero-accident policy for some years now and has already achieved significant progress. In recent years, the number of accident-related days of absence has been held at a consistently low level. In addition, there have been no fatal occupational accidents for several years. There were no serious accidents in 2019 or 2020.

Semperit recorded two serious accidents in 2021 involving hand injuries related to machinery and its operation. In both cases, the accident investigation was properly conducted and all technical, organisational, and individual countermeasures were implemented. In addition, all similar machines throughout the Group were checked for safety and all employees were informed and trained accordingly.

TOTAL OCCUPATIONAL ACCIDENT RATE (EMPLOYEES AND CONTINGENT WORKERS IN %)

	2021	2020	2019
Rate of work-related accidents	2.7	4.6	6.3

All accidents are documented – including those occurring during travel to and from work or during business trips – regardless of whether they involve a permanent employee of the company or a contingent worker. The relevant factor is whether they occur within Semperit's sphere of influence. Accidents are classified into the following types: fatal accident, serious accident, occupational accident with sick leave, first aid administered (excluding sick leave), near-accident, unsafe condition, and unsafe action.

OVERVIEW OF KEY FIGURES*

	2021	2020	2019
Total number of accidents	50	83	115
Number of fatal accidents	0	0	0
Number of serious accidents	2	0	0
Number of accidents with sick leave	23	26	44
Number of medical treatments	25	57	71
Total working days lost**	1,261	818	1,071
Number of near accidents	511	469	359
Unsafe conditions	18,709	16,254	15,365
Unsafe actions	26,486	25,251	18,639

OVERVIEW OF KEY FIGURES FOR EMPLOYEES

	2021	2020	2019
Number of fatalities due to occupational accidents	0	0	0
Number of serious work-related injuries (without deaths)	1	0	0
Number of accidents with sick leave	20	23	39

OVERVIEW OF KEY FIGURES FOR CONTINGENT WORKERS

	2021	2020	2019
Number of fatalities due to occupational accidents	0	0	0
Number of serious work-related injuries (without deaths)	1	0	0
Number of accidents with sick leave	1	2	5

OVERVIEW OF KEY FIGURES FOR THIRD-PARTY PROVIDERS AND SIMILAR

	2021	2020	2019
Number of fatalities due to occupational accidents	0	0	-
Number of serious work-related injuries (without deaths)	0	0	-
Number of accidents with sick leave	2	1	-

TOTAL OCCUPATIONAL ACCIDENT RATE (EMPLOYEES AND CONTINGENT WORKERS)

	2021	2020	2019
Rate of accidents at work with severe work-related injuries (without fatalities)	0.11	0	0
Number of working hours (million hours)	17.5	17.9	18.4
Rate of the recorded work-related injuries (based on 1,000,000 hours)	2.7	4.6	6.3

RATES OF WORK-RELATED ACCIDENTS BY EMPLOYEE CATEGORY [%]

	2021	2020	2019
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EMPLOYEES

Rate of accidents at work with severe work-related injuries (without fatalities)	0.1	0	0
Number of working hours (million hours)	16.8	17.2	17.4
Rate of the recorded work-related injuries (based on 1,000,000 hours)	2.6	4.4	6.0

CONTINGENT WORKERS

Rate of accidents at work with severe work-related injuries (without fatalities)	1.2	0	0
Number of working hours (million hours)***	0.9	0.7	0.9
Rate of the recorded work-related injuries (based on 1,000,000 hours)	5.8	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 Nilai site in Malaysia is not included in the key figures.

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

*** At the sites where the exact number of working hours by contingent workers could not be determined, the time required was estimated based on the information available. The incident rates for third-party providers and the like cannot be reported because the number of work hours cannot be collected.

“HEALTH AND SAFETY” TARGET IN THE CONTEXT OF THE SUSTAINABILITY STRATEGY 2030

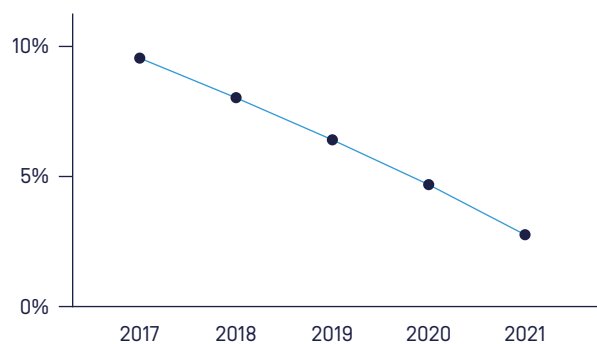
The Sustainability Strategy 2030, which was introduced in 2021, includes the quantitative target in the area of health and safety of reducing the Group-wide incident rate by 8-10% annually. This is to be achieved by consistently continuing the activities described above. This is an ambitious target, as Semperit's accident rate is already well below the industry average, thanks to the comprehensive efforts of recent years. In 2021, the accident rate was improved by 40% compared to the previous year.



40%

Improvement of the **INCIDENT RATE**

DEVELOPMENT OF THE INCIDENT RATE [%]



CORONAVIRUS AND ITS CHALLENGES

The coronavirus has brought with it a worldwide crisis. Life and the work environment were turned upside down within a very short time and we had to learn how to deal with new challenges. Thanks to the crisis management scheme already established in advance, Semperit was able to cope with the new challenges very well and swiftly, thereby minimising the impact. Coronavirus infections in the work environment were also largely prevented in 2021 and production and supply chains were maintained.

The coronavirus crisis continues to be challenging but it has also led to an organisational learning process. It has been found that recommendations are often better accepted than rigid guidelines and that the flow of information through different channels is a prerequisite for broad acceptance and participation among the workforce. It is also crucial to have the courage to be more flexible, such as when it comes to giving employees professional latitude by allowing them to work from home, for example. Ultimately, in addition to the guidelines and comprehensive communication, values like respect and trust also helped Semperit ensure a smooth process at all times, despite all the challenges.

CORONAVIRUS MEASURES IN 2021

At a very early stage of the coronavirus pandemic, Semperit decided to take all possible measures to offer a safe work environment. Following the “better safe than sorry” principle, Semperit established Group-wide rules to protect employees, some of which were more restrictive than those set by local authorities. The crisis management installed at the plant and Group level serves as an interface with official bodies and authorities at the national and international level and is responsible for creating and implementing all measures. Below is a list of some of the measures that have helped cope with coronavirus-related challenges.

Workstation evaluation: Performance of a Group-wide evaluation of workstations to protect all employees – especially high-risk groups – and to produce target group-specific action plans

Working from home/home office: Employees whose job duties permit it still have the option of working from home. To keep the risk of possible infection as low as possible, Semperit employees have also been divided into two teams that alternated working at the office. This measure was already introduced in 2020 and was maintained in 2021. Changing teams was only possible by proving a negative PCR test result.

Temperature controls and protective equipment: In addition to regular temperature checks, the company provided appropriate protective equipment (such as masks and gloves) where needed. Semperit has always focused on the wearing of personal protective equipment, depending on the task and workstation. This standard was further intensified by the pandemic.

Rules of conduct in dealing with each other: Specific rules of conduct have been defined and adapted to make daily work routines safer. For example, rules have been drawn up for internal and external meetings as well as for time spent in canteens and changing rooms.

Implementation of information campaigns –

“Better safe than sorry”: To ensure safe interaction, it is important not only to define appropriate rules but also to communicate them to the specific target groups. This was successfully achieved with the help of numerous communication measures, including [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, protective vaccinations, and travel activities.

Creation 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. This applied to both internal and external stakeholders. Moreover, clear rules have also been established for meetings with suppliers, customers, and other service providers.

Internal contact tracing: Appropriate contact protocols were established to contain the possible spread of the virus in suspected cases. In addition, PCR tests are used if necessary. Framework agreements were concluded for this purpose with suitable laboratories.

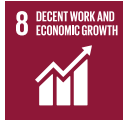
Separation of critical operating units: To ensure continuous operation, operational units were at times separated to exclude cross-infection.

Shutdowns: Plant operations at one Semperit plant had to be temporarily shut down completely in 2021 due to national requirements.

Mandatory tests for external companies: Necessary maintenance and servicing work was carried out during the normal plant holiday. Employees of external companies had to undergo mandatory PCR testing to keep the risk of infection as low as possible.

Vaccination programme: To achieve the highest possible coronavirus vaccination rate in the workforce, Semperit has carried out educational efforts and created a low-barrier offer of protective vaccinations.

Psychological counselling service: The coronavirus crisis has also been a psychological strain for many people. Employees of Semperit in Austria can anonymously contact an external psychological counselling service when needed. The costs are paid by the company.



DIVERSITY AND INCLUSION

Diversity and equal opportunity are preconditions for a workplace atmosphere that is productive and based on respect, and therefore are important components of successful employee management. The high importance Semperit places on having a diverse and inclusive workforce is reflected in the values of the corporate group. By creating appropriate framework conditions such as flexible structures, employees are given space to adapt their work to their respective life situations. This enables the company to make an active contribution to inclusion.

Semperit competes for skilled workers and managers. To attract the most qualified and suitable employees and to retain existing employees, we must offer them an attractive work environment. Semperit uses several building blocks to achieve this: The company has a wide-ranging programme of training and development and attractive career opportunities, for example. The Mobile Working Policy introduced in 2021 includes a framework for more flexible work organisation and – where possible – working from home. Semperit also voluntarily offers its employees numerous social benefits such as a range of exercise options and additional medical services.

Another essential component that not only makes the company more attractive but also represents a social value is the fostering of diversity and inclusion of disadvantaged groups of people. Diversity, inclusion and mutual respect are part of the corporate culture. Semperit upholds these values – in the existing workforce as well as when recruiting and hiring new employees. In addition to professional and personal qualifications, aspects such as age structure, ethnic origin, gender, education, and background of experience are included.



People from 65 nations currently work at Semperit. This demonstrates that diversity is not only a normative requirement but also a reality that Semperit is also dealing with at the strategic level. One important pillar of the revised HR Strategy 2024 is the development of a diversity and inclusion strategy, which will be published and implemented in the coming year. The Sustainability Strategy 2030 also contains targets in the following four priority areas:

→ **Gender**

→ **Age**

→ **People with disabilities**

→ **Culture**

Talent Academy: The Talent Academy programme is offered every two years. All employees can apply. Some of them are invited to participate on the basis of a structured selection process that is based on the competencies most important to Semperit. The Talent Academy consists of several modules in which participants receive training and become aware of their strengths, weaknesses, and career goals. The goal of the programme is to prepare employees for future management tasks and thus create the basis for filling key internal positions within the Semperit Group. Talent Academy participants also work on practical projects that are of benefit to the company and address current issues from a wide range of areas, including sustainability. Nine women and 11 men completed the programme in 2021 and, together with trainers and their managers, prepared a personal development plan with specific targets for themselves.

CAREER PLANNING

A wide range of development opportunities and structured career planning enables employees to pursue their individual career paths within the company. During the regular employee performance reviews, the focal areas for personal development and training, in addition to the annual targets, are discussed and evaluated in retrospect together with the supervisor, and set for the next year. This is aimed at helping employees improve their work performance and thus achieve their short- and long-term career goals. Possible attractive positions and any relocations within the Semperit Group are also discussed and planned in this context. This is done, for example, as part of the technical development path in which technical experts move to another area for a specific project in order to broaden their expertise, or in the "Global Trainee" programme, in which Semperit offers young graduates the opportunity to get to know the company through a range of assignments in the first two years before they ultimately assume their target position. The annual targets agreed with the employees are recorded and tracked with the help of the HR software SuccessFactors.

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People Days: Another instrument for career development in the Semperit Group are the People Days, during which potential internal candidates for filling key vacated positions are discussed in a structured process.

TRAINING AND DEVELOPMENT

Semperit offers its employees a wide range of training opportunities that include both personal and professional development. This ranges from languages and compliance issues to project management and facilitating as well as to specialist areas such as health and safety, and is always geared to the respective employee's field of work as well as their overarching career plans. Most internal as well as external training is provided via Semperit's SuccessFactors digital learning platform. The individual training plans as well as numerous e-learning courses are embedded there and can be individually assigned to the employees and evaluated.

- 71% of all white-collar employees have participated in regular performance and career development reviews.
- 60% of all employees (white- and blue-collar employees) have received career- or skills-related training.

Executive mentoring: This programme is aimed 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 Executive Board level. The programme facilitates dialogue regarding personal development and leadership topics. The participants and mentors agree at the beginning on two to three topics on which they want to work together. Then they meet regularly to exchange ideas and develop solutions to the specific problems and tasks.

Leadership Journey: In 2019, Semperit introduced a learning and exchange platform – the Leadership Journey – for roughly 250 managers from all companies in the Semperit Group. Underlying the platform is an ongoing development programme that includes various formats. In the Master Classes, which are 90-minute webinars, relevant topics such as change management or virtual leadership are covered. The Master Classes also serve as an internal communication channel for managers to discuss strategic issues. Interactive bar camps are also held as part of the Leadership Journey. This format is used for personal reflection and collegial dialogue among managers. The programme is designed as an agile development format so that the content and formats can be adapted as needed.

ADVANCEMENT OF WOMEN

A diversity concept of the Supervisory Board of Semperit AG Holding was concluded in writing on 1 February 2018 and updated in the 2021 reporting year. The Supervisory Board of Semperit AG Holding has been meeting the women's quota of 30%, which became a legal requirement in 2018, since May 2017. 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. The successive increase in the percentage of women in the Semperit Group – which, as is typical in industrial companies, is lower in comparison to other sectors – is a central aim in the area of Human Resources. Flexible working time models in the form of flexible and part-time work as well as special agreements for parents working part-time are intended to help continuously increase the percentage of women.

DEVELOPMENT OF THE PERCENTAGE OF WOMEN AT SEMPERIT IN YEAR-ON-YEAR COMPARISON (%)

	2021	2020	2019
Austria	19%	20%	20%
Europe	26%	26%	26%
Semperit Group	23%	22%	20%



OVERVIEW OF “DIVERSITY AND INCLUSION” TARGETS WITHIN THE FRAMEWORK OF THE SUSTAINABILITY STRATEGY 2030

The topic of “diversity and inclusion” (D&I) has also been identified as a key component of the Sustainability Strategy 2021. A separate working group was set up in 2021 to develop specific goals in this area. Under the leadership of Group HR, the working group developed the strategic targets and action plans for 2030 together with the Executive Board.

During various workshops, four dimensions were defined that are crucial for Semperit in the area of D&I: age, gender, people with disabilities, and intercultural competence. Overarching objectives and initial activities were later defined for each dimension, which are to be pursued further in the coming years. During the discussion and development, special attention was paid to company-specific criteria as well as regional parameters. The current targets in the area of D&I include the following:

- **Age:** Alignment of the age distribution at Semperit with that of the relevant labour market
- **Gender:** Alignment of the gender distribution with that of the relevant labour market
- **People with disabilities:** Alignment of the percentage of employees with disabilities to that in the relevant labour market
- **Intercultural competence:** Improve intercultural cooperation and strengthen the presence in local communities

The following activities will be launched to achieve these overarching targets and to develop specific (stage) targets by 2030:

- **Intensified training programme** on the topic of “unconscious bias” for managers
- **Global Employee Survey 2022**
Benchmarking of global, regional, and local Semperit demographics in terms of age groups, gender representation, and people with disabilities in order to derive measures and activities



23%

Percentage of women

1%

People with disabilities

- Establishment of specific (thematic, regional, global) **working groups** to ensure that representatives of the various areas of Semperit are heard
- Intensified **communication efforts** around the topic area of diversity and inclusion
- Intensified **integration of D&I parameters** in the recruitment process and employee onboarding programme

CHARITY MILES

Semperit decided in 2021 to launch Charity Miles, a Group-wide charity programme that supports charitable projects while also promoting the health and fitness of employees as well as team-building across all office and national borders. For twelve months, every step and every kilometre actively travelled by a Semperit employee contributes to a charitable cause. All activities are documented and collected with the use of an app. Based on the collectively achieved result, a monthly donation amount is raised to support various projects worldwide. The initiatives and projects for which people can walk, run, or cycle for twelve months were selected in consultation with the decision-makers at the Semperit locations. This allowed specific social problems in the respective regions to be addressed and enhanced the motivation of employees to participate in Charity Miles.

KEY FIGURES FOR EMPLOYEES

EMPLOYEES BY CONTRACT TYPE (FTE)

	2021	2020	2019
CONTRACT EMPLOYEES			
Europe	47	25	14
of which female	25	12	8
of which male	21	13	6
Asia	31	34	34
of which female	1	3	3
of which male	30	31	31
Americas (incl. rest of the world)	0	0	0
of which female	0	0	0
of which male	0	0	0
Total	78	59	48
PERMANENT EMPLOYEES			
Europe	3,319	3,042	3,155
of which female	870	783	812
of which male	2,449	2,259	2,343
Asia	3,466	3,778	3,634
of which female	635	682	564
of which male	2,831	3,096	3,070
Americas (incl. rest of the world)	87	64	66
of which female	33	25	24
of which male	54	39	42
Total	6,872	6,884	6,854

EMPLOYEES BY EMPLOYMENT RELATIONSHIP (FTE)

	2021	2020	2019
FULL-TIME			
Female	1,490	1,435	1,340
Male	5,360	5,408	5,467
Europe	3,268	2,971	3,077
of which female	822	726	750
of which male	2,446	2,245	2,327
Asia	3,495	3,808	3,666
of which female	635	684	566
of which male	2,860	3,124	3,100
Americas (incl. rest of the world)	87	64	64
of which female	33	25	24
of which male	54	39	40
Total	6,850	6,843	6,807
PART-TIME			
Female	74	70	69
Male	25	29	26
Europe	97	96	92
of which female	73	69	68
of which male	24	27	24
Asia	2	4	2
of which female	1	1	1
of which male	1	3	1
Americas (incl. rest of the world)	0	0	2
of which female	0	0	0
of which male	0	0	2
Total	99	100	95

NEW EMPLOYEES (HC AND %)

	2021	2020	2019
Female	453 28%	515 33%	525 40%
Male	1,006 18%	910 17%	1,354 27%
Europe	560 17%	320 8%	505 16%
Asia	865 24%	1,102 35%	1,359 45%
Americas	34 43%	3 5%	15 23%
< 30	901 39%	999 41%	1,234 58%
30-50	479 42%	382 11%	590 19%
> 50	79 2%	44 4%	55 5%
Total	1,459 21%	1,425 20%	1,879 30%

TURNOVER RATE (HC AND %)*

	2021	2020	2019
< 30	890 38%	700 29%	1,095 45%
30-50	441 39%	457 13%	621 18%
> 50	112 3%	143 13%	135 12%
Female Europe	95 10%	133 16%	149 18%
Male Europe	200 8%	257 11%	385 16%
Female Asia	306 46%	251 37%	374 91%
Male Asia	830 28%	655 21%	932 36%
Female Americas (incl. rest of the world)	2 7%	2 8%	2 8%
Male Americas (incl. rest of the world)	10 20%	2 5%	9 21%
Female	403 25%	386 25%	525 40%
Male	1,040 19%	914 17%	1,326 26%
Total of turnover	1,443 20%	1,300 19%	1,851 29%

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

CONTINGENT WORKERS (FTE AND %)

	2021	2020	2019
Europe	288 71%	184 92%	255 87%
of which female	84 29%	64 35%	n.a.
of which male	204 71%	120 65%	n.a.
Asia	114 28%	4 2%	36 12%
of which female	25 22%	1 25%	n.a.
of which male	89 78%	3 75%	n.a.
Americas (incl. rest of the world)	2 1%	13 6%	3 1%
of which female	0 0%	1 8%	n.a.
of which male	2 100%	12 92%	n.a.
Total	404		294

n.a. = not available



DIVERSITY (%)

	2021	2020	2019
Percentage of female members in the management bodies (Executive Board and Forum)	15%	15%	15%
Percentage of female members in the management bodies < 30 (Executive Board and Forum)	0%	0%	0%
Percentage of female members in the management bodies 30-50 (Executive Board and Forum)	50%	59%	61%
Percentage of female members in the management bodies > 50 (Executive Board and Forum)	50%	41%	39%
Percentage of male blue-collar employees	82%	83%	84%
Percentage of male white-collar employees	62%	64%	64%
Percentage of female blue-collar employees	18%	17%	16%
Percentage of female white-collar employees	38%	36%	36%
Percentage of blue-collar employees < 30	34%	40%	40%
Percentage of white-collar employees < 30	15%	18%	17%
Percentage of blue-collar employees 30-50	48%	46%	44%
Percentage of white-collar employees 30-50	63%	63%	63%
Percentage of blue-collar employees > 50	18%	14%	16%
Percentage of white-collar employees > 50	21%	19%	20%
Nationalities (total)	65	57	62
People with disabilities (in %)	1%	1%	1%
Employees covered by collective pay-scale agreements [%]	40%	35%	40%

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

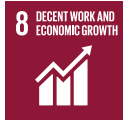
FTE = full-time equivalent; HC = headcount

The key figures for 2020 to 2021 include all employees from the fully consolidated companies of the Semperit Group. The employee data is collected directly at the individual locations.

Definition of "contract employees": 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 for 2019 include all employees from the fully consolidated companies of the Semperit Group. Exceptions are the indicators turnover rates and new employees, in which the locations Nilai, Malaysia, and Hat Yai, Thailand, are not included because no data was available for them. The percentages given for contingent workers relate to the total number of contingent workers.

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



HUMAN RIGHTS AND SOCIAL STANDARDS

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, harassment, and violations of corporate principles, regardless of where in the value chain they occur. Information, training, and corrective actions will be used to ensure that the highest social standards are practised everywhere and that respect for and protection of human rights is a top priority at all times.

INFORMATION, TRAINING, AND
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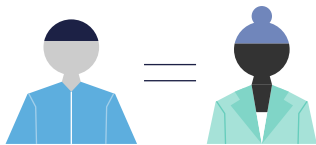
The principles and internal guidelines of the Semperit Group for respecting human rights and for interacting with one another as well as the applicable social standards are defined in the Code of Conduct as well as in the People Policy and the Supplier Policy, which are publicly available on the [Semperit website](#)⁷. The revised Semperit Code of Conduct was published in 2021 and must be signed by members of management. By signing, they confirm that they have understood and acknowledge the Code and that they will duly report all possible incidents. 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 their contribution to preventing modern slavery and human trafficking. This statement includes the most important principles as well as the company's activities in the relevant financial year and can be found on the [Semperit website](#)⁸.



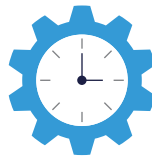
The principles and guidelines of the Semperit Group apply not only to employees but also to suppliers and other business partners. They are a precondition for establishing and continuing business relationships. All business activities must be conducted in accordance with the UN Guiding Principles on Business and Human Rights and the core labour standards of the International Labour Organization (ILO), as well as 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 [website⁹](#).



THE SEMPERIT PRINCIPLES



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



Local laws regarding maximum acceptable **working hours** are observed.



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



Care is taken to ensure appropriate and fair **remuneration** under consideration of local market conditions.



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



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

CORE ELEMENTS OF HUMAN RIGHTS DUE DILIGENCE

A systematic approach is required to fulfil the corporate duty of due diligence to respect and uphold human rights. The OECD Due Diligence Guidance for Responsible Business Conduct¹⁰ recommends the following six steps. In line with this recommendation, the Semperit Group is taking measures to prevent violations and is developing appropriate activities to raise awareness and transfer information. The specific measures taken by Semperit in connection with the individual steps are listed in bold.

1. EMBEDDING AND PUBLIC COMMITMENT

The relevant principles are defined and embedded into the corporate policy [**Code of Conduct, policies, Modern Slavery Act Statement, confirmation of compliance with UNGC principles, etc.**] and the management systems.

2. IDENTIFICATION AND ASSESSMENT

Actual or potential negative impacts from direct or indirect business activities are identified and assessed [**part of the annual ESG risk process as well as traditional risk management**].

3. INTEGRATION, ELIMINATION, AVOIDANCE, OR MITIGATION

The findings of impact assessments are incorporated into all relevant business processes and appropriate action is taken according to involvement in the impacts [**provision of information, training, whistleblower hotline, etc.**].

4. MONITORING

Effectiveness of measures and procedures to address negative impacts is tracked [**internal and external audits (BSCI), rating by EcoVadis, etc.**].

5. COMMUNICATION

regarding measures taken and their impact [**Modern Slavery Act Statement, Sustainability Report, progress report within the context of the UNGC, internal and external communication measures, etc.**]

6. TAKING RESPONSIBILITY

Development or participation in remedial actions where needed [**cooperating with relevant organisations and initiatives such as TfS**]



WORKING CONDITIONS IN THE GLOVE INDUSTRY

Due to the pandemic and the resulting sharp rise in global demand for gloves, the working conditions in the glove industry were examined more closely by various stakeholders including NGOs, the media, and public procurement institutions. As a consequence, the focus fell on Malaysia, where the largest glove producers in the world can be found and the local working conditions for workers from countries such as Nepal, Myanmar, or Bangladesh call for critical scrutiny. So-called "recruitment fees" have proven to be particularly problematic. These are fees workers must pay to various third parties such as employment agencies in order to obtain an employment contract, forcing them into a "bonded labour" relationship. This practice is contrary to international treaties. Semperit itself has never demanded this type of fee.

To investigate this issue and obtain a detailed picture of the situation in the source countries, Semperit initiated a project with an internationally recognised consultancy specialising in human rights even before the pandemic in 2019. The aim was to create transparency and clarity as to whether there are any weaknesses and where they occur along the supply chain. The project's results provided the basis for generating the relevant knowledge to optimise internal processes and draft appropriate guidelines (Zero Recruitment Fee Policy), as well as to implement the necessary due diligence processes.

In a second step initiated in 2020, all employees impacted by bonded labour were reimbursed by Semperit for the fees they had to pay to recruitment agencies or other bodies in their countries of origin. The process required for this was also supported externally and was successfully completed in 2021.

2019

Implementation of the Zero Recruitment Fee Policy

2020–2021

Repayment of recruitment fees to over 1,500 employees in Malaysia

EXTERNAL AUDITING

To ensure compliance with Group-wide social standards as well as the efficacy of the measures taken in the context of the due diligence process described above, Semperit has relied for many years on external audits of its production sites in accordance with the principles of the amfori Business Social Compliance Initiative (BSCI). This primarily relates to the Kamunting and Sopron sites from 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.

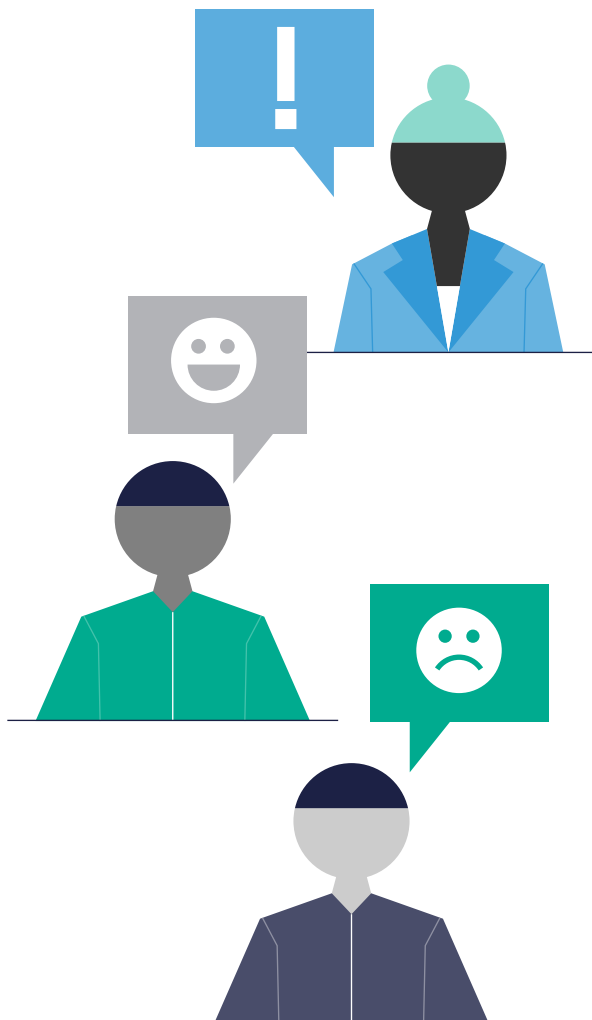
- The Sopron site achieved the top "A" rating in 2021, which extended the validity of the certification to two years.
- The Kamunting, Malaysia site improved its performance in the annual 2021 audit and achieved a "C" rating.

With the external audits, approximately 14% of the production sites and just under 43% of Semperit employees were audited externally in 2021 according to the requirements of the amfori BSCI.

SOCIAL STANDARDS

Semperit stands for the protection of human rights and for compliance with the highest social standards.

This is not only the core of the corporate culture but also an important component when it comes to retaining existing employees and attracting new ones. Everything is subject to change – including the requirements of employees. Factors that may have been decisive in choosing an employer in the past no longer hold the same importance today. Instead, other aspects such as flexibility and a sustainable corporate strategic focus are gaining in importance.



SOCIAL DIALOGUE – FREEDOM OF ASSOCIATION, DIALOGUE, AND CODETERMINATION

Semperit uses stakeholder dialogue and codetermination to strengthen employee loyalty while also taking into account the needs of all stakeholders in the best way possible. The exchange of information as well as mutual interests and requirements takes place at various levels. In addition to the company's regular staff meetings, regional committees, and other voluntary initiatives, Semperit naturally complies with all regulatory requirements that serve to represent the interests of employees and give them a say in matters. Works councils can be elected by the workforce in all Semperit companies, and the right to freedom of assembly and association is fully guaranteed. In all production companies and many sales companies, the interests of the employees are represented by a works council or a company trade union. These are active in line with national laws and regulations. There is also a European Works Council at Semperit.

China: There is a trade union at the Chinese sites which is led by the local government union. In addition, Semperit proactively fosters a local feedback culture with a wide range of communication tools. These range from staff meetings, plant tours, and selected contacts from the HR department to the Semperbox or town halls, which are aimed at all employees and serve to disseminate information widely and answer questions from the workforce.

Germany: All major sites in Germany have elected works councils that represent the rights of employees in daily operations in accordance with local labour law. The site in Hückelhoven, Germany, reached a critical headcount in 2019, leading to works council elections and a complete reconfiguration of local management. In Duggendorf there is a works council and an external collective agreement.

France: Employees in France are covered and represented by a local collective agreement and – due to the small size – by an advisory employee committee.

India: In accordance with the provisions of the Trade Union Act, employees are represented by a trade union (internal union) which interacts with management through monthly meetings.

Malaysia: There is an active works council in Malaysia that meets every month with management, including the managing director. Proposals, complaints, grievances, and suggestions for improvement from the employees are discussed in the course of these meetings. There are several additional feedback options such as the Semperbox, which can be used to submit suggestions in writing.

Austria: There is a works council for both white-collar and blue-collar employees, with which the local management cooperates closely and regularly. This contact has been intensified since the outbreak of the coronavirus pandemic and converted into weekly meetings that are valued by all parties. In addition, quarterly meetings are held with representatives of the Executive Board and local site management to provide information on ongoing business issues and discuss them together.

Poland: There are two trade unions in the Polish organisation which cover different groups of workers. Due to the good relationship with these unions, the Polish employees are covered by a voluntary collective agreement that governs important issues.

Czech Republic: The workers and employees at the Czech site are represented by a works council that works together regularly and closely with local management. In connection with this, quarterly meetings are held with representatives of the HR department and local management.

Hungary: There is a works council representing all employees at each of the Hungarian production sites.

United States: Because the concept of works councils is not widespread in the United States, so-called “officially published employee handbooks” define common standards and rules for all employees. These handbooks are in line with market practices in the US and ensure being a responsible and attractive employer.

FAIR WAGES AND COLLECTIVE AGREEMENTS (PAY-SCALE 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. This includes the application of pay-scale/collective agreements at some locations (Austria, Germany, Czech Republic, Poland, France, and India). Approximately 40% 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. The Semperit bonus policy governs the principles of Group-wide bonus remuneration. The standardised Group-wide bonus scheme applies to all employees above a certain level (experts and above). Employees not covered by these rules are subject to local bonus schemes as well as incentive systems that vary by country, area of work, and position, such as:

China: The local bonus policy is aimed at all employees who are not covered by the Group bonus policy. China has an employee handbook for the management of employee performance. The performance management policy is linked to the bonus policy to encourage high participation and provides for regular feedback meetings.

India: For employees, especially hourly workers who are not part of the Group-wide bonus scheme, the local bonus is based on the nationally applicable bonus law and the conditions set out in the collective agreement.

In addition, there are specific guidelines and standards for employee instruction that are used to evaluate and encourage employee behaviour. The Indian site also offers a quarterly production incentive programme linked to company criteria [quality and output], thus linking company performance to employee performance.

Malaysia: The bonus takes into account the length of service with the company. Attendance is used as a measure of commitment and loyalty. The length of service with the company is intended to foster and reward employee loyalty. All work processes are specified by standard operating procedures (SOP). New employees are trained on the basis of the relevant SOPs and their learning efficiency is assessed. Regular reviews are conducted to assess performance levels and to support employees who fall behind through a wide range of training programmes.

AWARENESS RAISING AND COMMUNICATION

The principles and rules of conduct in the area of human rights and social standards to which Semperit is committed are defined in multiple guidelines. To ensure that these requirements are complied with in daily work and cooperation by employees, suppliers, and other business partners, the rules must be clearly communicated and made known to everyone. Semperit carried out the following information and training activities relating to this during the reporting year:

-
- Annual update of the Semperit Group's Modern Slavery Act Statement
-
- Publication, dissemination, and accompanying communication of the Group-wide Code of Conduct
-
- Introduction of online training on the Code of Conduct for all employees with a focus on the topic of human rights, particularly the forms and impacts of possible human rights violations along the supply chain
-
- Integration of human rights and social standards as a point of focus in the regular meetings of the Sustainability Council
-
- Increased internal information and awareness-raising by the Compliance and Group Brand Management (Sustainability) departments
-
- Implementation of a Group-wide "Sustainable Procurement" online training programme with a focus on human rights and social standards along the supply chain
-
- Participation in stakeholder events to share experiences and jointly plan possible further steps
-
- Special focus on the topic of human rights and further work in this regard in the course of the industry initiative "Together for Sustainability", which will serve to further raise the industry standard in this area and minimise violations in the future
-

OVERVIEW OF THE OBJECTIVES OF “RESPECTING HUMAN RIGHTS” WITHIN THE FRAMEWORK OF THE SUSTAINABILITY STRATEGY 2030

Measures to safeguard and respect human rights can be as wide-ranging as the various aspects of human rights (30 articles in the Human Rights Charter) and can range from addressing the issue proactively with measures to risk assessments and cooperation with partners to solve specific tasks. Semperit primarily focuses here on training and monitoring. In the coming years, employees working in potentially sensitive areas of human rights will be trained through e-learning courses and workshops. Managers at the headquarters and in relevant management positions at the sites will also attend these training courses. In addition to employee training, there is also a need for appropriate monitoring. Sites with a higher risk of human rights violations due to local conditions should be regularly audited by external experts. This is intended to ensure and demonstrate that Semperit upholds human rights and other high social standards. Semperit furthermore plans to fulfil its human rights due diligence obligations in the supply chain more broadly and in-depth than previously. To this end, the company focuses on cooperation with the members of the “Together for Sustainability” initiative. Especially in supply chains, it is advantageous to join forces in order to create a sustainable impact.



0

Violations

>70%

Employees trained*

100%

Sites audited*

* Target achievement applies to employees and sites characterised by a corresponding risk.



GOVERNANCE

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Corporate governance is the system of rules, practices, and processes for directing and controlling an organisation in the interests of all relevant stakeholder groups. This system should reflect the risks and opportunities associated with the company's business activities on the one hand and those that arise for the company as a result of global developments on the other. It is important here not only to consider the interests of stakeholders, but also the ecological limits of the planet.

In order to contribute to sustainable development in its own company and beyond, Semperit has produced guidelines and implemented processes designed to minimise the risk of negative impact and promote positive pay-off.

"Good governance" is broadly understood as a sustainable orientation of corporate governance. It includes protecting human rights, compliance with laws and ethical principles, combating corruption, and promoting transparency and accountability. "Good" running of an international company in this sense requires managers who fulfil their function as role models, and clear guidelines for employees and other stakeholders. Semperit refines these guidelines on an ongoing basis, taking account of developments both inside and outside the company, and the risks and opportunities arising from such developments. Managers and employees are then given training to make them aware of the guidelines and how to apply them in their day-to-day business. Targeted training and communication also allows Semperit to increase employees' knowledge and awareness of the company's sustainability topics and goals. By incorporating sustainability goals into employees' personal targets, Semperit creates an additional incentive for sustainable development.

If employees and other stakeholders discover that laws or the company's guidelines are not being complied with, they can report this anonymously via the "SemperLine" whistleblower hotline.



Since corporate responsibility does not stop at the company's own doorstep, but also encompasses the supply chain, Semperit ensures that high environmental and social standards are also met in the supply chain and negative impact is avoided.

ESG risk management, which is discussed in the following section, forms the basis for the sustainable management and orientation of the company.

ESG RISK MANAGEMENT

Internal and external developments and impacts in the area of ESG (environment, social, and governance) are identified and assessed as part of the ESG risk process so that they can be taken into account at management level going forward. Semperit looks in particular at environmental and social issues and challenges here. In order to respond promptly to developments, Semperit carries out an annual ESG Risk and Opportunity Assessment. The main risks are identified and assessed by Group Sustainability Management in conjunction with Group Risk Management in a comprehensive process that is time-independent of the traditional risk process. In addition to potential risks, opportunities and the relevant measures to mitigate risk and utilise opportunities are discussed and documented.

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].*

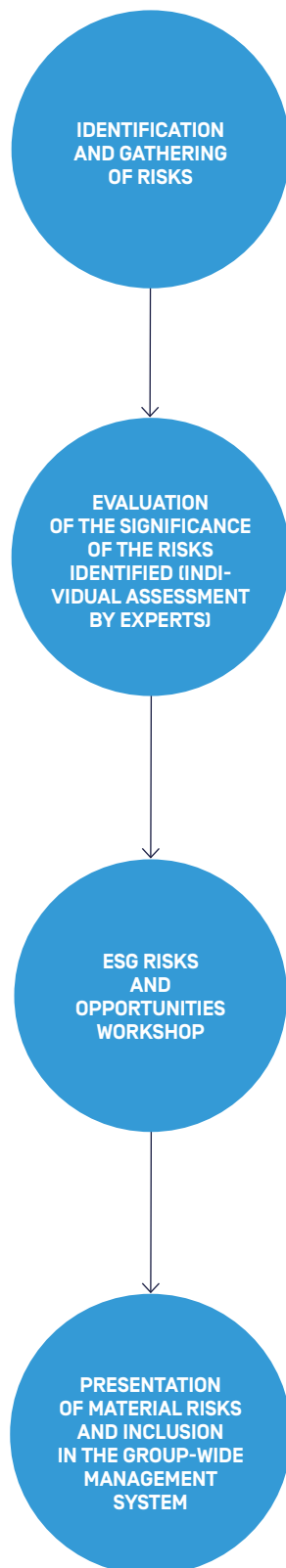
* This definition is in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

INTERNAL AND EXTERNAL DEVELOPMENTS AND IMPACT IN THE AREA OF ESG (ENVIRONMENT, SOCIAL, AND GOVERNANCE) ARE IDENTIFIED AND ASSESSED AS PART OF THE ESG RISK PROCESS SO THEY CAN BE TAKEN INTO ACCOUNT GOING FORWARD.



The impact of Semperit on non-financial concerns (environment, social, employees, respect for human rights, and combating corruption) is analysed as part of the risk assessment and conversely, how these issues impact Semperit. This is in line with the requirements of the Sustainability and Diversity Improvement Act and the principle of double materiality. This approach illustrates the interaction between the company and its external environment as well as the interaction between its sustainability and profitability. All relevant activities and developments that occur along the company's entire value chain, from the supply chain and production to waste disposal and recycling, are taken into account.

PROCESS DESCRIPTION



Firstly, the existing ESG risk catalogue is revised in terms of its topicality and supplemented accordingly. This involves all relevant areas of the company, such as Human Resources, Health and Safety, Production and Innovation as well as the various Semperit sites. In addition to the risks identified internally (inside-out), external developments (outside-in), such as the effects of climate change, are also included. The allocation of risks by category corresponds to the structure of the already established internal Group-wide risk management.

Next, the risks that have been gathered are individually assessed by internal experts and at the same time possible opportunities and countermeasures are garnered. The assessment system used for this purpose is based on the internal risk management system, which has been expanded according to internal and legal requirements. The assessment must estimate the severity of the impact and the probability of occurrence in the short term and over the longer term. This will show how the risk will change – without the appropriate countermeasures. Thus, a trend becomes apparent.

The results of the individual assessments are subsequently combined and serve as the basis for the ESG risks and opportunities workshop. Workshop attendees discuss the results of the first two steps and jointly define and evaluate the material risks. Material risks are defined as those risks whose impact and probability of occurrence exceed a predefined limit according to the criteria of Group-wide risk management.

Subsequently, the material ESG risks and opportunities are presented to the Executive Board and the Sustainability Council for approval. The risks are then incorporated into the Group-wide risk database and at the same time, the appropriate countermeasures, responsibilities, and time frames are recorded.

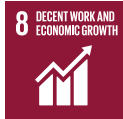
The following table lists the material ESG risks identified by Semperit in 2021 that could have a potentially high negative impact on non-financial concerns in accordance with the Sustainability and Diversity Improvement Act or on Semperit's business activities. Countermeasures and possible opportunities are also listed in the overview. Further information, such as accident and health risks or corruption risks, can be found in the Risk Management section of Semperit's

Group Management Report. 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-relevant risks as understood by the "Task Force on Climate-Related Disclosures" (TCFD) and the requirements for reporting climate-relevant information are discussed in more detail in the section "Climate-relevant information".

MATERIAL RISKS	MEASURES	OPPORTUNITIES	PRIMARY SPHERE OF ACTION	FUTURE IMPACT	CONCERNS ACCORDING TO NADIVEG
Little consideration of sustainability aspects in corporate and innovation strategy [transition risks]	Linking sustainability strategy with corporate and innovation strategy, consideration and integration of ESG aspects into R&D activities	Image enhancement, improvement of market position, responsible business partner	All	Increasing	All NaDiVeG concerns
No low-carbon products in the range that meet the current EU taxonomy requirements [transition risk]	Definition of sustainability criteria in R&D, awareness raising, cooperation with research institutions, customers and suppliers, expansion of the product portfolio	Competitive advantage, attractiveness for financial market, expansion of product range, opening up of new markets	All	Increasing	Environmental concerns
Lack of consideration of ecological criteria when selecting raw materials [transition risks]	Definition of sustainability criteria in purchasing, awareness raising, cooperation with suppliers, customers and other organisations, creation of a carbon footprint model	Competitive advantage, attractiveness for financial market, expansion of product range, opening up of new markets	All	Increasing	Environmental concerns, social concerns, employee concerns
Greenhouse gas-intensive production [transition risks]	ISO 14001, ISO 9001, ISO 50001, compliance with guidelines and threshold values, policies, internal and external audits, projects to increase efficiency and effectiveness, closing of material cycles	Environmental and climate protection, cost benefit, employee retention	Within the company	Increasing	Environmental concerns, social concerns, employee concerns

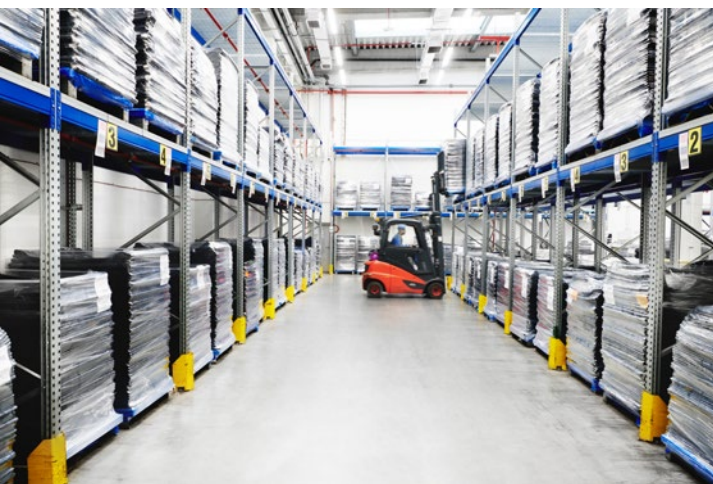
Lack of attractiveness for the sustainable financial market (transition risks)	Definition of sustainability goals, awareness raising, efficiency in production, improvement of relevant ratings through targeted measures	Access to sustainably oriented finance flows, competitive advantage	Within the company	Increasing	Social concerns, employee concerns
Climate-relevant external effects such as new regulations and changing market requirements in the context of combating climate change (transition risks)	Projects to increase efficiency and effectiveness, 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	Environmental and climate protection, cost benefit, employee retention	All	Increasing	Environmental concerns, social concerns, employee concerns
Violation of human rights	Code of Conduct, People Policy, internal and external audits, increased cooperation with suppliers and customers, internal instruction and training	Image enhancement, improvement of market position, responsible business partner	Upstream, within the company	Consistent	Respect for human rights, social concerns, employee concerns
Lack of attractiveness for key personnel due to lack of sustainable corporate orientation (transition risk)	Adoption of a sustainability strategy and definition of appropriate goals, clear positioning of the company in the area of ESG, development of non-financial compensation opportunities and offerings	Image enhancement in the labour market, employee retention, increased attractiveness for skilled workers, skills development, talent development	Within the company	Increasing	Social concerns, employee concerns

OTHER RISKS	MEASURES	OPPORTUNITIES	PRIMARY SPHERE OF ACTION	FUTURE IMPACT	CONCERNS ACCORDING TO NADIVEG
Accident and health risks	HSEQ policy, ISO 45001, ISO 9001, personal protective equipment, broad provision of training and information, raising employee awareness	More attractive and more responsible employer, employee motivation, low turnover, image enhancement	Within the company	Consistent	Environmental concerns, employee concerns, social concerns
Corruption and non-compliance with laws	Code of Conduct, Compliance Management System, capital market compliance, Compliance Board, whistleblower hotline, policies, training and instruction, value system	Industry role model, image enhancement, responsible business partner, competitive advantage	All	Increasing	Fight against corruption



SUSTAINABILITY IN THE SUPPLY CHAIN

Supply chains have branched out around the world as a result of globalisation and the increasing division of labour. This has given rise to a responsibility on the part of companies to ensure social and environmental standards in their supply chain as well. The discussion surrounding an EU-wide supply chain clearly shows that the subject is becoming increasingly important and increasingly subject to regulation. In recent years, Semperit has developed clear guidelines and taken steps to contribute to sustainability in the supply chain. A good network, direct cooperation with suppliers, as well as a great deal of skill and feel for the market and the culture in the countries where Semperit operates are required in order to be successful here.



IN RECENT YEARS, SEMPERIT
HAS DEVELOPED CLEAR GUIDELINES
AND TAKEN STEPS TO
CONTRIBUTE TO SUSTAINABILITY
IN THE SUPPLY CHAIN.

The Group-wide Code of Conduct and the Supplier Policy of the Semperit Group set out the ethical, environmental, and social principles that Semperit abides by when selecting suppliers and working with them. These guidelines are available on the [company's website](#)¹¹ and form the basis for long-standing trusted partnerships to which Semperit attaches great importance in its supply chain management.

SUPPLY CHAIN MANAGEMENT

Purchasing is the remit of the COO (Chief Operating Officer) under the leadership of the Group Head of Procurement and Logistics. The team comprises 31 employees who work worldwide. The dispatchers for the compound raw materials report to the central Supply Chain Management. The individual sites are responsible for local purchasing and storage management, but are centrally consolidated.

Central purchasing is divided into five thematic groups:

→ **Raw materials**

Rubber, latex, chemicals, steel, textiles, and packaging

→ **Investment goods**

Machines and vehicles

→ **Logistics**

Inbound and outbound, logistics, warehousing

→ **Indirect procurement**

Office supplies and service providers

→ **Energy**

Gas, electricity, and steam

In 2021, a member of the purchasing team was established as an interface between sustainability and purchasing. This person deals with matters such as ascertaining Scope 3 emissions, "Together for Sustainability" (TfS) agendas, and future regulatory requirements in terms of supply chain management.

Following the principle of double materiality, when it comes to sustainable supply chain management, Semperit focuses on material purchasing in the raw materials, packaging materials, and trade goods categories. This is because, on the one hand, due to the high proportion of material costs in the total product price, the purchasing of materials has a direct impact on the company's profitability and, on the other hand, the procurement of materials is also potentially associated with the company's greatest indirect environmental and social impact.

A wide range of chemicals are needed for producing rubber products. Strict requirements must be observed and complied with when handling these chemicals, from transport and storage through to processing. In the EU, for example, the requirements of the REACH regulation must be monitored on an ongoing basis and complied with. Semperit complies with all legal requirements with regard to the avoidance and substitution of hazardous substances at European, national, and regional levels.



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. In spite of the difficulties caused by COVID-19, such as no opportunities for physical meetings between buyers and suppliers, periodic production stoppages at suppliers, as well as increasing demand for certain raw materials and thus rising market prices, there were no major delivery failures or critical bottlenecks at any time. Semperit's resilient supply chain has helped the company maintain production at all sites virtually without interruption.

In 2021, there were no fundamental changes in the supplier landscape of the Semperit Group. Accordingly, no new strategic suppliers were added and screened in terms of their environmental and social performance. This evaluation of suppliers is fundamentally carried out in the form of self-disclosures based on Semperit's Supplier Policy, and on the basis of EcoVadis ratings. EcoVadis is an external platform for assessing sustainability. Due to the COVID-19 pandemic, it was not possible for Semperit to conduct on-site audits in 2021.

NUMBER OF SUPPLIERS (RAW MATERIALS, PACKAGING MATERIALS, AND TRADE GOODS WITH A PURCHASING VOLUME > EUR 50,000 PER ANNUM)

Region	2021	2020	2019
Europe	191	166	173
Asia	113	112	116
America (incl. rest of the world)	1	1	1

MONETARY VALUE OF EXPENSES PAID TO SUPPLIERS (EUR)

2021	2020	2019
530.3	431.4	465.7

SUPPLIERS SCREENED AGAINST SOCIAL, ECOLOGICAL AND ETHICAL CRITERIA (WITH A PURCHASING VOLUME > 500,000 EUR PER ANNUM)

Region	2021	2020	2019
Percentage of new suppliers screened against social, ecological, and ethical criteria	no new suppliers	100%	no new suppliers

In addition to the increasing focus on environmental and social criteria when evaluating suppliers and working with them, incorporating sustainability goals in personal target agreements is helping to ensure that sustainability has an increasingly higher profile in Semperit's supply chain management. In 2020, for instance, the lead buyers committed themselves to driving developments in the area of sustainable raw materials (focusing on recycled and renewable materials) and to developing and advancing possible starting points. These goals were expanded to include targets in the reporting year arising from cooperation in the TFS network (Together for Sustainability). Each lead buyer was instructed, as a first step, to recruit their most important strategic suppliers for an evaluation by the external evaluation platform EcoVadis.

Furthermore, Semperit has also incorporated environmental and social focal points and criteria into its internal Procurement Manual, which was revised in 2021.

SUPPLIER EVALUATION

A systematic process for selecting and evaluating suppliers as well as close cooperation with suppliers ensure compliance with the standards defined by Semperit. Potential CSR risks in connection with the supply chains are identified as part of the annual ESG risk process, which is primarily aimed at upstream processes as part of supplier management. In addition, the selection of suppliers as part of the evaluation process is based on criteria such as procurement category, geographical presence of the suppliers, and total expenditures. This risk mapping is performed prior to deciding whether to conduct evaluations or audits in order to select the suppliers that should be evaluated or audited as a matter of priority.

The evaluation process involves different methods and ranges from cognisance of the Supplier Policy, self-disclosure, or an evaluation by EcoVadis to conducting audits.

SUPPLIER POLICY AND BUSINESS PARTNER CHECK

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 Labour Organization (ILO). Semperit expects its suppliers to comply with these standards and encourages them to take this responsibility into their respective supply chains. The Supplier Policy is routinely sent to suppliers with a purchasing volume of over EUR 100,000 with a request for signature. Currently, 55% of the Category A suppliers have signed the Supplier Policy. Category A suppliers are those suppliers who, ranked by size, together account for 80% of the Semperit Group's purchasing volume.

Furthermore, new and some existing suppliers are subjected to a Business Partner Check by the Compliance department [see page 122] in order to identify any risks in advance.

TOGETHER FOR SUSTAINABILITY (TfS)

SDG 17 "Partnerships for the Goals" makes it clear that in some areas it takes the combined effort and collaboration of multiple stakeholders to make a big difference. With this in mind, Semperit joined the "Together for Sustainability" (TfS) initiative in 2021.

More than 30 well-known and internationally active chemical companies have joined forces in this initiative with the aim of making the global supply chains of the chemical industry more sustainable. TfS evaluates the sustainability performance of suppliers with the help of expert opinions and audits, the results of which are made available to all members. The TfS initiative follows the principles of the UN Global Compact and Responsible Care and in addition, seeks to continuously improve the ecological, social, and ethical orientation of suppliers. TfS is a global organisation supported by regional working groups in Asia and North and South America. As a unique, member-driven organisation, the TfS member companies are shaping the future of the chemical industry together. More information is available at www.tfs-initiative.com.

In order to proceed in the most structured and efficient manner possible, TfS works closely with the EcoVadis supplier evaluation platform, which has gained importance across all industries in recent years. In addition to the supplier evaluations, TfS works with recognised auditing firms to conduct audits based on an audit standard developed especially for 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.



Along with the EcoVadis evaluations and TFS audits, the close links between TFS members are at the forefront of the cooperation. In addition to the step-by-step evaluation of suppliers, the aim is also to address various challenges, such as the offsetting and reduction of Scope 3 emissions or the safeguarding of human rights, and to develop solutions together. Each member is part of a topic-based working group. Regular meetings provide a vehicle for a professional exchange of views and ensure that the high standards of the TFS initiative are maintained and that work on the various remits proceeds consistently.

Semperit has been represented in the “Partnerships and Governance” working group since 2021, which currently focuses on topics such as respect for human rights and quality assurance of TFS activities, for example by developing goals and KPIs for management. Semperit is also a founding member of the “TFS Singapore” working group, which aims to advance sustainability in the Asian region. TFS is relying increasingly on local working groups in order to take account of regional circumstances and develop specific solutions. This is because appropriate activities and measures can only be implemented with the knowledge and understanding of the local framework conditions and challenges.

Consequently, being part of the TFS network not only means purposefully driving sustainability issues forward, but also being a pioneer in developing the highest standards that go way beyond the usual approaches and methods. TFS is not “only” a label that a company pays for, or where a company can be a passive observer, the member company is also required to devote human resources to it and to make a considerable contribution in terms of work to the network.



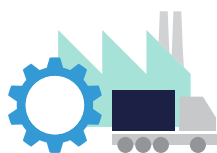
In the first year of TFS membership, Semperit has worked hard on further training and informing lead buyers in order to deepen the expertise within the company on how to ensure sustainability in the supply chain and select suppliers and integrate them into the TFS evaluation process. The first step was setting up the TFS-based EcoVadis platform for Semperit and creating the necessary processes. The second step involved defining initial internal goals, notifying all the parties involved accordingly, and delivering appropriate training. In 2021, 100% of the purchasing team was trained with the help of various internally and externally led events. The training programme not only covered how to use the EcoVadis platform, it also provided an understanding of social and environmental issues and how to identify and prevent risk.

SUPPLIER COOPERATION

Semperit has set itself the goal of carrying out more supplier evaluations and working with suppliers in order to promote sustainability in the supply chain. By 2030, the company aims to generate 80% of its procurement volume from suppliers that have been screened against ESG criteria and meet Semperit's high standards.

OVERVIEW OF “SUSTAINABILITY IN THE SUPPLY CHAIN” TARGETS AS PART OF THE SUSTAINABILITY STRATEGY 2030

Following the introduction of the EcoVadis platform and the training of buyers, in 2021 Semperit invited selected suppliers to have their sustainability performance evaluated using EcoVadis. The number of suppliers evaluated using EcoVadis in 2021 represented 39% of total purchasing volume for “direct materials” (raw materials, packaging materials and trade goods). Plans are to gradually increase this percentage over the next few years. No audits could be conducted in 2021 due to the pandemic. As soon as the situation allows, Semperit will conduct the first TfS audits at supplier premises.



39%

of expenditure for direct materials

70%

improvement rate

As part of the cooperation with TfS, Semperit is required to define annual quantitative goals that the company intends to achieve within one year. These goals include the number of suppliers evaluated, the number of audits conducted, and the rate of improvement achieved in the course of repeat evaluations. This rate was 70% in 2021 and relates to the percentage of suppliers that improved in the context of the EcoVadis-based evaluation system.

Collecting this metric provides an insight into how the sustainability performance of suppliers is improving year on year. It is therefore an important aspect of Semperit's 2030 target, which focuses not only on the one-off evaluation of suppliers, but also on continued cooperation with them.

Another important aspect considered in the evaluation system is the achievement of a predefined threshold (minimum point score) to ensure that suppliers meet certain criteria. Suppliers who have not yet been able to achieve this score are designated for more intensive development work going forward.

SUPPLIER EVALUATION BASED ON SELF-DISCLOSURE

Suppliers with which Semperit does business in excess of EUR 500,000 per annum and which are unwilling to undergo an EcoVadis evaluation can be evaluated using an online self-disclosure tool developed by Semperit. Each supplier receives the same questionnaire and is rated according to the results. In addition to key operating figures, the self-disclosure includes information on environmental performance, such as the maintenance of ISO 14001 certification, or on compliance with human rights, social standards, and working conditions with a focus on health and safety. No supplier evaluations were carried out using self-disclosure in 2021 due to the switch to EcoVadis.

AWARENESS RAISING

In the 2021 reporting year, Semperit developed an online training course dedicated exclusively to the various sustainability aspects along the supply chain. The Compliance and Group Brand Management departments were jointly responsible for selecting and developing the course content. The training course was initially assigned to selected positions within the Semperit Group. Over the next few years, the e-learning course will be rolled out to all employees.

In addition to the training and education that Semperit provides in order to incorporate sustainability into the procurement process, the Group-wide purchasing team is also increasingly concerned with international initiatives and benchmarks. Employees are involved for instance in activities organised by the German Rubber Manufacturers Association (Wirtschaftsverband der Deutschen Kautschukindustrie, WDK – www.wdk.de) or the International Rubber Study Group, Singapore (www.rubberstudy.com). They also engage in constant dialogue with suppliers in order to drive developments forward together with them. This applies particularly to innovations in the area of materials.



COMPLIANCE AND ANTI-CORRUPTION

Legal compliance is the foundation of corporate responsibility. The prevention of corruption and bribery and compliance with competition law are prerequisites for fair competition. It is the task of corporate governance to ensure legal compliance and compliance with internal policies. Semperit's compliance management uses various processes and tools for this purpose. These include training courses and low-threshold access to reporting systems in the event of violations. The general corporate values and in particular the compliance principles form the normative framework.

The corporate values of the Semperit Group were revised in 2020 and have now become part of the corporate culture. Semperit employees should be guided by these values in their actions, and managers should set a good example. The corporate values are

based on the following principles: **We trust, we create, we own, and we deliver.** Semperit's compliance management is also supported by specific principles that apply to the whole Group:

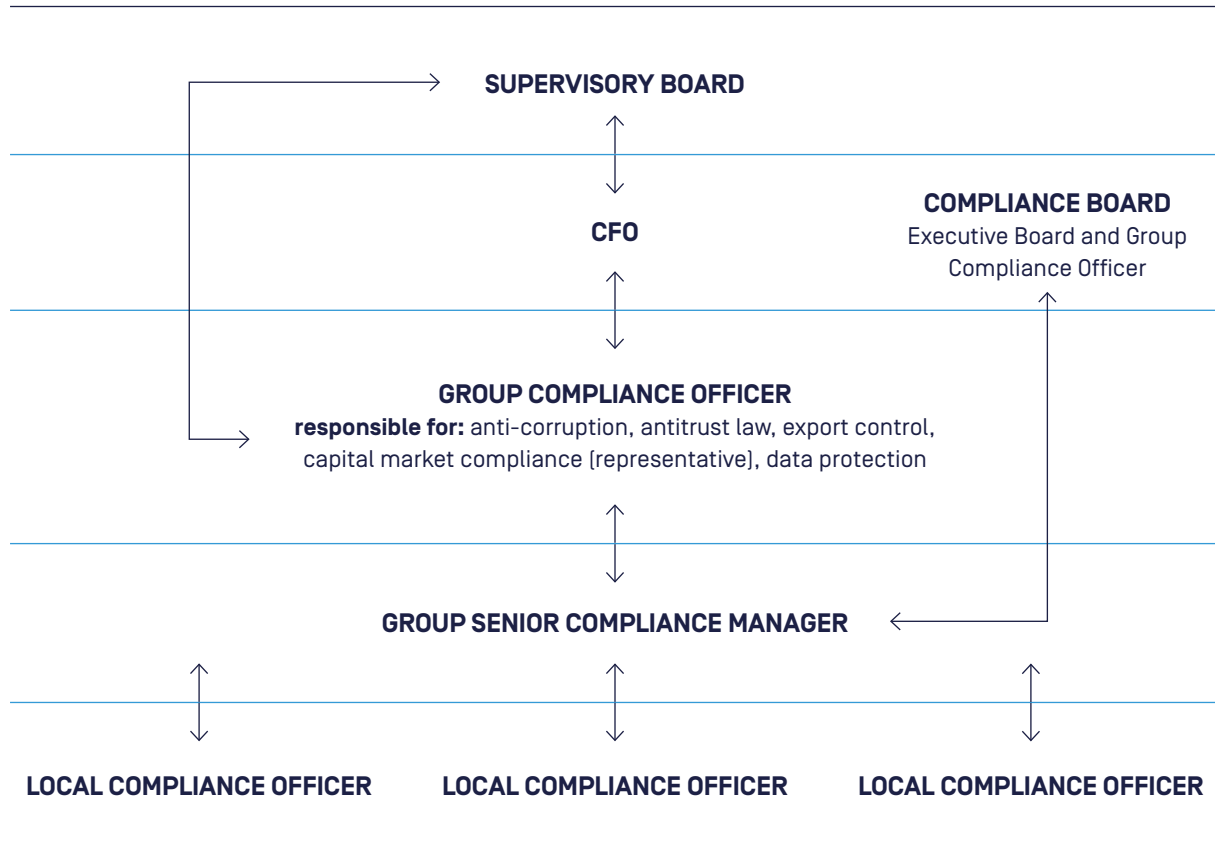
THE SIX GROUP-WIDE COMPLIANCE PRINCIPLES



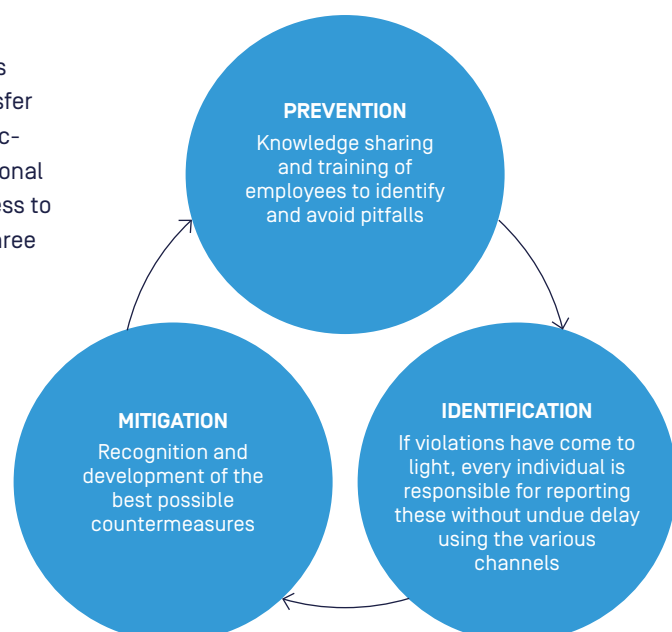
RESPONSIBILITY AND ORGANISATION

The highest authority in the area of compliance and anti-corruption is the CEO of the Semperit Group; the Group Compliance Officer reports to the CEO. Semperit has also established a Compliance Board (Executive

Board and Group Compliance Officer) to deal with specific issues. Local compliance officers at the individual sites communicate directly with the Group Senior Compliance Manager, who works centrally and reports to the Group Compliance Officer, and act as a first point of contact for local compliance issues.



Further activities are needed in the area of business ethics and compliance to ensure a successful transfer of information and moreover, enable specific instructions and mechanisms as well as channels for personal communication. Various tools are used in the process to address a wide range of compliance issues using three main approaches:



EMPLOYEE TRAINING

In 2020, the Compliance department analysed whether Semperit covered all the topics that modern compliance management should encompass and in particular, whether the training provided on some topics should be improved. Based on this analysis, the Compliance department has improved the training provided in cooperation with several specialist departments and locally competent employees. Several existing training courses were adapted and others were developed again from scratch. The new catalogue of training courses includes courses on general compliance issues that are relevant to the whole Group as well as others that provide information on specific situations and problems. The training courses can be held either online or in the form of face-to-face events. The training course format depends on the topic, language, and attendees. Most of the courses on the list are available to Semperit employees online via the e-learning platform.

The type of training courses that employees are required to complete depends on their position and operating area. Basic training courses are mandatory for all employees and are assigned to them via the Semperit training platform as soon as they join the company. Numerous training courses have to be completed each year as a regular refresher of the course content. Training course content must be acknowledged in writing. Further down the line, employees are assigned advanced training courses and e-learning programmes based on their job responsibilities. These must be completed within a certain period of time. The training programme focuses on the following main areas and subjects:

→ **Anti-corruption and bribery**

→ **Harassment and misconduct**

→ **Sustainability in the supply chain**

→ **Antitrust law**

→ **Money laundering and fraud**

→ **Export controls**

→ **Confidential information and data protection**

→ **Insider rules and protection of company assets**

The training provided will be continuously expanded in terms of topics, but also in terms of available languages. The language barrier in particular must be taken into account in the area of compliance. Offering key content in the most common Semperit languages is crucial from Semperit's point of view when it comes to conveying knowledge successfully. This is the only way to subsequently ensure compliance with the guidelines and values and achieve broad involvement.

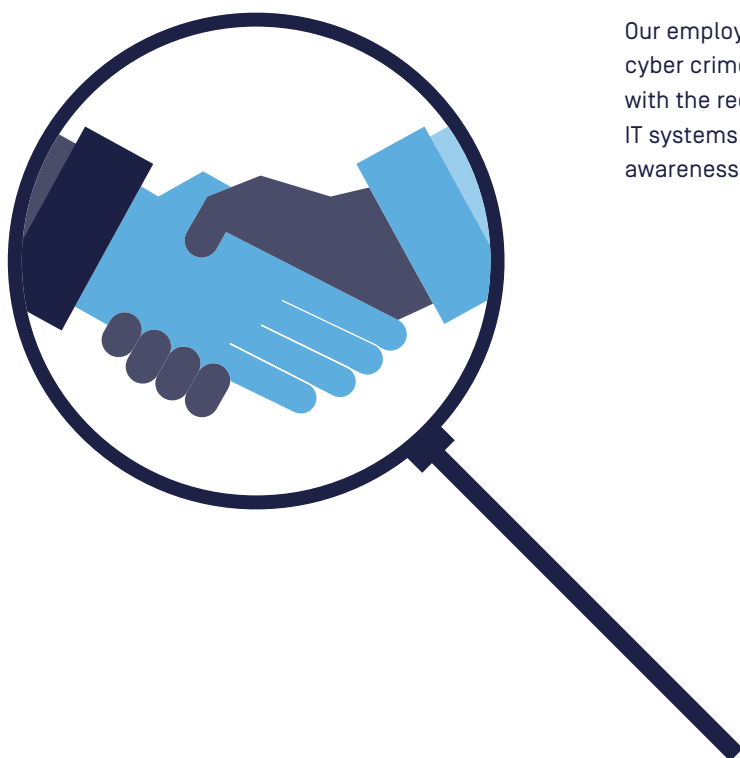
OVERVIEW OF EMPLOYEES TRAINED BY TOPIC AREA

Training focus	Number	
	2021	2020
Corruption and bribery	50	581
Competition law	42	404
Identification and prevention of fraud	316	1,279
Export control	-	145
Conflicts of interest	1,398	148
Harassment and misconduct	1,388	60
General compliance training	227	243
Gifts	56	510
Code of Conduct	1,167	41
Data Protection Regulation update	1,136	4
Sustainable procurement (sustainability in the supply chain)	14	-
Data security	923	40
Total number of trained employees	1,448	1,398

In addition to the online training courses, Semperit is relying more and more on “classroom training courses”. On the one hand, these serve employees whose languages are not yet included in the online training catalogue, and on the other hand, they can address those employees in particular who do not have access to the Group-wide e-learning platform. These training courses are delivered by local compliance officers and can be arranged individually and according to need. In contrast to online training, classroom training offers space for mutual interaction and questions, and enables collaborative learning.

BUSINESS PARTNER CHECKS

These checks are used to screen business partners and are mandatory for companies located in risk countries. Business partners with an elevated risk profile based on other criteria can also be screened. The checks apply to suppliers as well as to customers and serve to identify risks in advance of a cooperation and allow appropriate measures to be taken where necessary. The measures taken in this context may lead to the termination of the business relationship. In recent years, work has been carried out successfully to decentralise these checks and extend them to the competent departments, such as the purchasing and customer service departments. This should ensure comprehensive screening.



If critical issues arise in the course of screenings, they must be passed on to the central Compliance department for clarification and for determination of further steps and consequences.

NEEDS-BASED RISK SURVEYS AS PART OF THE DUE DILIGENCE PROCESS

A risk survey is a project- or event-driven evaluation of legal and reputational risks for individual Semperit sites by the Group Risk Management and Assurance department. In 2021, 12 sites (approx. 20% of the Semperit Group) were screened for corruption risks. The risk workshops required for this have been held online in recent years due to the COVID-19 pandemic. In 2021, one potential material risk was reported relating to ongoing antitrust proceedings against a subsidiary.

SEMPERLINE WHISTLEBLOWER HOTLINE

“SemperLine” offers all internal and external stakeholders a facility to report violations and incidents anonymously. The Compliance Board is obliged to review each report received and determine appropriate measures. Four reports were received in this way in 2021 and have been properly investigated. Where compliance violations have actually occurred, appropriate counter-measures have been taken.

CYBER SECURITY CAMPAIGN

Our employees are made aware of the dangers of cyber crime at regular intervals and asked to comply with the requirements in place to protect Semperit's IT systems. “Mock emails” are also used to increase awareness of risk.

SPEAK-UP CAMPAIGN

When communicating the new version of the Semperit Code of Conduct (Group Code of Conduct) published at the beginning of 2021, greater reference was made to the established complaints procedure.

COMPANY POLICIES AND CODE OF CONDUCT

The Compliance department is responsible for drafting and updating the individual Group-wide policies together with the departments responsible in the relevant subject area. In 2021, the Group-wide Code of Conduct was revised and expanded. Various communication measures tailored to the respective target groups were implemented in order to communicate the topics and requirements dealt with in the Code in a comprehensible and memorable way and ensure broad dissemination. These measures included postings on the intranet, screen saver graphics, video messages from the various departments, posters, and an online training course.

A Group-wide training course on the various content of the Code of Conduct was also developed and provided. The course covers the topics of data security (protection of sensitive data), respect for human rights, and ethical business conduct (for example, prevention of money laundering and fair competition). The training course is provided via Semperit's digital learning platform and is available to employees in various languages to ensure the lowest possible threshold for access.



MODERN SLAVERY ACT STATEMENT

In 2019, the Semperit Group published its first Modern Slavery Act Statement setting out Semperit's strategies to prevent modern slavery and human trafficking. This Statement is updated and published annually. The Statement prepared in 2021 relating to 2020 is available on the [Semperit website](#)⁸.

ANNUAL MEETING OF COMPLIANCE OFFICERS

The local compliance officers meet once a year to discuss key issues and content at Group and regional level. These annual meetings serve primarily for further training and defining future focus areas and also provide a forum for a joint exchange of views.

COMPLIANCE IN THE SEMPERIT GROUP

TOPIC AREA	STATUS 2021	MEASURES AND TOOLS
Anti-corruption and bribery	No confirmed violations	Code of Conduct, online training and individual training according to position and field of work, SemperLine, Supplier Policy
Anti-trust compliance	No confirmed violations	Expansion of the Compliance Management System, establishment of a Compliance Board, business partner checks, risk assessment
Human rights	No confirmed violations	SemperLine, Code of Conduct, People Policy, Supplier Policy
Discrimination	No confirmed violations	SemperLine, Code of Conduct
Anti-competitive behaviour	1 current violation*	SemperLine, Code of Conduct, online training
Environmental compliance	No confirmed violations	Compliance with national limits and restrictions, Environmental Policy
Compliance in the supply chain	No confirmed violations	Supplier Policy, supplier evaluation, Code of Conduct
Data protection	No violations	Process development, expansion of IT systems
Compliance cases	4 compliance cases**	SemperLine, Compliance Board, increased communication measures

* One Group company is involved in a competition law case. The proceedings are currently at a stage where the outcome cannot be estimated with sufficient probability. The proceedings are being handled in coordination with local specialists before the authority. The subsidiary is cooperating with the authorities responsible for the case and assures its full support. The management of the Semperit Group anticipates that these proceedings will not result in any significant impairment of the Group's assets, liabilities, financial position, and profit or loss. Provisions for the most probable amount according to the Semperit Group's assessment have been set aside in accordance with IAS 37 to cover the expected costs and the corresponding risk. Any need for adjustment is reassessed periodically.

** It is important to note that the number of reports is not indicative of 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.

OVERVIEW OF “BUSINESS ETHICS” TARGETS AS PART OF THE SUSTAINABILITY STRATEGY 2030

Compliance with all legal requirements is the foundation of corporate responsibility and thus the basis of our actions. In order to give this principle weight in the Sustainability Strategy 2030, the topic of business ethics was included and relevant targets defined for the next few years:

- Establishment and maintenance of the Compliance programme
- Offering a comprehensive range of training courses
- Promoting a culture of trust through communication and awareness raising
- Zero violations

With regard to the Compliance programme, important steps were taken in 2020 to expand the programme and this will gradually be continued over the next few years. Essentially, the aim is to define and flesh out the topic areas that are relevant for Semperit in terms of compliance and then develop, implement, and establish the corresponding tools to manage these areas. The activities undertaken in this respect include the drafting of appropriate policies, the provision of an adequate range of training courses, far-reaching communication measures, and the expansion of current reporting mechanisms.

As part of the systematic development of the Compliance programme, a new Group-wide Code of Conduct was published at the beginning of 2021. The compact presentation of the most important rules of conduct for our employees and business partners is intended to ensure compliance with the relevant legal requirements and the desired business ethics.



> 90%
employees trained

16
core areas of communication

0
violations

Ongoing employee training is a key cornerstone here, not only enabling content to be shared, but also serving to create awareness. The range of training courses is kept constantly under review in terms of topicality of content and potential new topic areas and expanded accordingly. Each employee is assigned relevant training content that they must complete, depending on their position. Furthermore, there are plans to focus on the internal training of the relevant experts (Train the Trainers) over the next few years. This initiative is aimed primarily at local compliance and data protection (GDPR) experts and is intended to help them manage and communicate their main focus areas in a targeted manner.

In addition to the overarching goal of “zero violations”, Semperit is working hard to create a culture of trust, which aims to facilitate the reporting of weaknesses or potential misconduct without fear of sanctions. In a similar way to the area of health and safety, the area of compliance also needs the facility to openly address areas of weakness or problems in order to avoid “genuine” misconduct and at the same time expand the corresponding infrastructure in a targeted manner.



APPENDIX

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GRI CONTENT INDEX

GRI STANDARD	GRI SPECIFICATION	UNGC*	REFERENCE	OMISSIONS AND INFORMATION
GRI 102: General Disclosures 2016				
Organisational Profile				
GRI 102: General Disclosures 2016	102-1 Name of the organisation		9	
	102-2 Activities, brands, products, and services		9	
	102-3 Location of headquarters		9	
	102-4 Location of operations		7-8	
	102-5 Ownership and legal form		10	
	102-6 Markets served		9, 11-12	
	102-7 Size of the organisation		9	A complete list of the subsidiaries in the scope of consolidation, which are thus part of the consolidated financial statements, can be found in the annual report of the Semperit Group for 2021. 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	6	13-14, 96, 134	
	102-9 Supply chain		114-115	
	102-10 Significant changes in the organisation and its supply chain		13	
	102-11 Precautionary principle or approach		37, 85-86, 99-102	We follow the precautionary principle based on the Group-wide application and further development of the integrated management system.
	102-12 External initiatives		23-26, 116	
	102-13 Membership in associations and interest groups		27	
Strategy				
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker		5-6	
	102-15: Key impacts, risks, and opportunities		45-46, 109-112	
Ethics and Integrity				
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of conduct	10	99-100, 119	For further information also see: https://www.semperitgroup.com/file-admin/img/holding/pdf_dateien/Compliance/2021-02-05_Code_of_Conduct_EN.pdf

Corporate Governance

GRI 102: General Disclosures 2016	102-18 Governance structure	28, 85, 120	More information on the governance structure can be found in the annual report of the Semperit Group for the 2021 financial year.
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Stakeholder Engagement

GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	22	
	102-41 Collective bargaining agreements	3	104
	102-42 Identifying and selecting stakeholders		18, 20-22
	102-43 Approach to stakeholder engagement		17-18, 22
	102-44 Key topics and concerns raised		22

Reporting Procedure

GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	133	A complete list of the subsidiaries in the scope of consolidation, which are thus part of the consolidated financial statements, can be found in the annual report of the Semperit Group for the 2021 financial year.
	102-46 Defining report content and topic boundaries	18, 20, 13	
	102-47 List of material topics	20-21	
	102-48 Restatements of information	134	
	102-49 Changes in reporting	133	
	102-50 Reporting period	133	
	102-51 Date of the last report	133	
	102-52 Reporting cycle	133	
	102-53 Contact point for questions regarding the report	137	
	102-54 Claims of reporting in accordance with the GRI standards	133	
	102-55 GRI content index	127-132	
	102-56 External assurance	135, 139-140	

GRI 300: Environmental Disclosures

Raw Materials and Material Use

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary		20, 20-70, 73, 76-77
	103-2 The management approach and its components	7, 8, 9	35-39, 68-77
	103-3 Evaluation of the management approach		35-39

GRI 301: Materials 2016	301-1 Materials used by weight or volume	7, 8, 9	68	The reported data only includes materials that are part of the final products. These are, in particular: raw materials (e.g. polymers, chemicals, fillers) and reinforcing materials. The mass share of auxiliary and operating materials as well as packaging materials is comparatively low and is therefore not reported.
	301-2 Recycled input materials used	7, 8, 9	77	
Energy				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary		20, 58	
	103-2 The management approach and its components	7, 8, 9	35-39, 58-63	
	103-3 Evaluation of the management approach		30, 35-39, 62	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	7, 8, 9	61	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.
Water				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary		20, 79	
	103-2 The management approach and its components	7, 8, 9	35-39, 79-81	
	103-3 Evaluation of the management approach		30, 35-39, 80	
GRI 303: Water and effluents 2018	303-3 Water withdrawal	7, 8, 9	79-80	
Emissions				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary		20, 35, 40-41, 58	
	103-2 The management approach and its components	7, 8, 9	30, 35-39, 47, 63	
	103-3 Evaluation of the management approach		30, 35-39, 47	
GRI 305: Emissions 2016	305-1 Direct [Scope 1] GHG emissions	7, 8, 9	65-66, 134	Semperit does not cause any biogenic GHG emissions in Scope 1.
	305-2 Indirect [Scope 2] GHG emissions	7, 8, 9	65-66, 134	

Waste

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary		76-78
	103-2 The management approach and its components	7, 8, 9	76-78
	103-3 Evaluation of the management approach		76-78
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	7, 8, 9	76-78
	306-3 Waste generated	7, 8, 9	76-78
	306-4 Waste diverted from disposal	7, 8, 9	76-78
	306-5 Waste directed to disposal	7, 8, 9	76-78

GRI 400: Social**Health and Safety**

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	20, 84	
	103-2 The management approach and its components	30, 37, 84-91	Further information also available at: https://www.semperitgroup.com/file-admin/img/holding/pdf_dateien/HSEQ_policy/HSEQ_Policy_ENGLISH.pdf https://www.semperitgroup.com/file-admin/img/holding/pdf_dateien/Sustainability/people_policy/People_Policy_1812017_EN.PDF
	103-3 Evaluation of the management approach	30, 37, 85	
GRI 403: Occupational health and safety 2016	403-1 Occupational health and safety management system	37, 85	
	403-2 Hazard identification, risk assessment, and incident investigation	86	
	403-3 Occupational health services	85-86, 88	
	403-4 Worker participation, consultation, and communication on occupational health and safety	84-88	
	403-5 Worker training on occupational health and safety	87-88	
	403-6 Promotion of worker health	88, 91, 95	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	85	Further information also available at: https://www.semperitgroup.com/file-admin/img/holding/pdf_dateien/HSEQ_policy/HSEQ_Policy_ENGLISH.pdf https://www.semperitgroup.com/file-admin/img/holding/pdf_dateien/Sustainability/people_policy/People_Policy_1812017_EN.PDF

	Disclosure 403–8 Workers covered by an occupational health and safety management system		85	
	403–9 Work-related injuries		88–89	
Diversity and Inclusion				
GRI 103: Management approach 2016	103–1 Explanation of the material topic and its boundary		20, 92	
	103–2 The management approach and its components	6	30, 92–95	Further information also available at: https://www.semperitgroup.com/file-admin/img/holding/pdf_dateien/Sustainability/people_policy/People_Policy_1812017_EN.PDF https://www.semperitgroup.com/file-admin/img/holding/pdf_dateien/Compliance/2021-02-05_Code_of_Conduct_EN.pdf https://www.semperitgroup.com/file-admin/img/holding/pdf_dateien/Compliance/ModernSlaveryStatement_FY2020_final.pdf
	103–3 Evaluation of the management approach		30	
GRI 401: Employment 2016	401–1 New employee hires and employee turnover	6	97	
GRI 405: Diversity and equal opportunity 2016	405–1 Diversity of governance bodies and employees	6	98	
Human Rights and Social Standards				
GRI 103: Management approach 2016	103–1 Explanation of the material topic and its boundary		20, 99, 103	
	103–2 The management approach and its components	1, 2, 3, 4, 5	30, 99–106	
	103–3 Evaluation of the management approach		30, 101–102, 106	
GRI 412: Human Rights Assessment 2016	412–1 Operations that have been subject to human rights reviews or impact assessments	1, 2, 3, 4, 5	102, 104–105	
	412–2 Training for white-collar employees on human rights policies and procedures		108, 121	The precise number of training hours for white-collar employees on human rights issues is not currently collected, as the focus is on the number of employees trained and not on the volume of hours.

Governance

Compliance and Anti-corruption

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary		20, 119	
	103-2 The management approach and its components	1, 3, 6, 7, 8, 10	30, 108-112, 119-125	Further information can also be found at: https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/Compliance_Management_System_012018.pdf
	103-3 Evaluation of the management approach		30, 122-123	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	10	122	
	205-3 Confirmed incidents of corruption and actions taken	10	124	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices		124	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	7, 8	124	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	6	124	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	1, 3	124	

Sustainability in the Supply Chain

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary		20, 113	
	103-2 The management approach and its components	1, 2, 3, 4, 5, 7, 8	30, 108-118	Further information also available at: www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Supplier_Policy.pdf
	103-3 Evaluation of the management approach		30, 115-118	
GRI 308: Environmental assessment of suppliers	308-1 New suppliers that were screened using environmental criteria	7, 8	115	
GRI 414: Social assessment of suppliers	414-1 New suppliers that were screened using social criteria	1, 2, 3, 4, 5	115	

* As a participant in the UN Global Compact, Semperit AG Holding is obliged to publish an annual progress report. The column labelled UNGC indicates which of the ten principles each statement provides information about.

ABOUT THIS REPORT

This is the Group-wide Sustainability Report of the Semperit Group. The reporting organisation is Semperit AG Holding. The report contains information and data regarding activities, achievements, and targets of the corporate group that are important in the context of sustainable development. It offers stakeholders comprehensive insight into Semperit's business activities and, in particular, describes how the Group meets its economic, social, and environmental responsibilities.

STANDARDS AND SPECIFICATIONS

The report was prepared in accordance with the GRI Standards (Core option). These standards are used and recognised worldwide as a framework for transparent and comparable sustainability reporting. The GRI Content Index in the appendix provides a detailed overview regarding the GRI standards covered in the report and where the respective information can be found.

The Austrian Sustainability and Diversity Improvement Act (NaDiVeG) – the national implementation of the EU Directive 2014/95/EU (NFI Directive) on mandatory reporting of non-financial and diversity-related information – has been in force in Austria since December 2016. This report fulfils the requirements of this law and is equivalent to a separate consolidated non-financial report pursuant to Section 267a of the Austrian Commercial Code (UGB).

Semperit has participated in the UN Global Compact since the beginning of 2021. This initiative calls on companies all over the world to apply ten principles from the areas of human rights, labour standards, environmental protection, and anti-corruption. This report documents the Group's achievements in the context of these ten principles and thus serves as a Communication On Progress (COP).

The disclosure of information regarding the EU taxonomy included in the report complies with the Taxonomy Regulation (EU) 2020/852 and the requirements published as an amendment to the Regulation on 4 June 2021 (technical criteria) and on 6 July 2021 (Article 8). Accordingly, the report contains information on the proportion of Semperit's business activities covered by the taxonomy (taxonomy eligible) as well as the required qualitative information.

REPORTING PERIOD AND CYCLE

The reporting period covers the 2021 financial year, which corresponds to the calendar year. To improve comparability and to make the development of the key figures visible over a longer period of time, the tables primarily show the last three financial years. Semperit publishes an annual Sustainability Report; the last one was issued in March 2021.

REPORT CONTENT

The content of the report was determined while taking into account the reporting principles defined in the "GRI 101: Foundation" standards. This report provides information on the material topics identified on the basis of the materiality analysis conducted in 2020. The 2021 review and validation of the topics by the Sustainability Council did not lead to any change in the material topics or their boundaries.

REPORTING BOUNDARY

All data and information in the "Semperit Group", "Social", and "Governance" chapters refer to the entire Group. The reporting boundary therefore includes all companies within the scope of consolidation. There is a restriction of the reporting boundary for the environmental data in the "Environment and climate protection" chapter. They include all production sites except the new site of M+R Dichtungstechnik GmbH, which was taken over during the reporting year and will not be consolidated until 2022. Distribution sites are not surveyed due to their low environmental relevance. This restriction of the reporting boundary for environmental data was based on the criteria of materiality and the Pareto principle: The environmental impact of these companies is comparatively low, and the effort required to collect the environmental data would be disproportionately high. In the case of individual deviations from the report boundary, this is explicitly pointed out at the relevant point in the report. The Leeser site consists of two small production facilities which are evaluated as a single site due to their close proximity. A temporary deviation may occur, for example, if Semperit acquires a company or establishes a new location [see next paragraph].

CHANGES IN THE ORGANISATION AND REPORTING

There were no significant changes in the size, structure, ownership, or supply chain of the organisation during the reporting period. Minor changes resulted from the acquisition of M+R Dichtungstechnik GmbH and the construction of a new production site in the United States. The environmental data does not yet encompass the German company newly included in the scope of consolidation or the newly constructed American site which will first begin operation in 2022.

There is a new presentation of information in the sustainability goals, which is related to the implementation of the Semperit Sustainability Strategy 2030. The targets from "Perspective 2021" published in previous reports have been replaced in this Sustainability Report by the objectives of the new Sustainability Strategy 2030.

DATABASE

Compared to the previous Sustainability Report, the depth of key non-financial figures has been improved, the data collection process has been optimised, and the consolidation framework has been aligned where possible. As part of the ongoing development of data management, the values for some key figures for past years may differ slightly from those published in previous reports.

-
- The commercial data and financial information correspond to that published in the Annual Report 2021 and in the Consolidated Financial Statements according to IFRS contained therein.
-
- Data on employment structure is primarily based on the personnel data system SuccessFactors; additional data has been collected manually. Due to a standardisation of definitions and recording methods, which was completed in 2020, a consolidated presentation of all data is only possible as of 2020.
-
- In the 2021 reporting year, the data on occupational safety and health protection originates from the company's internal database and is collected at site level and consolidated at Group level. For the key figure "rate of occupational accidents [employees]", there was an adjustment compared to the previous year, 2020.
-

-
- Data on greenhouse gas emissions has been determined for direct and indirect greenhouse gas emissions (Scope 1 and Scope 2) since the 2017 reporting year. In the 2021 reporting year, the values for the previous years (2019 and 2020) were adjusted and recalculated. This was primarily done to improve the comparability of the data sets and to create a basis for future targets in the area of emission reduction. Care was taken to standardise the sources for the conversion factors and to consider both approaches (market- and location-based). Scope 3 emissions presented since this report include only the indirect shares of energy use (natural gas, heating oil, etc.), the purchased logistics services, and business trips. 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 conversion factors from MJ, kWh, and litres to greenhouse gas emissions are derived for the direct emission sources (natural gas, LPG, heating oil, and the fuels diesel and petrol) and their indirect shares (Scope 3) from data from the Austrian Federal Environment Agency (as of January 2019) and are applied for all countries considered. The greenhouse gas emissions of the purchased electricity are taken from the ecoinvent database in the current version 3.8 (2021) as well as the previous versions (3.7.1 and 3.6) for the years 2019 and 2020. The location-based emission factors are included in the database for all countries with Semperit production.

The conversion factors for business trips correspond to the data of the Austrian Federal Environment Agency; those for logistics services are taken from the ecoinvent 3.8 database. Emissions from logistics services were divided into upstream and downstream as well as intra-company services. Estimated values were assumed for areas where data granularity was not available in sufficient depth.

The aim in the future will be to successively develop the depth of data collection in the area of logistics and business travel and to continuously improve the completeness of the greenhouse gas balance sheet.

-
- Supplier, material, innovation, and compliance data comes from the relevant departments and is subject to the data collection systems used there.
-

REFERENCE VALUE FOR SPECIFIC ENVIRONMENTAL DATA

Specific values in the “Environment and climate protection” chapter, such as energy intensity or greenhouse gas intensity, refer to the reference value “produced unit”. The values for the Semperflex, Semperform, and Sempertrans segments refer to the tonnes of produced goods, while the value for Sempermed refers to the number of produced gloves.

EXTERNAL AUDIT

This report was reviewed by an independent third party: Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The review was planned and performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) from the International Federation of Accountants. The assessment was made with limited assurance. Further information on the scope and result of the audit can be found in the audit report. 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 (see page 111 ff.). A comprehensive risk report can be found in the Group Management Report of the Semperit Group for 2021.

CONTACT

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FOOTNOTES

- 1 https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/people_policy/People_Policy_1812017_EN.PDF
- 2 The turnover rate includes employee turnover (voluntary terminations) as well as terminations by the company, expirations of fixed-term contracts, and retirements.
- 3 The year 2019 was used as the reference year for the “30 by 2030” targets. Exceptions:
 - Sempertrans site in Roha, India, with the reference year 2018
 - Semperform site in Shanghai, China, with the reference year 2020
 - Sempermed site in Nilai, Malaysia, which is not part of the “30 by 2030” targets
- 4 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. Semperit used site-specific surveys and conservative estimates in 2020 to determine the relevance of the corresponding sources, which are also valid in the current reporting year. “Process-relevant emissions” may therefore be neglected. Cooling agents often have a very high global warming potential, however, and are therefore to be viewed as climate-relevant. Although the greenhouse gas emissions of the cooling agent losses generated within the Semperit Group are low compared to the emissions of combustibles and fuels, they are nevertheless of a magnitude that may entail potential for improvement in the area of Scope 1 emissions. For this reason, cooling agent losses were also recorded Group-wide in 2021.
- 5 https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Sustainability_Innovation_Policy.pdf
- 6 https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/HSEQ_policy/HSEQ_Policy_ENGLISH.pdf
- 7 <https://www.semperitgroup.com/en/sustainability/sustainability-policies/>
- 8 https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/ModernSlaveryStatement_FY2020_final.pdf
- 9 https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/2021-02-05_Code_of_Conduct_EN.pdf
- 10 <https://www.ohchr.org/EN/Issues/Business/Pages/CorporateHRDDueDiligence.aspx>
- 11 https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/2021-02-05_Code_of_Conduct_EN.pdf
https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Supplier_Policy.pdf

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DISCLAIMER

The terms “Semperit” or “Semperit Group” in this report refer to the Group; the terms “Semperit AG Holding” or “Semperit Aktiengesellschaft Holding” are 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, errors in rounding, typesetting, and printing 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: 22 March 2022]. 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.



Dr Karl Haider

Petra Preining

Kristian Brok

REPORT ON THE INDEPENDENT AUDIT OF THE NON-FINANCIAL REPORT OF 2021

We have performed the audit of the non-financial reporting 2021 prepared in accordance with the requirements pursuant to Section 267a of the Austrian Commercial Code (UGB) Sustainability and Diversity Improvement Act (NaDiVeG) including the disclosures prepared in accordance with the EU Taxonomy Regulation as well as the GRI Standards, Core option [hereafter “audit”] to obtain limited assurance from Semperit AG Holding [hereafter “Semperit”], Vienna.

The reporting included the reporting year 2021 as follows:
Sustainability Report 2021 with regard to the disclosures and references of the GRI Content Index in the reporting for 2021

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES

The proper preparation of the non-financial report for 2021 in accordance with Section 267a of the Austrian Commercial Code (UGB)¹ (NaDiVeG) together with the disclosures for 2021 in accordance with the EU Taxonomy Regulation² and the GRI Standards³ is the responsibility of the company’s legal representatives.

We have included a letter of representation signed by the legal representatives in our files.

RESPONSIBILITY OF THE AUDITOR

Our responsibility is to express an opinion, based on our audit procedures and the evidence we have obtained, as to whether any matters have come to our attention that cause us to believe that the non-financial report of 2021 has not been prepared, in all material respects, in accordance with section 267a of the Austrian Commercial Code (UGB) (NaDiVeG), the EU Taxonomy Regulation and the GRI Standards.

We have performed our audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) from the International Federation of Accountants.

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.

Our liability is limited in accordance with the “General Conditions of Contract for the Public Accounting Professions”. 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 audit procedures selected depend on the auditor’s judgement and included in particular the following activities:

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- Obtaining an overview of the business activities as well as the company’s structural and process organisation
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- 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
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¹ <https://www.ris.bka.gv.at/Dokumente/Bundesnormen/NOR40189009/NOR40189009.pdf>

² <https://eur-lex.europa.eu/eli/reg/2020/852/>

³ <https://www.globalreporting.org/standards>

4 Version dated 18 April 2018, published by the Chamber of Chartered Accountants, Chapter 7, http://www.kwt.or.at/PortalData/1/Resources/aab/AAB_2018_de.pdf

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