

Sustainability Report | 2019

Non-financial report



OUR FOCUS

- * Material topics according to GRI (Global Reporting Initiative)
- ** Other topics of significance for Semperit
- *** Issues relating to the Sustainability and Diversity Improvement Act (Nachhaltigkeits- und Diversitätsverbesserungsgesetz - NaDiVeG)

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Foreword of the Management Board

Dear readers,

In 2019, the course was set to change Semperit in a sustainable way: In the 195th year of its existence, the Semperit Group was able to largely complete the restructuring of the Industrial Sector. Shortly after the turn of the year, the Management Board and the Supervisory Board decided to transform the company into an industrial rubber specialist and, as a further consequence, to accomplish separation from the medical business.

Semperit is working with full power on its strategic realignment. More customer proximity, a stronger focus on applications, but also the accelerated integration of sustainability issues are at the centre of future efforts and should help to serve existing and future markets more quickly and effectively. The first steps towards becoming an industrial rubber specialist were already taken at the end of the reporting year by organising the Industrial Sector into four instead of three segments (Semperflex, Semperform, Semperseal, Sempertrans) and by starting the regional development of non-European core markets.

The company's transformation is reflected not only by its focus on the Industrial Sector and the planned modernisation of its corporate image, but also in the way it deals with key eco-

logical and social issues. The increasingly sustainable orientation is not only demanded by our stakeholders but is also an honest internal concern that we are keen to address. In 2020, we will begin to develop a Group-wide sustainability strategy, which will go hand in hand with our new corporate and future innovation strategy. Because only if entrepreneurial orientation and the corresponding sustainability and innovation agendas are closely interlinked, can changes be implemented successfully. At the same time, we are well aware of the challenge of reconciling rubber as a material with sustainability aspects. This area of conflict must be strategically reviewed, and major challenges and potentials must be uncovered. In 2020, this will be done by involving our stakeholders in the course of the ongoing strategy process.

Until then, we will continue to work on the implementation of the objectives developed in 2018 – the perspective 2021 – and the gradual expansion of sustainability management. The most important developments in 2019 and the planned future focal points are the core of this report. We will continue to follow our path consistently and welcome you to join us.

Vienna, 19 March 2020
The Management Board



Frank Gumbinger
Chief Financial Officer

Martin Füllenbach
Chairman

Kristian Brok
Chief Operational Officer

Felix Fremerey
Member of the Management Board

A BRIEF PORTRAIT OF SEMPERIT

Leading market position
for more than **195** years
14 production sites worldwide

Publicly listed
Active in the Industrial and Medical Sectors
4 segments:











Semperflex Sempertrans Semperform Sempermed

Solid balance sheet structure
with **39%** equity ratio












841 million revenue
68 million operating EBITDA
Free positive cash flow

Global presence of Semperit Group¹⁾

Europe

- 1 Vienna, AT, corporate headquarters 
- 2 Wimpassing, AT 
- 3 Allershausen, DE 
- 4 Dalheim²⁾, DE 
- 5 Deggendorf, DE 
- 6 Hückelhoven, DE 
- 7 Moers, DE 
- 8 Waldböckelheim, DE 
- 9 Levallois, FR 
- 10 Béthune, FR 
- 11 Birmingham, GB 
- 12 Bełchatów, PL 
- 13 Warsaw, PL 
- 14 Odry, CZ 
- 15 Budapest, HU 
- 16 Sopron³⁾, HU 

Asia









- 17 Shanghai³⁾, CN 
- 18 Chennai, IN 
- 19 Delhi, IN 
- 20 Kolkata, IN 
- 21 New Delhi, IN 
- 22 Roha, IN 
- 23 Jakarta, ID 
- 24 Kamunting, MY 
- 25 Nilai, MY 
- 26 Singapore, SG 
- 27 Hat Yai, TH 

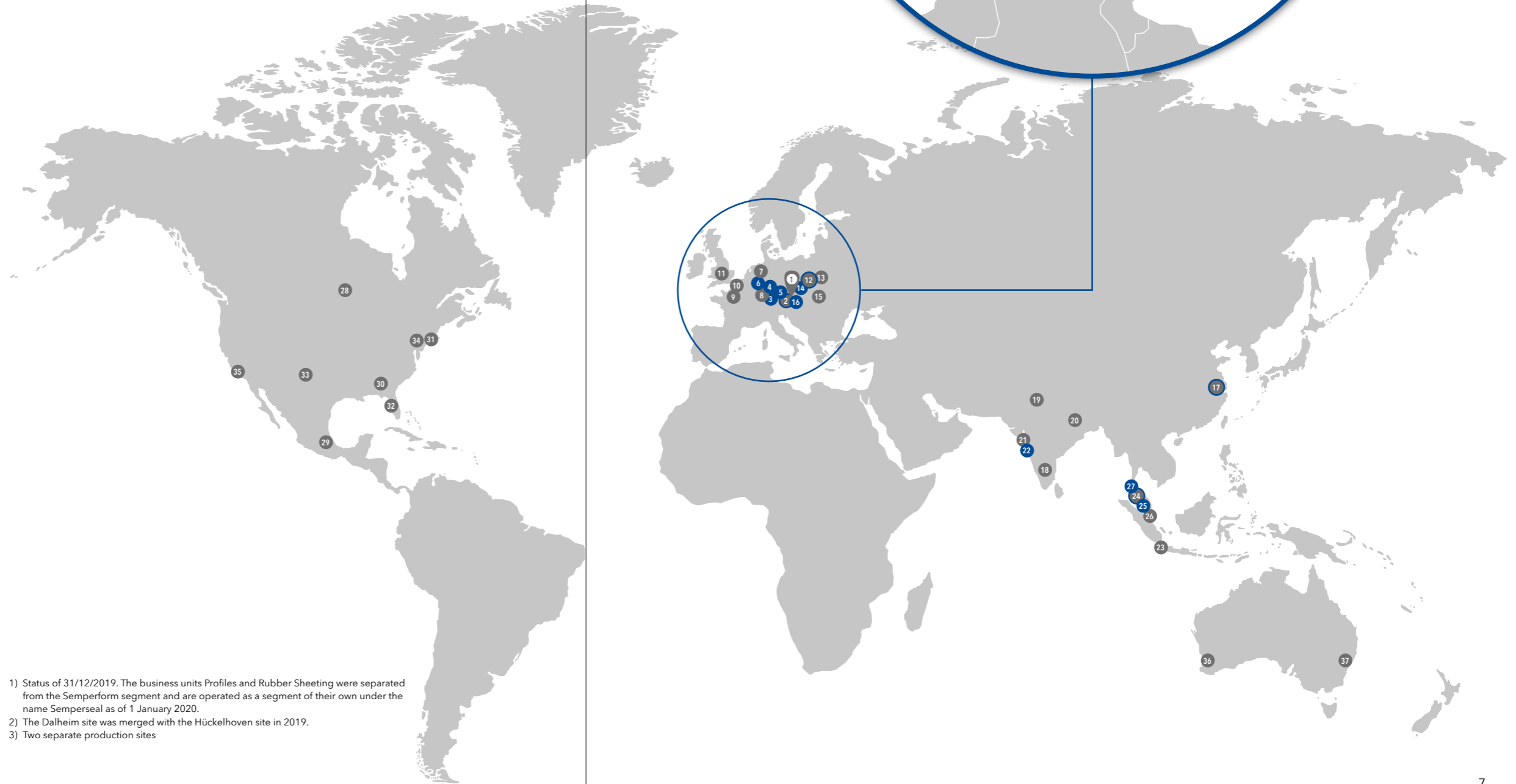
America

- 28 Winnipeg, CA 
- 29 Querétaro, MX 
- 30 Atlanta, Georgia, US 
- 31 Brighton, New Jersey, US 
- 32 Clearwater, Florida, US 
- 33 Coppel, Texas, US 
- 34 Fair Lawn, New Jersey, US 
- 35 Ontario, California, US 

Australia

- 36 Perth, AU 
- 37 Thornton, AU 

-  Headquarters of Semperit AG Holding
-  Production site
-  Sales office
-  Production and sales office
-  Sempermed
-  Semperflex
-  Semperform
-  Sempertrans



1) Status of 31/12/2019. The business units Profiles and Rubber Sheeting were separated from the Semperform segment and are operated as a segment of their own under the name Semperseal as of 1 January 2020.
 2) The Dalheim site was merged with the Hückelhoven site in 2019.
 3) Two separate production sites

The Semperit Group: A brief portrait

The publicly listed company Semperit AG Holding is an internationally-oriented group that develops, produces, and sells in more than 100 countries highly specialised rubber products for the medical and industrial sectors: examination and surgical gloves, hydraulic and industrial hoses, conveyor belts, escalator handrails, construction profiles, cable car rings, and products for railway superstructures. The headquarters of this long-standing Austrian company, which was founded in 1824, are located in Vienna. The Semperit Group employs around 6,900 people (full-time equivalent) worldwide, including about 3,700 in Asia and about 900 in Austria (Vienna and production site in Wimpassing, Lower Austria). The Group has 14 manufacturing facilities worldwide and numerous sales offices in Europe, Asia, Australia, and America. In 2019, the group generated revenue of EUR 841 million and an adjusted EBITDA (without one-off effects) of EUR 63.8 million.

The shares of the Semperit Group are traded on the Vienna Stock Exchange. In 2019, the majority shareholder, B&C Privatstiftung, held more than 54%. The free float was slightly below 46% on the balance sheet date.

In autumn 2017, the Semperit Group started a transformation process, which has already led to significant restructuring, a reduction in complexity and increased profitability. The Management Board will continue to pursue the path it has taken with all due consistency. In addition, a strategic review took place in 2019: As part of the new "SemperGrowth200" strategy, the Semperit Group will focus on the identifiable potential in the Industrial Sector and transform into an industrial rubber specialist. Consequently, the Semperit Group will separate from the medical business. The Industrial Sector will gain additional clout through a significant increase in customer proximity, a more market-oriented alignment of the overall organisation and a stronger focus on applications. The aim is to serve existing and future markets faster and more effectively.

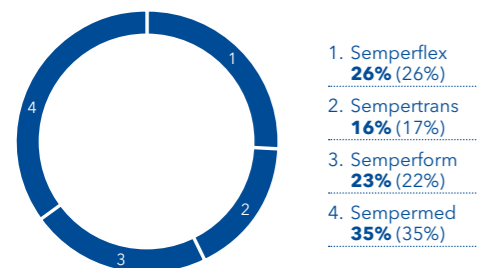
Key performance figures and balance sheet key figures in EUR million

Key performance figures in EUR million	2019	2018	2017
Revenue	840.6	878.5	874.2
EBITDA	67.8	46.4	100.2
EBITDA margin	8.1%	5.3%	11.5%
EBIT	-16.5	-47.7	37.6
EBIT margin	-2.0%	-5.4%	4.3%
Earnings after tax	-44.9	-80.4	-26.3
Earnings per share ¹⁾ , in EUR	-2.5	-4.13	-1.25
Gross cashflow	46.7	37.4	39.5
Return on equity ²⁾	-16.3%	-24.2%	-9.2%

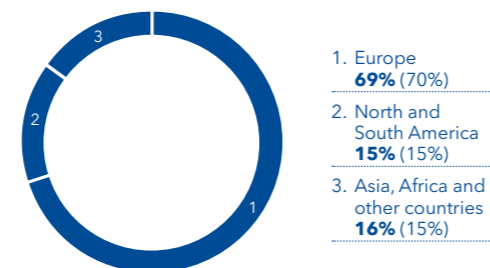
Balance sheet key figures in EUR million	2019	2018	2017
Balance sheet total	701.8	768.8	853.2
Equity ²⁾	273.4	329.5	278.5
Equity ratio	39.0%	42.9%	32.6%
Investments in tangible and intangible assets	31.4	81.1	74.3
Employees (at balance sheet date)	6,902	6,773	6,838

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

Revenue split by segment in 2019 (2018)

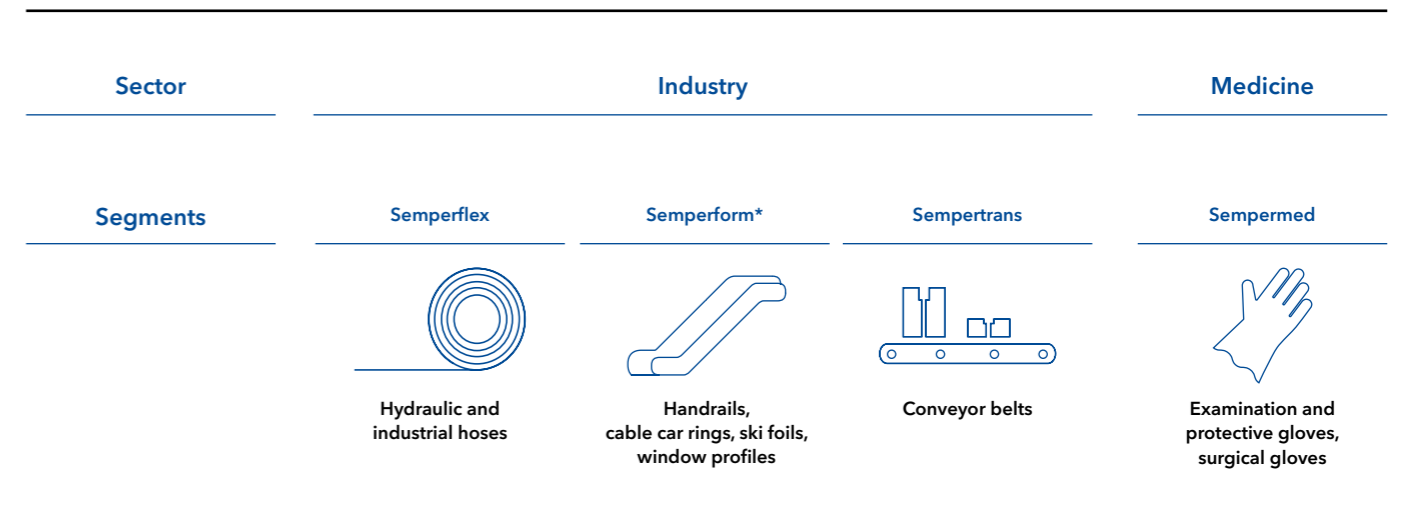


Revenue split by region in 2019 (2018)



The Semperit segments

At the end of 2019, the Semperit Group consisted of the four segments Semperflex, Sempertrans, Semperform and Sempermed, which are allocated to the Industrial and the Medical Sectors.



* Status of 31 December 2019. The business units Profiles and Rubber Sheeting were separated from the Semperform segment and are operated as a segment on their own under the name Semperseal as of 1 January 2020.

Semperflex

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

Semperform

As one of the leading European manufacturers of moulded and extrusion products made of rubber and plastic, the Semperform segment comprises a comprehensive product portfolio ranging from insulation for window profiles and escalator handrails to ski foils. In addition to worldwide production sites, the Semperform segment is, above all, successfully positioned in Europe.

Sempertrans

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

Sempermed

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

Employees

Employees are the decisive factor when it comes to securing the long-time success of a company. Social developments such as demographic change, increasing internationalisation or the shortage of skilled workers are challenges that have an impact on personnel area. Semperit focuses on the combination of expertise, commitment and integrity and makes sure to create an appropriate environment to foster these key attributes. This includes health protection and occupational safety as well as a wide range of training and development opportunities. The company-wide principles and goals for employees are stipulated in the People Policy, which is publicly accessible on the website.

At the end of 2019, the Semperit Group employed around 6,900 people (full-time equivalent), around 3,170 of them in Europe, approximately 3,670 in Asia and about 70 in America (incl. the rest of the world). 20 percent of them were women and 294 temporary employees. The fluctuation rate was

approximately 29 percent and is determined by the high proportion of Semperit employees in Asia, a region with a fundamentally higher employee turnover. Semperit employs a small number of temporary workers, who are primarily deployed during peak order periods.

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

Employee indicators

	2019	2018	2017
Number of employees at year-end (FTE)	6,902	6,773	6,838
Employees by region (FTE)			
Female Europe	818	809	N/A
Male Europe	2,351	2,390	N/A
Total	3,169	3,199	3,077
Female Asia	567	592	N/A
Male Asia	3,101	2,919	N/A
Total	3,668	3,510	3,693
Female America (incl. rest of the world)	24	22	N/A
Male America (incl. rest of the world)	42	42	N/A
Total	66	64	68
Percentage of employees by gender			
Female	20%	21%	22%
Male	80%	79%	78%
Employees by age groups (FTE)			
< 30	2,417	2,150	N/A
30-50	3,394	2,874	N/A
> 50	1,091	1,072	N/A
Employees by contract type (FTE)			
Contractors Europe	14	13	N/A
of which female	8	N/A	N/A
of which male	6	N/A	N/A
Contractors Asia	34	5	N/A
of which female	31	N/A	N/A
of which male	3	N/A	N/A
Contractors America (incl. rest of the world)	0	0	N/A
of which female	0	N/A	N/A
of which male	0	N/A	N/A
Total	48	18	N/A
Permanent staff Europe	3,155	N/A	N/A
of which female	812	N/A	N/A
of which male	2,343	N/A	N/A
Permanent staff Asia	3,634	N/A	N/A
of which female	564	N/A	N/A
of which male	3,070	N/A	N/A
Permanent staff America (incl. rest of the world)	66	N/A	N/A
of which female	24	N/A	N/A
of which male	42	N/A	N/A
Total	6,854	N/A	N/A

	2019	2018	2017
Employees by employment relationship (FTE)			
Full-time female	1,340	1,201	N/A
Full-time male	5,467	4,805	N/A
Full-time Europe	3,077	3,112	N/A
of which female	750	N/A	N/A
of which male	2,327	N/A	N/A
Full-time Asia	3,666	2,832	N/A
of which female	566	N/A	N/A
of which male	3,100	N/A	N/A
Full-time America (incl. rest of the world)	64	62	N/A
of which female	24	N/A	N/A
of which male	40	N/A	N/A
Total	6,807	6,006	N/A
Part-time female	69	68	N/A
Part-time male	26	23	N/A
Part-time Europe	92	87	N/A
of which female	68	N/A	N/A
of which male	24	N/A	N/A
Part-time Asia	2	1	N/A
of which female	1	N/A	N/A
of which male	1	N/A	N/A
Part-time America (incl. rest of the world)	2	1,5	N/A
of which female	0	N/A	N/A
of which male	2	N/A	N/A
Total	95	90	N/A
New employees (HC and %)			
New female employees	525 (40%)	421 (32%)	N/A
New male employees	1,354 (27%)	1,572 (32%)	N/A
New employees Europe	505 (16%)	816 (25%)	N/A
New employees Asia	1,359 (45%)	1,161 (41%)	N/A
New employees America (incl. rest of the world)	15 (23%)	16 (25%)	N/A
New employees <30	1,234 (58%)	N/A	N/A
New employees 30-50	590 (19%)	N/A	N/A
New employees >50	55 (5%)	N/A	N/A
Total	1,879 (30%)	1,993 (32%)	N/A
Turnover rate (HC and %)			
Turnover rate <30	1,095 (51%)	967 (45%)	N/A
Turnover rate 30-50	621 (20%)	837 (29%)	N/A
Turnover rate >50	135 (12%)	160 (15%)	N/A
Turnover rate, female, Europe	149 (17%)	196 (23%)	N/A
Turnover rate, male, Europe	385 (16%)	425 (18%)	N/A
Turnover rate, female, Asia	374 (91%)	236 (54%)	N/A
Turnover rate, male, Asia	932 (36%)	1,094 (46%)	N/A
Turnover rate, female, America (incl. rest of the world)	2 (8%)	3 (14%)	N/A
Turnover rate, male, America (incl. rest of the world)	9 (21%)	10 (24%)	N/A
Turnover rate, female	525 (40%)	435 (33%)	N/A
Turnover rate, male	1,326 (26%)	1,529 (32%)	N/A
Total	1,851 (29%)	1,964 (32%)	30%

	2019	2018	2017
Diversity (%)			
Percentage of female members of the management bodies (Management Board and Forum)	9%	N/A	N/A
Percentage of members of the management bodies <30 (Management Board and Forum)	0%	N/A	N/A
Percentage of members of the management bodies 30-50 (Management Board and Forum)	38%	N/A	N/A
Percentage of members of the management bodies >50 (Management Board and Forum)	63%	N/A	N/A
Percentage of male blue-collar employees	84%	84%	N/A
Percentage of male white-collar employees	64%	64%	N/A
Percentage of female blue-collar employees	16%	16%	N/A
Percentage of female white-collar employees	36%	36%	N/A
Percentage of blue-collar employees <30	40%	N/A	N/A
Percentage of blue-collar employees 30-50	44%	N/A	N/A
Percentage of blue-collar employees >50	16%	N/A	N/A
Percentage of white-collar employees <30	17%	N/A	N/A
Percentage of white-collar employees 30-50	63%	N/A	N/A
Percentage of white-collar employees >50	20%	N/A	N/A
Number of nationalities	62	58	N/A
Number of expatriates	12	14	N/A
Percentage with people with disabilities	1%	1%	N/A
Percentage of employees covered by collective bargaining agreements	40%	43%	44%
Agency and temporary employees (FTE and %)			
Europe	255 (87%)	330	N/A
of which female	N/A	N/A	N/A
of which male	N/A	N/A	N/A
Asia	36 (12%)	409	N/A
of which female	N/A	N/A	N/A
of which male	N/A	N/A	N/A
America (incl. rest of the world)	3 (1%)	7	N/A
of which female	N/A	N/A	N/A
of which male	N/A	N/A	N/A
Total	294	746	N/A

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

N/A = data is not available

FTE = full time equivalent

HC = headcount

The employee data is collected directly at the individual locations.

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

The key figures of 2018 and 2017 include all employees from the fully consolidated companies of the Semperit Group, with the exception of Hat Yai, Thailand, and Nilai, Malaysia.

The key figures number of employees at year-end (by segments), employees by region and percentage of employees by gender include all employees from the fully consolidated companies of the Semperit Group. The key figures for 2017 and 2018 do not include the level of detail required by GRI. The figures are therefore not yet available in a direct year-on-year comparison.

The following key figures were reported for 2018 for the first time: full-time/part-time by gender, number of employees by region and gender, turnover rates by gender, age and region, new employees, internal succession rate, expatriates, nationalities, training hours, key figures in the field of diversity, people with disabilities

SUSTAINABILITY MANAGEMENT

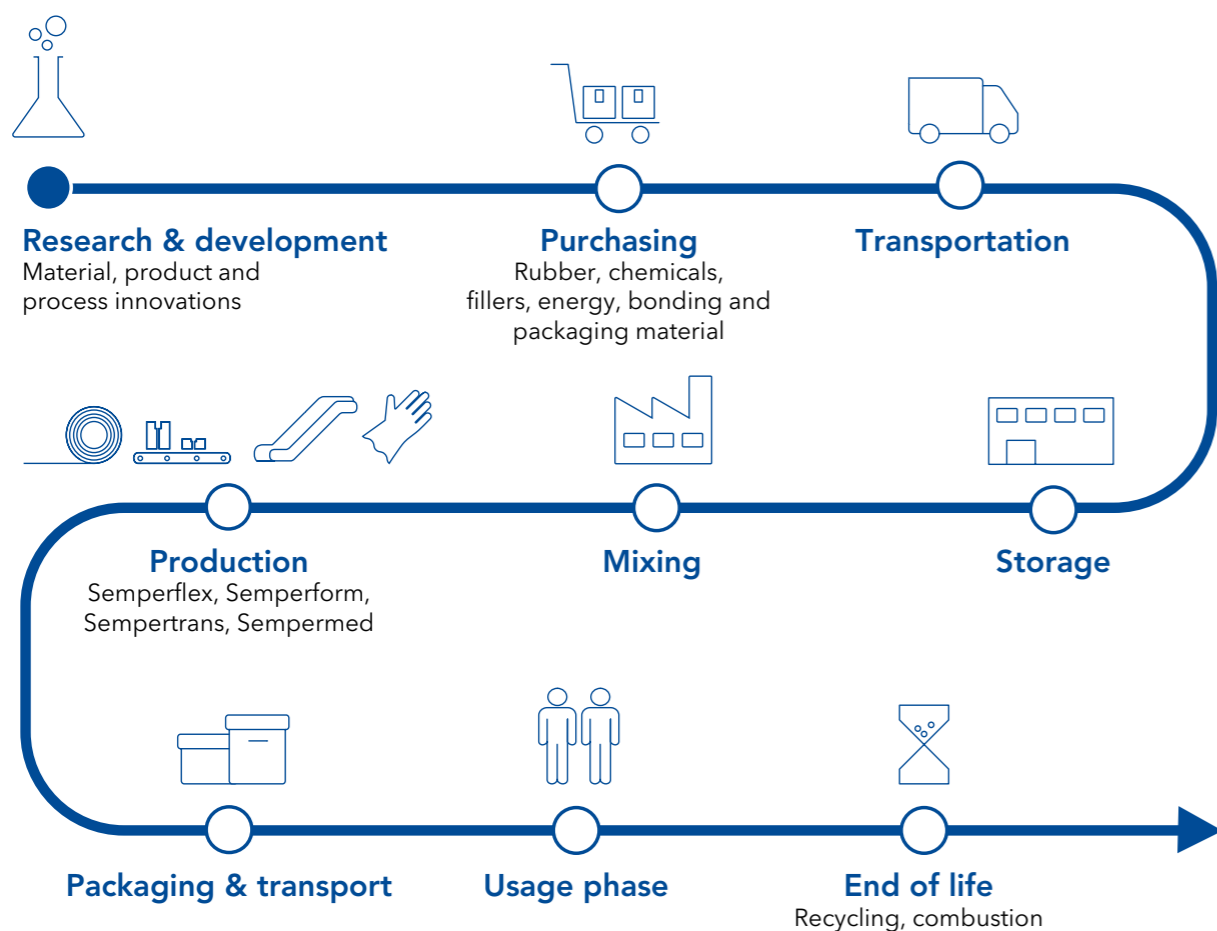
Value chain

The value chain of the Semperit Group begins with research and development work 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 starting materials, the R&D work also focuses on the new and further development of products and production processes.

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

Subsequently, production starts. Production is roughly divided into three core activities: mixing, production and packaging. In a first step, the starting product - the rubber compound - is produced. The composition of the respective compound depends on the future purpose of use. Depending on the segment, the compounds can then be processed into hoses, conveyor belts, window seals or gloves. As far as possible, materials are recycled in mixing or production. The finished products are packaged and delivered.

At the end of the usage phase, products and production waste are recycled or used thermally, depending on their composition. For example, rubber products are processed into flooring or used as fillers in road construction or the tyre industry.



6 Key topics

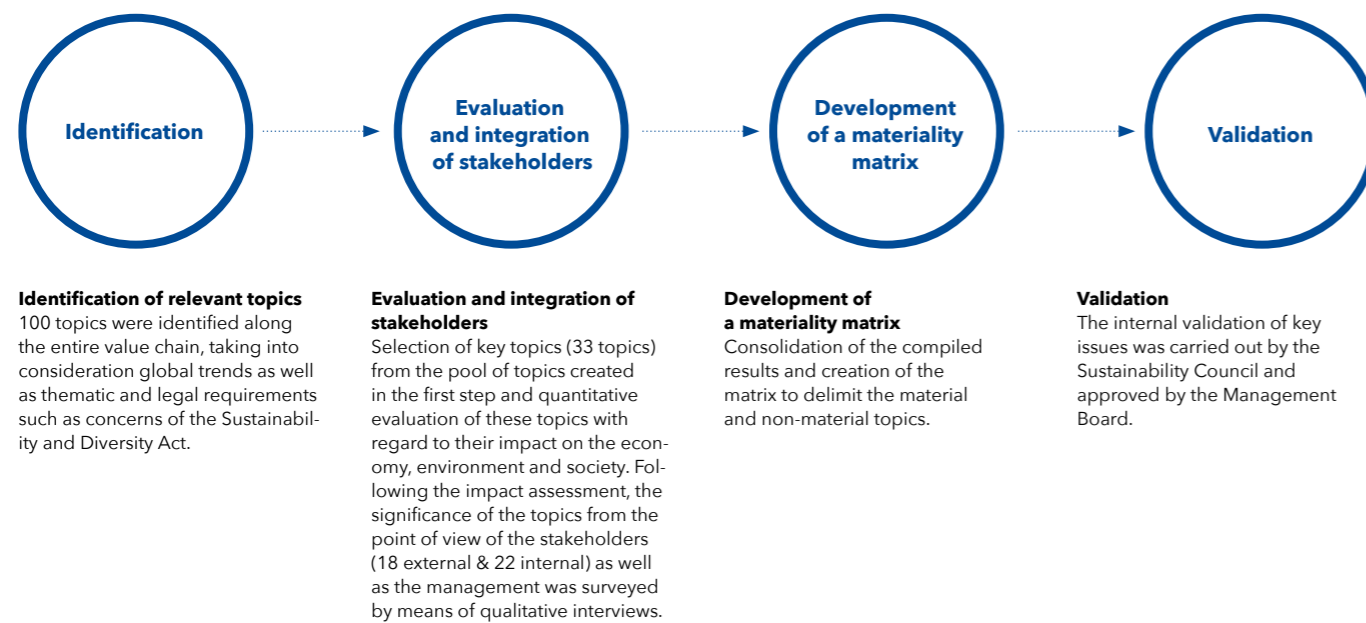
- Energy use and consumption
- Raw materials & material use
- Sustainability & innovation*
- Occupational safety & health protection*
- Social standards and working conditions*
- Sustainability in the supply chain
- Sustainability Council**
- 3** Sustainability reports *2017, 2018 and 2019*

Sustainability management

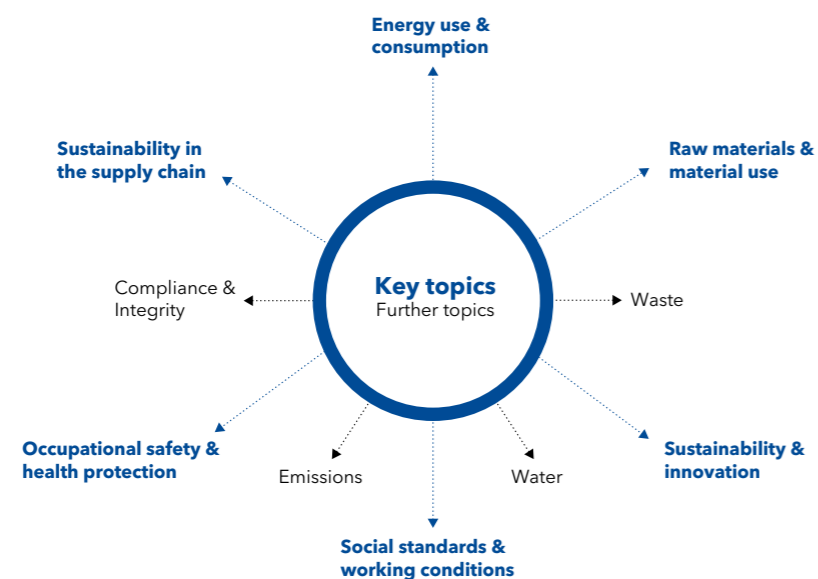
Materiality analysis

The currently valid materiality analysis of the Semperit Group was prepared in 2016. In order to take account of possible changes, the internal Sustainability Council reviews the topicality of key topics on an annual basis. There were no changes in 2019. A revision of the materiality matrix is planned together with the development of a sustainability strategy for 2020.

The way to the materiality matrix



Sustainability topics of the Semperit Group



Key topics

	Chapter	Interests according to NaDiVeG	GRI aspect	Boundaries	Stakeholders
Occupational safety & health protection	Occupational safety & health protection	Employees	GRI 403	Within the company	Semperit, employees, investors, authorities
Social standards & working conditions	Social standards & working conditions	Respect for human rights, employees, social issues	GRI 401, GRI 405, GRI 412	Within the company and upstream	Semperit, customers, authorities and politics, investors, NGOs
Sustainability & innovation	Sustainability & innovation	Environment & social issues	No GRI standard available	Within the company and downstream	Semperit, customers, investors, science
Sustainability in the supply chain	Sustainability in the supply chain	Environment & social issues	GRI 308, GRI 414	Upstream	Semperit, suppliers, customers, NGOs
Energy use & consumption	Resource management & environmental protection	Environment	GRI 302	Within the company	Semperit, politics, customers
Raw material & material use	Resource management & environmental protection	Environment	GRI 301	Within the company and upstream	Investors, suppliers, customers

Other topics

	Chapter	Interests according to NaDiVeG	Boundaries	Stakeholders
Waste	Resource management & environmental protection	Environment	Within the company	Semperit, neighbours and residents, authorities
Emissions	Resource management & environmental protection	Environment	Within the company	Semperit, neighbours and residents, authorities
Water	Resource management & environmental protection	Environment	Within the company	Semperit, neighbours and residents, authorities
Compliance & integrity	Responsibility & integrity	Anti-corruption & bribery	Within the company, downstream and upstream	Semperit, customers, suppliers, investors, employees

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

* Material topics according to GRI (Global Reporting Initiative)

** Other topics of importance for Semperit

*** Issues according to the Sustainability and Diversity Improvement Act (NaDiVeG)

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Chapter Occupational safety & health protection

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Survey of memberships and partnerships



Memberships

amfori BSCI – Business Social Compliance Initiative

BVH – Bundesverband Hautschutz (Federal Association for Skin Protection)

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

International Rubber Study Group

IV – Industriellenvereinigung (Federation of Austrian Industries)

respACT – Austrian Business Council for Sustainable Development

VDI – Verein Deutscher Ingenieure (Association of German Engineers)

WdF – Wirtschaftsforum der Führungskräfte (Austrian Managers Association)

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



Partnerships

CEN – European Committee for Standardization

DIK – Deutsches Institut für Kautschuktechnologie e.V.

DIN – Deutsches Normungsinstitut

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

FH Joanneum Kapfenberg

Freudenberger Forschungsdienste (Weinheim Germany)

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

ift Rosenheim – Institut für Fenstertechnik e.V.

Montan University Leoben

OFI – Österreichisches Forschungsinstitut für Chemie und Technik

ON – Österreichisches Normungsinstitut (Austrian Standards)

Polymer Competence Center Leoben

Graz University of Technology

Technische Universität Wien (Vienna University of Technology)



Certificates and ratings

Ecovadis

amfori BSCI - Business Social Compliance Initiative

LSAS – Labour Standards Assurance System

VÖNIX

Global Sustainable Development Goals (SDG)

In 2015, the “Agenda 2030 for Sustainable Development” was adopted at the summit meeting of the United Nations (UN). All 193 member states of the United Nations committed themselves to work towards implementing Agenda 2030 with its 17 Sustainable Development Goals (SDGs) on national, regional and international level by 2030. In 2018, Semperit analysed

the 17 development goals in terms of their significance for its business activities. The goals which Semperit is influencing are presented on page 18 and assigned to the corresponding subject areas. In the course of this report, the global development goals are repeatedly referred to by means of the illustration of the relevant goal icons.

Progress of the Semperit Group at a glance

In order to be successful in the longer term, lasting partnerships enabling excellence must be developed. The combination of conscious and sustainable action, of the corresponding innovation performance and economic efficiency is decisive in this respect. The Semperit Group has defined six key topics

that span all areas of the value chain and are supported by objectives and measures. "Compliance and integrity" is considered the basis for all actions and activities and is an essential component of the corporate culture. For this reason, there is currently no specifically defined target for it.

Topic	Description	Goal until 2021 (perspective 2021)
Occupational safety & health protection	The safety and health of employees, but also of residents, must be ensured at all times. Compliance with all legal requirements is the basis for this.	<ul style="list-style-type: none"> → No accidents → 100% of accidents were documented and evaluated → 100% of the corresponding counter measures were implemented → 100% of the lessons learned have been processed and disseminated
Social standards & working conditions	Social standards & working conditions Promoting and ensuring high social standards and working conditions in all sectors. Promoting a diverse and flexible working environment.	<ul style="list-style-type: none"> → Increase in internal replacement rate to 70% → Increase in non-European managers proportion to 20-30% → Increase in female managers proportion to 15%
Sustainability & innovation	Promotion of innovation power, taking ecological criteria into account in material, process and product development; increased customer involvement in order to achieve a positive environmental and social impact on the customer side.	<ul style="list-style-type: none"> → Increase in recycled materials proportion in Mixing¹ by 25%
Sustainability in the supply chain	Compliance with social and ecological standards in the supply chain as well as respect for human rights in all areas. This includes checking suppliers as well as active cooperation with them.	<ul style="list-style-type: none"> → 50% of all suppliers (>EUR 500,000 p.a. purchasing volume) have completed their self-evaluation → Development and introduction of a self-evaluation tool (data base) for suppliers → Increased supplier cooperation in order to promote developments in the interest of sustainability
Energy use & consumption	Promotion of an efficient and responsible use of energy in production	<ul style="list-style-type: none"> → Annual improvement in the energy intensity of selected reference sites → 3% location Odry (Semperflex) → 2% location Deggendorf (Semperform) → 2% location Belchatów (Sempertrans) → 5% location Kamunting (Sempermed)
Raw materials & material use	Promotion of an efficient and responsible use of resources along production	<ul style="list-style-type: none"> → Annual improvement of waste and scrap rates by segment → 6% Semperflex → 3% Semperform → 5% Sempertrans → 4% Sempermed
Compliance & integrity	Highest standards in the field of compliance and business ethics across all business activities, including successful fight against corruption	<ul style="list-style-type: none"> → No quantitative target

1) The objectives relate to Mixing; 2017 = reference year
 2) The indicators relate to employee grade 10-14 = employees of the management
 3) Energy intensity = energy use (kWh) / produced unit (kg or pcs)
 4) Waste & scrap rate = total weight of waste & scrap (kg) / produced unit (kg)

Indicator	Focus & results 2019	Outlook 2020	Sustainable Development Goals
<ul style="list-style-type: none"> → Percentage of documented accidents → Percentage of implemented counter measures → Percentage with regard to internal dissemination of learnings 	<ul style="list-style-type: none"> → Decline in accident rates → No fatal accident → Communication focus on safety and health → Focus on fire prevention and fire fighting → Stronger link between safety & health and risk management 	<ul style="list-style-type: none"> → Intensification of internal communication with regard to lessons learned → Interlocking of relevant SHE (Safety, Health and Environment) key figures with the target agreements of the management 	 
<ul style="list-style-type: none"> → Internal replacement rate² → Non-European managers² → Female managers² 	<ul style="list-style-type: none"> → Consistent further development of internal high potentials and successor candidates → Development of junior managers in the internal talent programme (Talent Academy) → Introduction of an internal mentoring pool and support of the talents by mentors 	<ul style="list-style-type: none"> → The initiatives will be further intensified in 2020 to promote the achievement of the 2021 goals. In addition, the development of the "Diversity & Inclusion" strategy is planned. → Conducting an employee survey and deriving measures for management development on a broad basis (implementation of a global management programme) 	 
<ul style="list-style-type: none"> → Recycled materials proportion 	<ul style="list-style-type: none"> → Increased use of recycled materials → Development focus on recycling options of products → Start of an innovation strategy process 	<ul style="list-style-type: none"> → Further development of product and process innovations to gradually increase the proportion of recycled materials → Further development of innovation strategy based on a Group-wide process 	
<ul style="list-style-type: none"> → Status with regard to the introduction of the self-evaluation tool for suppliers 	<ul style="list-style-type: none"> → Concept and development of the supplier self-evaluation tool → Training and instruction of lead buyers → Focus on recycled materials in purchasing 	<ul style="list-style-type: none"> → In 2020, the supplier self-evaluation tool will be tested for the first time. → Supplier cooperation with regard to ecological and social criteria can be strengthened by sustainability training for lead buyers. → Increased implementation of business partner checks to verify business partners 	 
<ul style="list-style-type: none"> → Energy intensity³ 	<ul style="list-style-type: none"> → Target achieved through process optimisation in two of four segments 	<ul style="list-style-type: none"> → Further optimisation of energy use through efficiency projects → Development and piloting of an energy concept 	 
<ul style="list-style-type: none"> → Waste & scrap rate⁴ 	<ul style="list-style-type: none"> → Target achieved through process adjustments in two of four segments 	<ul style="list-style-type: none"> → In 2020, work will continue to focus on optimising production processes in order to achieve further improvement of this key indicator. 	 
<ul style="list-style-type: none"> → No indicator 	<ul style="list-style-type: none"> → Development and launch of the "Speak-Up" campaign to raise awareness for compliance → Development and launch of the "CyberSecurity" campaign to prevent cybercrime and the violation of data protection 	<ul style="list-style-type: none"> → Continuation of the focus campaigns implemented in 2019 → Revision and expansion of the training offer and the internal processes in the field of compliance → Training in the field of cyber security → Translation of corporate values with regard to compliance 	  

Organisational anchoring of sustainability

The Group Brand Management department is responsible for coordinating the sustainability agendas. The highest authority within the scope of sustainability is the Chairman of the Management Board of Semperit AG Holding. He will be regularly informed by the Sustainability Council on current topics. The Sustainability Council consists of managers of central corporate

areas and business segments. The members are responsible for defining priorities, appropriate activities and the promotion of current topics. The Management Board of the Semperit Group regularly informs the Supervisory Board of current sustainability issues and the progress of sustainability activities in addition to financial, operational and strategic topics.



Stakeholder involvement

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

day and in the future. Beyond these formats, Semperit enters the dialogue on special and current topics with relevant stakeholders. The most important stakeholders are those who may be affected by the activities, business practices and strategic goals of the Semperit Group and who therefore have a significant interest in or influence on these topics. During the reporting period, topics relating to environmental protection and social standards were the primary focus of stakeholder interests.

Stakeholder groups	Frequency	Integration and dialogue formats
Capital market (shareholders, capital providers, etc.)	Quarterly	Individual and group interviews, conferences, information events, road shows, telephone meetings, Annual General Meeting, annual press conference
Employees	Continuous	Employee dialogues & surveys, internal media, townhall meetings, management calls, employee events, staff meetings, mentoring programmes, group conference
Customers	Continuous	Customer meetings, customer surveys, social media, fairs, media
Suppliers, business partners	Continuous	Dialogue, events, trainings, speeches, supplier surveys, audits
Civil society, NGOs	Continuous	Dialogue, one-to-one meetings, specialist events, answers to inquiries, media
Local stakeholders	Continuous	Personal conversations, factory tours, neighbourhood meetings, press conference
Political decision makers	Continuous	Events, submissions
Science, research	Continuous	Round tables, R&D cooperation, speeches, discussions
Media	Continuous	Press meetings, releases and conferences, fairs, interviews, individual interviews, phone calls, informal exchange
Networks, associations	Continuous	Participation of Management Board members, managers or technical experts in initiatives, forums and events, memberships in initiatives

OCCUPATIONAL SAFETY & HEALTH PROTECTION

Risk management

In order to be able to make a statement as to where and in what form the business activities of the Semperit Group could have an impact on the concerns (environmental concerns, social concerns, employee concerns, respect for human rights and combating corruption) of the Sustainability and Diversity Improvement Act (NaDiVeG) or, conversely, how these concerns could affect Semperit's activities, the material risks and opportunities in this context were compiled in 2019.

In a comprehensive process, potential risks and opportunities were collected and evaluated together with the company's internal risk management and the relevant specialists before any countermeasures were taken:

Identification of risks and opportunities

Potential risks and opportunities were collected by means of interviews with internal experts from key areas of the company such as human resources, health and safety, production and innovation.

Evaluation of the significance of the identified risks

In a second step, the identified risks were evaluated. The evaluation system used for this purpose was chosen in line with the internal risk management system and expanded in accordance with internal and legal specifications.

Discussion of major risks

The main risks were then presented to the Management Board and the Sustainability Council, discussed and approved.

The following table lists the key risks identified by Semperit which have a potentially high negative impact on the interests of NaDiVeG. Countermeasures and possible opportunities are also listed in the overview. For further information see risk management in the Group management report of the Semperit Group on page 50ff.

Major non-financial risks and opportunities

Major risks	Measures	Opportunities	NaDiVeG concerns
Accident & health risks	SHE Policy, OHSAS 18001/ISO 45001, ISO 9001, personal protective equipment, wide range of training and information	Attractive and responsible employer; low turnover; image enhancement	Employee issues
Disregard for human rights	Code of Conduct, People Policy, internal and external audits, increased cooperation with suppliers and customers, instruction and training	Image enhancement, improvement of market position, responsible business partner	Respect for human rights
Unequal treatment & discrimination	People Policy, value system, Code of Conduct, compliance system, internal and external audits, training	Employer branding, low turnover, attractive employer, industrial role model, image enhancement	Employee issues, social issues, respect for human rights
Inefficient production	ISO 14001 ISO 9001, ISO 5001, compliance with guidelines and limits, policy, internal and external audits, promotion of corresponding projects	Efficiency enhancement, cost advantage, image enhancement, competitive advantage	Environmental issues
Corruption & non-compliance with laws	Code of Conduct, compliance management system, whistle-blower platform, policies, training and instruction, value system	Industrial role model, image enhancement, first choice partner, competitive advantage	Fight against corruption

Responsible employer
Occupational safety and health protection
 Training and awareness raising
 Open communication
 Group-wide integrated management system
 Active inclusion of employees
Zero-accident policy
6,900 employees
 Corporate values

Health and safety

Key topics 2019

- Decline in accident rates
- No fatal accidents
- Communication focus on safety and health
- Focus on fire prevention & fire fighting
- Stronger link between safety & health with risk management

Outlook 2020

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

Perspective 2021

- No accidents
- 100% of accidents were documented and evaluated
- 100% of the corresponding countermeasures were implemented
- 100% of the lessons learned were processed and disseminated

As a manufacturing company, health and safety management and its permanent development are an essential basis for Semperit's daily activities. The focus is to completely avoid accidents and work-related illnesses as well as to preserve the individual's work force in the long term. The most common types of injury in production are cuts, hand and arm injuries and foot injuries caused by stumbling.

Group-wide management system

Group-wide health, safety and environmental targets are part of the integrated management system and comply with international standards such as OHSAS 18001. The system is regularly audited internally or externally and includes all employees and third parties working on the company premises. All locations of the Semperit Group are audited. In 2019, major preparations were made for the introduction of ISO 45001. Within the framework of the Group-wide management system, potential sources of danger and risks are systematically recorded and regularly evaluated.

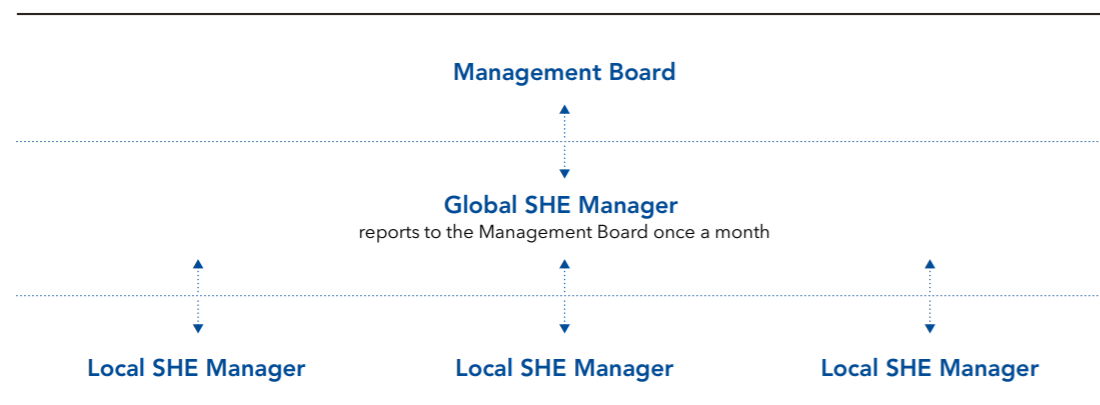
Anchoring of topics

The topics of health, safety and environment are combined in SHE (Safety, Health and Environment). A local SHE manager is assigned to every location worldwide to carry out all activities on site from information and training to the

documentation of incidents. The local managers report to the Global SHE Manager, who reports to the Management Board on a monthly basis. In these coordination meetings, the effectiveness of the management system and ongoing processes is continuously monitored, among other things. The exact corporate guidelines are set out in the SHE policy, which is publicly available on the Semperit website (https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Q_SHE_policy/2019/Poster_QSHE_A1_EN_2019_final.pdf).

In accordance with the Austrian Employee Protection Act (ArbeitnehmerInnenschutzgesetz), there are occupational safety and health organisation at all Austrian locations staffed by members of the works council, employer representatives, company physicians as well as specialists for occupational safety and safety officers. They are integrated in the further development and evaluation of the management system through regular consultation meetings. The requirements of the industrial safety organisation are also met internationally. At the locations in Wimpassing, Odry and Belchatów there are corporate fire brigades

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



Health protection

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

Zero-accident policy

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

There have been no fatal accidents at work since 2017 - one serious accident in 2018 and none in 2019. Every type of accident is documented - including those occurring on arrival and departure or during business trips; and all types of contracts are included. A distinction is made between the following types of accident: fatal accident, serious accident, occupational accident with sick leave, first aid (excluding sick leave), near-accident, unsafe condition and unsafe action.



Overview of key figures*

	2019	2018	2017
Total number of accidents	115	121	139
Number of fatal accidents	0	0	0
Number of serious accidents	0	1	4
Occupational accident with sick leave	44	41	54
Number of medical treatments	71	79	81
Total days lost**	1,071	1,556	1,582
Number of near accidents	359	329	451
Unsafe conditions	15,365	18,181	17,254***
Unsafe actions	18,639	14,244	

Overview of employee key figures

	2019	2018	2017
Number of fatalities due to occupational accidents	0	0	0
Number of severe work-related injuries (without fatalities)	0	1	4
Number of accidents with sick leave	39	37	N/A

Overview of key figures on agency & temporary employees

	2019	2018	2017
Number of fatalities due to occupational accidents	0	0	0
Number of severe work-related injuries (without fatalities)	0	0	0
Number of accidents with sick leave	5	4	N/A

Total rates of work-related accidents (%)

	2019	2018	2017
Rate of accidents at work with severe work-related injuries (without fatalities)	0	0	0,1%
Number of working hours (million hours)	18.4	15.4	14.8
Rate of recorded work-related injuries (based on 1,000,000 hours)	6.3	7.9	9.4

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

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

Agency & temporary employees	2019
Rate of accidents at work with severe work-related injuries (without fatalities)	0
Number of working hours (million hours)****	0.9
Rate of recorded work-related injuries (based on 1,000,000 hours)	10.8

* The data refers to the production sites of the Semperit Group as well as sales offices, which are included depending on their size. The key figures for 2019 and 2018 exclude the location in Nilai (Malaysia). The data for 2017 includes the locations in Argenteuil (France), Rovigo (Italy), Shandong (China) and excludes Hat Yai (Thailand) and the sales offices in Asia and America.

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

*** In 2017, unsafe conditions and unsafe actions were not recorded separately.

**** At the locations where the exact number of working hours by agency and temporary employees could not be determined in detail, the time required was estimated based on the information available for 2019.

SOCIAL STANDARDS

Training & documentation

In the area of safety and health, training and workshops, the establishment of model areas to visualise weak points or potential dangers and the complete documentation of all events are essential. This is the only way to achieve a change in thinking and thus a long-term change in behaviour. In some plants this change in thinking is specially trained with the help of specially equipped rooms (DOJO/Safety Center). The main focus is on the active involvement of employees by offering practical exercises.

Employee participation and information was also a topic in 2019. Tailor-made campaigns with appropriate goals and actions were developed for the largest locations (e.g. Bełchatów: cutting injuries, or Wimpassing: cleanliness and order to avoid accidents). The increased recording of near accidents as well as unsafe conditions and actions is an indicator of successful employee participation. It shows that awareness is constantly increasing.

Objective 2021

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

Central database

To optimise accident reporting and the dissemination of lessons learned, an appropriate infrastructure is required. In 2019, a central database was implemented at the sites in Wimpassing (Austria), Odry (Czech Republic) and Bełchatów (Poland). Further locations are to follow in 2020. With the help of this database, activities and measures can be controlled, transformed and retraced in a structured manner.

The effectiveness of the existing legal management system, which integrates all legal obligations and monitors compliance with them, was examined more thoroughly and optimised in 2019. At the same time, internal communication was intensified across all organisational areas from the Management Board to risk management. By linking the areas, it is ensured that all risks and necessary measures are implemented and scalable to other locations.



Focus on fire

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

Diversity and
equal opportunities
 Human rights
 Global **standards** and responsibility
Qualification and training
Talent Academy
 amfori BSCI (Business Social Compliance Initiative) &
 LSAS (Labor Standard Assurance System) audits
*Competence development
 and promotion*
 Life-long **learning**
 Social commitment

Social standards & working conditions

Key topics 2019

- Consistent further development of internal high potentials and successor candidates
- Development of junior managers in the internal talent program (Talent Academy)
- Introduction of an internal mentoring pool and support of the talents by mentors

Outlook 2020

- The initiatives will be further intensified in 2020 to promote the achievement of the 2021 goals. In addition, the development of the "Diversity & Inclusion" strategy is planned.
- Conducting an employee survey and deriving measures from it
- Management development on a broad basis (implementation of a global management programme)

Perspective 2021*

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

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

The further development of social standards and equal opportunities is an important part of employee management. The aim is to create a suitable working environment to promote key characteristics: This includes a health and safety programme as well as a wide range of opportunities for further development.

Diversity

Currently, employees from 62 nationalities work together within the Semperit Group. Diversity and respect are integral and indispensable components of the corporate culture of the Semperit Group, which are taken into account when filling all functions. In addition to professional and personal qualifications, aspects such as age structure, origin, gender, education and background of experience are included. A diversity concept of the Supervisory Board of Semperit AG Holding was concluded in writing on 1 February 2018. As early as in May 2017, the Supervisory Board of Semperit AG Holding met the women's quota of 30% required by law since 2018.

Advancement of women

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 contribute to the continuous increase in the proportion of women. By 2021, the percentage of female managers shall be increased to at least 15% and shall not fall below this level again.

Target 2021: Proportion of female managers (%)

Target 2021	2019	2018
15%	9%	10%

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

	2019	2018	2017
Austria	20%	21%	20%
Europe	26%	25%	25%
Semperit Group	20%	21%	22%

More information on diversity can be found in the chapter "A brief portrait" on page 11ff.

Fair payment

Semperit ensures remuneration in line with the market for all employees. The wages paid are based on the customary remuneration for a comparable position in the relevant environment. At some locations, this includes the application of collective bargaining agreements. Approximately 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.

Comprehensive social benefits

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

Outlook 2020

In addition to a comprehensive employee survey, initiatives and measures in the field of "Diversity and Inclusion" shall be analysed and taken into account within the framework of the revision of the existing diversity concept.

Personnel development

Every year, Semperit recruits numerous new employees; at the same time, the competitive pressure on finding specialists and managers continues to rise. The optimisation of recruiting processes as well as the retention of existing employees will remain essential in the future. Existing know-how should be retained and promoted. The gradual increase in the internal replacement rate and the increase in the proportion of non-European managers are important indicators in this context; both were improved in 2019. The Talent Academy is an important initiative to achieve the goals set.

Talent Academy

In 2019, the programme comprised 15 participants from six countries. Almost 30% of them were women, who were specially instructed through targeted training, reflection and project work to prepare them for future management tasks. A mentoring system was introduced for the first time in 2019. The participants receive a personal development plan, which includes specific targets, and are thus optimally prepared. Key positions can be filled internally from this pool of employees.

People Days

Every year, during the People Days, potential internal candidates for the replacement of key positions are discussed in the management team in the form of a structured process. Appropriate development measures are agreed upon.

Balanced proportion of European and non-European managers

In line with Semperit's international orientation, the goal is to consistently increase the proportion of international managers.

Target 2021: Proportion of internal replacement rate (%)

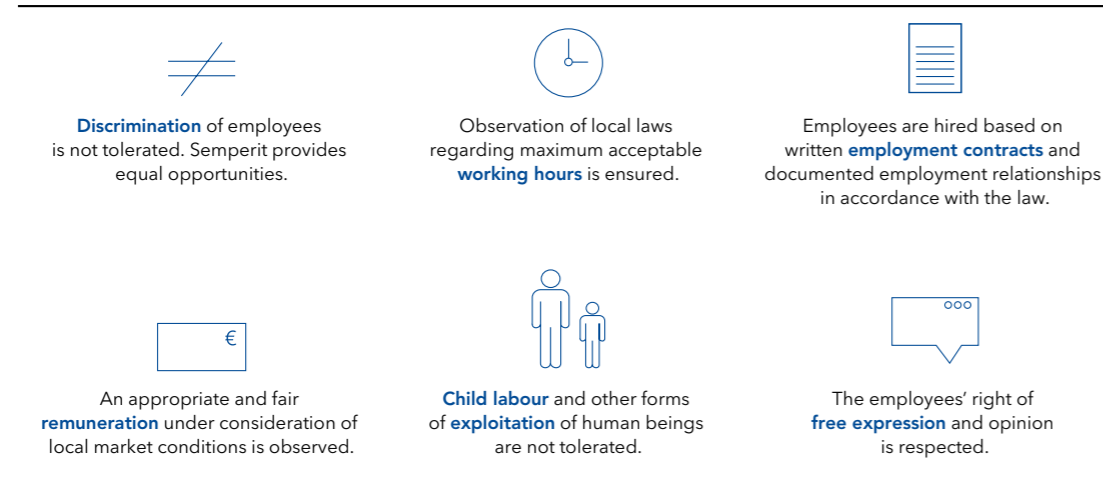
Target 2021	2019	2018
70%	62%	19%

Target 2021: Proportion of non-European (%)

Target 2021	2019	2018
20-30%	15%	15%

INNOVATION

The principles of the Semperit Group



Social standards and human rights

Without exception, Semperit rejects child labour and forced labour, regards human rights as fundamental rights and stands for fair wages and freedom of assembly. The principles and internal guidelines in this context are determined in the Code of Conduct, the People Policy and the Supplier Policy, which are publicly available on the Semperit website (www.semperit-group.com/nachhaltigkeit/nachhaltigkeitsgrundsaeetze/). These principles and guidelines also apply to business partners and are a prerequisite for a successful business relationship. All business activities must comply with internationally recognised human rights (UN Guiding Principles on Business and Human Rights) as well as Labour and Social Standards (International Labour Organisation - ILO) and must strictly observe local laws.

External auditing

To ensure Group-wide social standards in the sense of a due diligence process, the production sites in Sopron (Hungary) and Kamunting (Malaysia) in the Medical Sector were audited in 2019 according to the principles of the amfori BSCI (Business Social Compliance Initiative). The BSCI audits focus on promoting fair working conditions and respect for human rights. The Sopron site achieved the best mark in the external audit. At the Kamunting site, potential for improvement was identified in the area of working hours in February 2019. With appropriate measures, such as taking on additional employees, the situation was already significantly improved in May. With the external audits, approximately 14% of the production sites and almost 40% of Semperit employees were externally audited by amfori BSCI.

Due to current developments in the glove industry in Malaysia, Semperit initiated an external consulting project that dealt with social standards and the observance of human rights along the supply chain. The results of this project will be further developed in the coming year. In spring 2019, Semperit was externally audited with regard to the British LSAS system (Labour Standard Assurance System) and was able to improve significantly (from Level 3 to Level 2).

Awareness & training

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

- Organisation of a specialist event within the framework of the Austrian CSR Circle on the topic "SDG 8: Decent Work and Economic Growth"
- Internal training on "Social Standards at Semperit" for the medical sector
- Internal training for lead buyers in the area of "Sustainable Supply Chain Management" with a focus on social criteria
- Expansion of mandatory compliance training with regard to social standards and human rights
- Inclusion of the topic as a fixed point in the Sustainability Council
- Increased interface work between "Group Compliance" and "Group Brand Management"

Pioneering spirit *and*
innovation power
Material innovation
Product innovation
Process innovation
1 R&D headquarters
and seven associated
research locations
237 employees
Development partnerships
Initiation & participation
in basic research projects

Sustainability & innovation

Key topics 2019

- Increased use of recycled materials
- Development focus on recycling options of products
- Start of an innovation strategy process

Outlook 2020

- Further development of product and process innovations to successively increase the proportion of recycled materials
- Further development of the innovation strategy based on a Group-wide process

Perspective 2021

- 25% more use of recycled materials (base year 2017) in Mixing

The research & development (R&D) team of the Semperit Group is continuously working on the development of innovative materials and products as well as the improvement of manufacturing processes. Topics such as resource and energy efficiency, consideration of the life cycle perspective as well as health and environmental compatibility in product application are top priorities. Innovation management, which is implemented throughout the Group, is the heart of all R&D activities and comprises the systematic identification of potentials, the selection of suitable ideas, risk analysis with regard to the impact of products on the environment and people, and successful project management.

Employees in R&D (full-time equivalents)

2019	2018	2017
>230	>240	>260

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

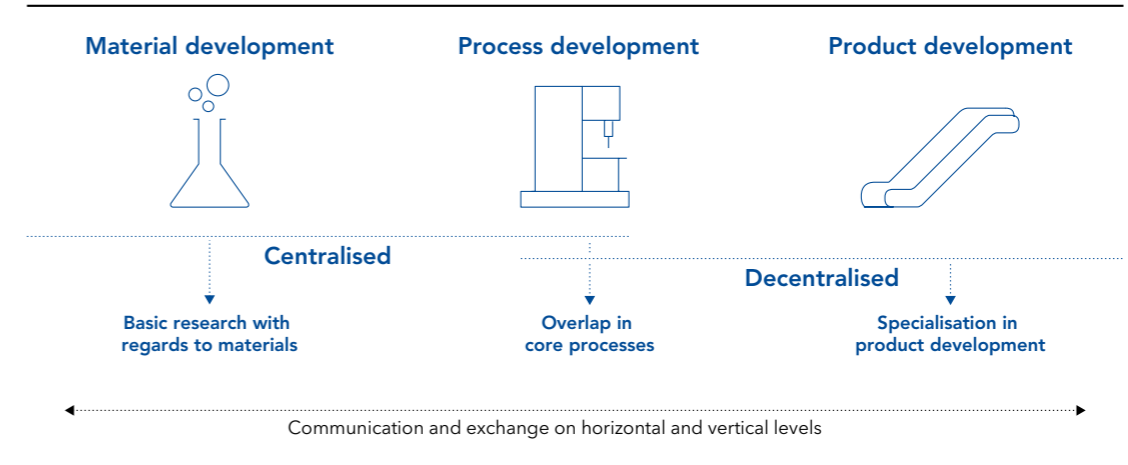
eration with customers – and is formed by the product and process development teams of the various business units.

Overview of major key figures

	2019	2018	2017
R&D expenses (EUR million)	>15.5	>14.0	>14.2
Total volume of participation in basic research projects (EUR million)	>1.5	>1.5	N/A
Number of patents	>350	>250	>300

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 carry out the daily quality assurance processes. In addition to integrated and structured processes, communication between the various departments as well as key stakeholders such as customers and university research institutions is important.

Further details on the strategy as well as the various guidelines and specifications relating to the topic of innovation can be found in the “Semperit Sustainability Innovation Policy”, which is publicly available on the Semperit website (https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Sustainability_Innovation_Policy.pdf).



Use of recycled materials

In order to conserve resources in the long term, the Semperit Group focuses on the use of recycled materials such as recycled rubber and carbon black. In order to be able to rely more on secondary raw materials, numerous tests must be carried out at material level in order to subsequently obtain or achieve the desired material and product properties.

Questions to be solved in this context are, on the one hand, the availability and, on the other hand, the quality and thus the characteristics of the secondary raw materials. Not every raw material of the rubber compound can be easily substituted by a secondary raw material, since a change in the formulation quickly affects the process and process-related properties. Furnace carbon black, for example, is subject to standardisation, which means that a carbon black type from manufacturer A can be replaced relatively easily by the same type from manufacturer B without significantly changing the process properties. For raw materials that do not comply with any standard (such as recycled carbon black), all subsequent process steps (formulations, parameters such as temperature and pressure as well as machine settings) must be brought into line with the

respective material properties. This can sometimes be very costly. There are also challenges with regard to availability. The market for recycled carbon black is in the process of developing and consists to a large extent of start-ups dealing with the supply of this secondary raw material. In 2019, Semperit started a development cooperation with a supplier in order to jointly research various possible applications. The longer-term goal of the Semperit Group is to establish a stable supply network. In terms of volume, carbon black is the second largest component of mixtures.

As early as 2018, the share of recycled materials in total material consumption in Mixing was increased by over 25% compared with the reference year 2017. Despite delivery difficulties and overall low material consumption, the portion of recycled materials used was further increased in 2019. This trend was favoured by the location in India, among other things. Due to the large availability of secondary raw materials in India and in order to keep transport distances short, the processing of recycled materials on site was promoted.

SUPPLIERS

By outsourcing Mixing while taking into account the recipes developed by Semperit, the use of recycled materials was further improved. In Europe, the focus will be primarily on expanding the supplier network in the future in order to further promote the availability of recycled materials here as well.



Target 2021: Percentage of recycled materials per year in Mixing

Target 2021	2019	2018
+ 25%	✓	✓

Focus on product recycling

In 2019, another research focus of the Semperit Group is the recyclability of products. Current challenges in this regard are, on the one hand, logistics and, on the other hand, processing products in order to reuse them. Particularly in the field of logistics, development work must be further accelerated/strengthened: How can the relevant products be taken back from customers for recycling? The plan is to further intensify the focus, which was launched in 2019, in the coming years.



Innovation strategy

In addition to further optimising the innovation process and management, the development of an innovation strategy formed an essential cornerstone of the Semperit Group's R&D activities in 2019.

In this context, it is important to combine the innovation focuses of the individual segments with the requirements of the customers and thus the market. In the course of this development, Semperit is consciously focusing on intensifying customer cooperation. An international customer survey was launched in 2019, the results of which will be incorporated into the future innovation strategy, which will be formulated in 2020.

Based on the innovation strategy and structured process flows, clear framework conditions are created to generate ideas in a targeted manner. Cultural topics such as open communication and a positive error culture are equally important as material and energy efficiency or the use of secondary materials.

Highlights 2019

Semperflex

- Upgrade of SemperRock cover (hydraulic system): Further development of the highly abrasive hose cover to further improve performance under harsh environmental conditions (ozone, heat radiation) and extend the service life of the hose
- Semperit Supreme® (Industry): Successful combination of the advantages of heat-resistant (EPDM) and oil-resistant (NBR) hoses with highly flexible functions for various applications, resulting in a reduction of complexity and inventory for customers and manufacturers (simplification of the supply chain)

Semperform

- development of an optimised angled guide plate for railway superstructures, which saves 20% of material
- development of a flame-retardant sealing profile for fire protection doors
- start of serial production of a special concrete pipe seal according to ISO 681 and DIN4060

Sempertrans

- TransEvo Ultra: reduction of the indentation rolling resistance by a further 10%. With this further development, energy savings of approx. 25% (compared to conventional belts) are possible.
- Transtherm TEC: By improving the formula and the design, the belt, which is mainly used for applications in the high temperature range, could be further optimised with regard to its service life.
- Transdura: further development of the particularly abrasion-resistant cover plate to extend its service life

Constant supplier environment
No significant changes in 2019
Joint development and close cooperation
Training and awareness raising
Transparency in the supply chain
Ecological and social Standards
Raw materials
Packaging materials and trade items
Human Rights

Sustainability in the supply chain

Focus topics 2019

- Training and instruction of lead buyers
- Focus on recycled materials in purchasing

Outlook 2020

- In 2020, the supplier self-evaluation tool will be tested for the first time.
- Sustainability training for lead buyers is used to strengthen supplier cooperation with regard to ecological and social criteria.
- Increased implementation of business partner checks to verify business partners

Perspective 2021

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

Successful supply chain management involves not only creating long-term partnerships, but also adhering to ethical, ecological and social principles, which are laid down in the Group-wide Code of Conduct and the Supplier Policy and are publicly available on the Semperit website (https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Supplier_Policy.pdf and https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/CodeConduct_EN_Screen_171205.pdf).

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

Number of suppliers

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

Region	2019	2018	2017
Europe	173	188	N/A
Asia	116	106	N/A
America (incl. rest of the world)	1	0	N/A

Monetary value of expenses made to suppliers

(EUR thousand)

2019	2018*	2017
465,653	524,998	541,293

*The comparative value for 2018 has been adjusted.

The dispatchers for the compound raw materials report to the central Supply Chain Management. The individual sites are responsible for further local purchasing and storage management but are centrally consolidated by the Director of Group Procurement & Logistics. The lead buyers assigned to the headquarters are divided into four thematic groups:

Raw materials	Rubber, latex, chemicals, steel and textiles
Investment goods	Machines and vehicles
Logistics	Inbound & outbound, logistics, storage
Indirect procurement	Office supplies and services

Supplier evaluation

A systematic process for selecting and evaluating suppliers as well as a close cooperation with suppliers ensure compliance with the standards defined by Semperit. The guidelines and standards regarding social, ethical and ecological criteria are described in the Group-wide Supplier Policy and follow international guidelines such as the principles of the UN Global Compact, the International Chamber of Commerce (ICC) Charter for Long-term Sustainable Development and the relevant Conventions of the United Nations International Labor Organization (ILO). Semperit expects its suppliers to comply with these standards and encourages them to take this responsibility into their respective supply chains. Accordingly, the supplier guideline is transmitted to new suppliers.

In addition to the transmission of the relevant documents, the evaluation of suppliers with a purchasing volume of more than EUR 500,000 p.a. with regard to their ecological and social performance will be carried out automatically in the future using an evaluation tool created specifically for this purpose. This supplier tool was successfully designed and programmed in 2019. Initial test runs are planned for the first quarter of 2020. Via the online platform, the relevant suppliers are asked to submit a self-disclosure. Each supplier receives the same questionnaire and is rated according to the results. In addition to key corporate figures, the self-disclosure also includes information on environmental performance such as an ISO 14001 certification or compliance with human rights and social standards as well as working conditions with a focus on health and safety.

In 2019, there are no reports on significant changes in the supplier landscape of the Semperit Group. Accordingly, no new suppliers had to be reviewed with regard to their sustainability performance in 2019.



Awareness raising & training

In addition to evaluating suppliers, it is important to strengthen cooperation with them. Environmental or social goals can only be achieved using a direct approach and the opportunity to develop in partnerships.

In order to prepare the lead buyers for this objective accordingly, it is necessary to build up the corresponding know-how. In 2019, the lead buyers were trained in "Sustainable Supply Chain Management" and "Sustainable Procurement", which covered social and ecological issues as well as compliance matters and human rights.

In addition to knowledge transfer, the Group-wide purchasing team increasingly focused on international benchmarks and participated intensively in the activities of the German Rubber Manufacturers Association and the International Rubber Study Group, Singapore (www.wdk.de and www.rubberstudy.com) again in 2019.



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

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

	2019	2018	2017
Percentage of new suppliers that were screened using social, ecological and ethical criteria	No new suppliers	100%	100%

Recycled materials in purchasing

In 2019, another focus in the supply chain was on suppliers of recycled materials, such as

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

A significant contribution to environmental protection can be achieved by increasingly using secondary raw materials. The application options depend on the availability and the properties of the materials. Particularly in the field of "Recovered Carbon Black" (rCB), initiatives have been taken to develop a stable and sustainable network. The measures taken range from simply establishing contacts to research and development cooperation and the active use of rCB (pyrolysis carbon black). Since 2019, a Semperit team of experts from purchasing and R&D has been accompanying the annual international "Recovered Black Conference" in Berlin. The supplier network in the field of secondary raw materials will be further expanded in the coming years. This development goes hand in hand with the key topics of "Raw Materials & Material Use" and "Sustainability & Innovation", as these form the basis for purchasing.



Chemicals in purchasing

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

RESSOURCE MANAGEMENT

Responsible production
*Responsible use
of resources*
Perspective **2021**
Energy efficiency and
energy intensity Resource efficiency
*Renewable and
non-renewable materials*
Waste & scrap rate
Water consumption Emissions
**Environmental
protection**
*Hazardous and
non-hazardous waste*

Resource management

The careful handling of resources, the avoidance of waste and scrap, the optimisation of energy use as well as the protection and safety of employees are important objectives in production. With the continuous improvement of technological and management processes and a Group-wide environmental management system, Semperit is investing in a sustainable future. These principles are laid down in the Group-wide guidelines "Resource Management" and "Quality and Safety, Health and Environment" and are publicly available on the Semperit Group website (https://www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Management_of_Resources_Processes_and_Work_Attitude_Policy.pdf).

In addition to the key topics

- raw materials and material use
 - energy use and consumption,
- the following chapter will also cover the topics
- greenhouse gas emissions
 - water and
 - waste.

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

Combined Management System

The certified environmental management system ISO 14001 is integrated into the Group-wide "Semperit Combined Management System", which defines the relevant processes, responsibilities and detailed procedures for implementing internal guidelines. The certifications according to ISO 9001, ISO 13485, ISO 14001 and OHSAS 18001 are also anchored there. 13 sites are certified according to ISO 14001, 17 according to ISO 9001 and 13 to OHSAS 18001, whereby the certifications refer to all employees of the sites concerned. The switch to ISO 45001 is currently being prepared and is expected to take place in 2020.

World Class Manufacturing

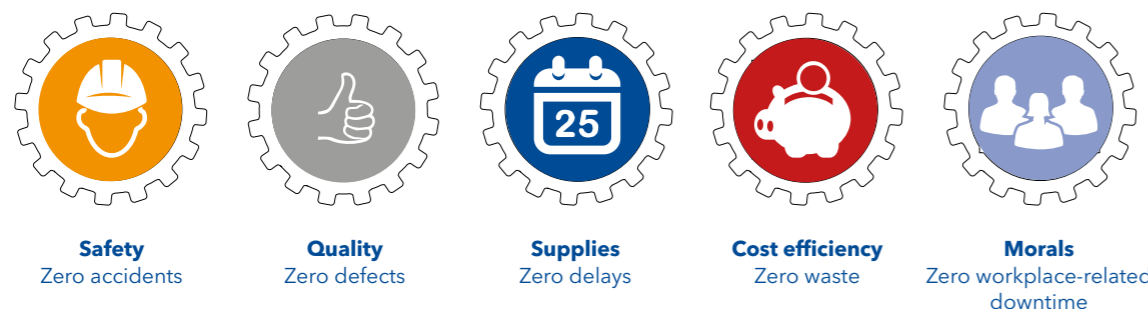
Based on the integrated production system "World Class Manufacturing (WCM)", all employees are involved in working on the optimisation and excellence of all technical and management-related processes in production.

With WCM, Semperit is committed to the objective of being completely accident-free, permanently increasing the efficiency of production processes and optimising the use of materials and energy and thus ensuring resource-efficient and sustainable production of quality products. Participation in the WCM standard not only enables Semperit to optimise its structure in the various areas, but also serves as a benchmark system.



The "Concept of Zero" is the leading vision within the scope of WCM. With the help of standardised approaches, intensive involvement of the employees, and the development of model areas as well as the corresponding documentation and dissemination of the results, all efforts will be focused on zero accidents, zero waste, zero delays, zero defects and zero workplace-related downtime in the future.

WCM was launched in Wimpassing in 2016 and has since been introduced to the most important production sites.



Raw materials & material use

Focus topics 2019

- Target achieved through process adjustments in two of four segments

Outlook 2020

- In 2020, work will continue to focus on optimising production processes in order to achieve further improvement of the key indicator.

Perspective 2021

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

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

Semperit attaches great importance to an efficient and resource-saving production. Possible starting points for optimising and increasing the efficiency of material use are raw material selection, product design, process engineering and waste and scrap prevention. In order to manufacture various rubber products such as belts, hoses, gloves and seals, Semperit uses different raw materials from different sources. The main components are natural and synthetic rubber, latex, carbon black, chemicals and various materials to increase strength (steel, textiles, etc.).

Material use of Semperit Group (t)

(raw materials and reinforcement materials)

	2019	2018	2017*
Non-renewable materials	227,544	244,452	246,129
Renewable materials	13,325	20,066	20,759
Total	240,869	264,518	266,888

* With the exception of the location Hat Yai (Thailand), for which no data was available in 2017

As the proportion of process and packaging materials is relatively low in comparison to product materials, Semperit limits its reporting in 2019 to raw materials and reinforcement materials.

Optimisation of material use

Potential in the field of material use is offered above all in product design, for example by optimising material thickness or the shape diameter. The possibilities are limited by the material and product properties to be achieved (such as stability, carrying capacity, dimension, etc.) as well as the requirements of technological production processes. In addition to material and product development, Semperit is constantly working to optimise the production processes with regard to the use of materials. In doing so, it is important to max out the technological requirements of the processes so that the manufacturing processes run smoothly and are thus optimally feasible, while at the same time they produce as little scrap and waste as possible. The aim is to reduce the "waste and scrap" rates in the longer term and to get closer to the "zero waste" vision.

At the Deggendorf site in Germany, for example, a reduction in material consumption (45% silicon and 71% polymer) was achieved in 2019 by implementing an unpressurised surface treatment. Improvements in the use of solvents were also achieved at the Wimpassing site in Austria and in Shanghai, China (Semperform), in 2019.

Waste & scrap rate

As part of the WCM programme, potential for optimising the use of materials is systematically identified and prioritised. With the help of numerous individual measures, a gradual reduction of waste and scrap is achieved at all sites.

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

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

	Target 2021	2019	2018
Semperflex	6% p.a.	✓	✓
Semperform	3% p.a.	✓	✓
Sempertrans	5% p.a.	on the way	on the way
Sempermed	4% p.a.	on the way	on the way

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



The "waste & scrap" ratio is assessed monthly at the segment level, analysed, and the corresponding measures for improvement are discussed and prioritised. Part of the waste & scrap quota also includes waste resulting from test runs for new material or product developments, for example. All waste is collected by certified and approved waste disposal companies and properly recycled, mostly by thermal utilisation.

Internal recycling

Materials that are produced as waste or scrap during production are recycled as far as technically possible. In the field of rubber, reuse is possible in particular when no vulcanisation has taken place yet. On the other hand, vulcanised materials are very difficult to reuse due to their material properties.

Energy use & consumption

Focus topics 2019

- Target achieved through process optimisation in two of four segments

Outlook 2020

- Further optimisation of energy use through efficiency projects
- Development and piloting of an energy concept

Perspective 2021

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

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

Reducing energy use is a significant key factor. The focus is on the energy required for the production processes as well as energy conversion and distribution. The Semperit Group's main sources of energy are electricity, gas, petrol and steam. Viewed in terms of processes, glove production (Sempermed) consumes the most energy.

The Austrian production site in Wimpassing is certified according to ISO 14001, as are 12 other Semperit sites. The Deggendorf and Hückelhoven production sites in Germany are also certified according to ISO 50001.

In addition to production and the production of the rubber compounds as the starting point, other factors such as test runs in the area of material and product innovation, procedure and process adjustments, starting up the machines after shutdowns as well as lighting and heating or cooling the buildings also have an influence on total energy consumption. In addition, the product portfolio is becoming broader and the products themselves increasingly complex, which can also be reflected in energy consumption.

Energy consumption of the Semperit Group by source (MWh)

Total energy use of the Semperit Group (MWh)

2019	2018	2017
1,465,723	1,501,315	1,484,927

Source	2019	2018	2017
Natural gas	1,185,619	1,203,786	1,186,215
Liquid natural gas (LNG)	614	694	880
Oil	9,437	8,867	10,814
Fuel consumption of vehicles	4,003	4,074	4,031
Electricity consumption	218,177	231,815	230,395
Heating energy (district heating)	12,342	10,198	11,502
Steam	35,742	42,071	41,292
Heating sold	211	190	202

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

Efficient energy use

In 2019, efforts focused on the reduction of total energy consumption per unit produced. Based on numerous measures such as employee training and energy efficiency projects in the production process as well as measures in the field of energy conversion, work on efficient energy use was intensified at the production sites. This involves systematically collecting, analysing and implementing energy-related ideas.

All energy saving measures are bundled, organised according to the PDCA (Plan, Do, Check and Act) cycle and documented in the ISO 14001 and ISO 50001 management systems. The optimisation potentials include many small activities, such as

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

Energy intensity based on reference sites

Energy intensity was chosen as a key parameter for the change in energy use. The energy intensity quotient shows how total energy consumption within the organisation changes in relation to units produced. Regarding the objectives for Perspective 2021, the Medical sector was adjusted compared to the previous year. Here it is essential to refer to the number of units and not to weight. For the Industrial segments Semperflex, Semperform and Sempertrans, the indicator therefore refers to the tonnes of goods produced, while for the Medical segment Sempermed it refers to the number of gloves produced.

The energy intensity is currently documented using selected reference sites.

Semperflex: Odry, Czech Republic
 Semperform: Deggendorf, Germany
 Sempertrans: Bełchatów, Poland
 Sempermed: Kamunting, Malaysia

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

Target 2021: Development of energy intensity by segment

	Target 2021	2019	2018
Semperflex (Odry site)	3% p.a.	✓	on the way
Semperform (Deggendorf site)	2% p.a.	on the way	✓
Sempertrans (Bełchatów site)	2% p.a.	on the way	on the way
Sempermed (Kamunting site)	5% p.a.	✓	on the way



Environmental protection

In addition to the key topics of energy and materials, Semperit also records the Group's greenhouse gas emissions, water consumption and waste.

Greenhouse gas emissions

The level of direct greenhouse gas emissions (Scope 1) at Semperit is directly linked to production-specific energy consumption. Indirect greenhouse gas emissions (Scope 2) are largely attributable to the purchase of electricity and steam.

The indirect greenhouse gas emissions (Scope 2) are largely due to the purchase of electricity and steam. Semperit is also planning to include indirect emissions (Scope 3) in the value chain in the future. Currently, only the values for indirect emissions for the direct use of energy (natural gas, heating oil, etc.) are available in this context. This share will be reported for the first time for 2019 – also retroactively for 2018 and 2017.

The calculation of direct greenhouse gas emissions (Scope 1) includes all emissions of the Semperit factories from natural gas, diesel, petrol, liquid gas and heating oil. Indirect emissions (Scope 2) are also taken into account. For 2019, the emission factors for Scope 2 will be recorded country-specifically using the location-based method. For the years 2018 and 2017, one Group-wide value each was used to calculate emissions for purchased steam and district heating. The emissions included in Scope 2 are mainly caused by electricity, purchased district heating and steam consumed.

Greenhouse gas emissions of Scope 1, 2 & 3 (CO₂-eq in t)

	2019	2018	2017
Scope 1	240,844	244,329	236,437
Scope 2 (location-based)*	127,930	144,687	143,406
Scope 3 (proportional)	85,142	49,113	48,078

* The Scope 2 values for the site in Thailand were calculated based on the conversion factor of 2019.

In addition to complying with legal requirements, we are constantly working on extended measures in the field of emissions. In 2019, Semperit installed a system for filtering volatile organic compounds (VOC) including an automatic monitoring system at the Shanghai site in China. This system should lead to a significant reduction of emissions. A multi-stage particle filter for the pre-cleaning of exhaust air with regard to volatile organic compounds (VOC) was also installed in 2019 at the main plant in Wimpassing Austria.

Water

Semperit stands for the efficient use of water and, where possible, water is circulated. Glove production (Sempermed) in particular is characterised as relatively water-intensive. Water is used here to flush out proteins and chemicals to prevent allergic reactions. With the development of the "Green Glove", the use of water was reduced by as much as 10% per 1,000 pieces of gloves compared to traditional nitrile examination gloves. The wastewater produced during glove production is treated in our own wastewater treatment plants in accordance with local regulations, while the relevant limit values are constantly checked using laboratory analyses. The water input in the other production areas is comparatively low and serves primarily for cleaning or for machine and process cooling. Any wastewater produced here can be disposed of via public sewers since it does not contain any specific impurities. In order to prevent and remedy incidents that can lead to exceeding limit value in the wastewater sector, Semperit has developed action plans throughout the Group.

Water consumption (Mio. m³)

	2019	2018	2017
	9.0	8.7	8.2

RESPONSIBILITY & INTEGRITY

Water withdrawal by source (%)

	2019	2018	2017
Groundwater	33%	34%	36%
Surface water	1%	0%	0%
Water from third-party providers	66%	66%	64%

In the water sector, the rainwater and wastewater sewer system in China was completely renovated in 2019 to ensure that no limit values are exceeded and thus no negative environmental impacts occur in the future. At the Indian site, water used was optimised through the installation of an automatic level control water sensor system and the start of a project for rainwater utilisation, among other things. In Germany (location Deggendorf), the use of fresh water was reduced by almost 70% with the help of a cooling system.

Waste

Waste management is part of the Group-wide environmental management system. Within the scope of the production reports, all relevant waste and scrap figures are collected and analysed on a monthly basis and improvement measures are derived based on them. Waste also includes waste generated, for example, by test runs for new materials or new products. All waste is collected by certified and approved waste disposal companies and properly recycled, mostly by thermal utilisation. Currently, only the total volume of hazardous and non-hazardous waste is reported.

In 2019, a pilot project to improve waste management in terms of sorting and separation was launched at the main plant in Wimpassing. As part of WCM, weak points are strategically analysed and listed, and targeted countermeasures are developed. After completion of the pilot project, the system will be rolled out, and other locations will also be analysed subsequently.

Total volume of waste (t)*

	2019	2018	2017
Hazardous	4,368	6,299	6,534
Non-hazardous	17,977	18,041	21,483

* Except for the site in Nilai (Malaysia) for which no quantities have been reported

First-choice partner
 Anti-corruption and anti-bribery
Data protection
 Cyber security
 Business partner checks
 Training and instruction
Compliance Management
 System Trust and responsibility
Fairness and loyalty
 Integrity and sincerity
 Appreciation and reliability
Initiative and commitment

Responsibility & integrity

Focus topics 2019

- Development and launch of the “Speak-Up” campaign to raise awareness for compliance
- Development and launch of the “CyberSecurity” campaign to prevent cybercrime and the violation of data protection

Outlook 2020

- Continuation of the focus campaigns implemented in 2019
- Revision and expansion of the training offers and the internal processes in the field of compliance
- Trainings in the field of cyber security
- Translation of corporate values with regard to compliance

In an internationally operating company, the establishment and anchoring of rules of conduct are of great importance. The prevention of corruption and bribery, compliance with competition law and legal compliance are top priorities. Semperit therefore relies on a comprehensive Group-wide compliance management system, which covers all employees.

The most important measures of the Semperit Group with regard to compliance include, among other things:

Business Partner Checks

The checks serve to verify business partners and are obligatory for risk countries. Otherwise checks are carried out as required.

Needs-based risk surveys

Evaluation of legal and reputational risks related to projects or events by the department of Corporate Center Risk Manage-

ment & Assurance. In 2019, 13 (approx. 20% of the Semperit locations) companies were checked for corruption risks. In 2019, one potential material risk was reported, which relates to ongoing corruption and antitrust proceedings against a subsidiary.

Training for employees

Depending on position and subject area of the employees concerned, compliance training courses are assigned individually, and their contents are adapted. Basic compliance training is mandatory for all employees.

Whistle-blower hotline SemperLine

Possibility for employees and external persons to report violations and incidents anonymously. The Compliance Board must review all reports and determine appropriate measures. In 2019, the system recorded 1 report.



Speak-Up campaign

To raise awareness for compliance and keep employees up to date with the latest information, the internal communication campaign “Speak-Up” was launched in 2019. The aim is to put increased emphasis on the topic using training materials, numerous blog posts on the intranet and information events.

In addition to spreading specific technical content, such as accepting gifts at Christmas time, the campaign also serves to encourage employees to contact the appropriate person in charge at any time if necessary.

Cyber security campaign

In the context of the Europe-wide General Data Protection Regulation (GDPR), the Group IT and Group Compliance departments developed the “SemperCyber” campaign, which was launched in 2019 and will continue until 2021. The focus is on cyber security and data protection. In addition to raising awareness, guidelines for end users on data protection and on the deletion of data were developed. These policies will be published Group-wide in 2020.

Annual management declaration

The mandatory annual declaration for management members was introduced in 2019. From this date, all persons concerned must sign acknowledgement of the Annual Declaration and confirm that they have duly reported all possible occurrences. In 2019, 100% of the management signed the declaration.

Modern Slavery Act Statement

In 2019, the Semperit Group published their first Modern Slavery Statement, which covers the business year 2018 and lists strategies to prevent modern slavery as well as human trafficking in accordance with the Modern Slavery Act.

Annual meeting of Compliance Officers

In 2019, a Group-wide meeting of all local Compliance Officers lasting several days was established. In the future, this meeting will be held at a different location each year and will primarily serve the purposes of further training, networking and joint exchange.



Compliance training

Every new employee is given basic information on compliance, which must be acknowledged in writing. Subsequently, he or she will be assigned training and e-learning courses in this area according to his or her activity, which must be completed within a certain period of time. The training programme focuses on the following subjects: anti-corruption & bribery, anti-trust law, money laundering and fraud, export controls, confidential information and data protection, insider rules and protection of corporate assets.

The intensification and expansion of online compliance training was started in 2019 and will be continued in 2020. The revision relates to the edition of the training in additional languages, the adaptation of existing content and the integration of new topics. In addition, the company-wide matrix that determines which employees have to complete which compliance training and when, was adapted. In addition to the online training courses, “classroom training” is planned for the future. On the one hand, they serve employees whose languages are not yet included in the online catalogue, and on the other hand, they are intended to increasingly address employees who do not have access to the Group-wide e-learning platform. These training courses will be held by the local compliance officers and can be arranged individually. The long-term goal is to reach all employees.



Number of employees trained in anti-corruption & bribery throughout the Group

2019	2018	2017
934	742	N/A

Compliance in the Semperit Group

Topic area	Status 2019	Measures & tools
Anti-corruption & 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	1 current violation¹⁾	Expansion of the Compliance Management System, implementation 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
Social compliance	No confirmed violations	People Policy, Code of Conduct, SemperLine, BSCI audits
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
Whistle-blower cases	1 report	SemperLine, Compliance Board, increased communication measures
Compliance training	934 employees	Obligatory for every new employee, depending on function and topic area (purchasing and sales), specific training was conducted
Code of Conduct and values	100%	Each employee is trained with regard to the Code of Conduct and the corporate values, information material, Intranet

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

APPENDIX

GRI Content Index

GRI Standard	GRI specification	Page	Omissions and comments
101: Foundation 2016			
102: General Disclosures 2016			
Organization profile			
GRI 102: General Disclosures 2016	102-1: Name of the Organization	8	
	102-2: Activities, brands, products and services	8, 9	
	102-3: Location of headquarters	7	
	102-4: Location of operations	6, 7	
	102-5: Ownership and legal form	8	
	102-6: Markets served	6 - 9	
	102-7: Scale of organization	6 - 8, 10	Due to the variety of products, products sold are shown as a share of sales in the segments.
	102-8: Information on employees and other workers	11, 12	The key figures include all employees of the fully consolidated companies of the Semperit Group. The data records for agency and temporary employees can only be reported by region for 2019, but not by region and gender. This is planned for the next reporting year.
	102-9: Supply chain	14, 38, 39	
	102-10: Significant changes to the organization and its supply chain	39	
	102-11: Precautionary Principle or approach	20, 21, 42	By applying the integrated management system throughout the Group and continuously further developing it, we follow the precautionary principle.
	102-12: External initiatives	19	
	102-13: Membership of associations	19	
Strategy			
GRI 102: General Disclosures 2016	102-14: Statement of senior decision-makers	4	
	102-15: Key impacts, risks, and opportunities	16, 24	
Ethics and integrity			
GRI 102: General Disclosures 2016	102-16: Values, principles, standards and norms of behavior		The Semperit value system is publicly available at www.semperitgroup.com/en/about-us/our-values .
Governance			
GRI 102: General Disclosures 2016	102-18: Governance structure	16, 22	For an overview of the corporate organisation see Corporate Governance Report 2018 page 17 of the Semperit Group.
Stakeholder engagement			
GRI 102: General Disclosures 2016	102-40: List of stakeholder groups	23	
	102-41: Collective bargaining agreements	30	
	102-42: Identifying and selecting stakeholders	23	
	102-43: Approach to stakeholder engagement	23	
	102-44: Key topics and concerns raised	23	

GRI Standard	GRI specification	Page	Omissions and comments
Reporting procedure			
GRI 102: General Disclosures 2016	102-45: Entities included in the consolidated financial statements	58, 59	A complete list of subsidiaries in the scope of consolidation, which are thus part of the consolidated financial statements, is included in the annual report 2019 of Semperit Group.
	102-46: Defining report content and topic boundaries	16, 17, 20, 21	
	102-47: List of material topics	17	
	102-48: Restatements of information	58, 59	
	102-49: Changes in reporting	58	
	102-50: Reporting period	58, 59	
	102-51: Date of most recent report		The latest Sustainability Report 2018 is available at www.semperitgroup.com/en/sustainability/sustainability-reports .
	102-52: Reporting cycle		Semperit reports annually on non-financial information in a sustainability report.
	102-53: Contact point for questions regarding the report	60	
	102-54: Claims of reporting in accordance with the GRI Standards	58	
	102-55: GRI content index	54ff	
	102-56: External assurance	58	

GRI Standard	GRI specification	Page	Omissions and comments
Material topics			
Sustainability & innovation			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	17, 20, 34 - 36	
	103-2: The management approach and its components	34 - 36	
	103-3: Evaluation of the management approach	34 - 36	
	Semperit KPIs: - R&D employees, - R&D expenses, - proportion of recycled materials per year	34, 35	
GRI 300: Environment			
Raw materials & material use			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	17, 20, 42, 43	
	103-2: The management approach and its components	42, 43	
	103-3: Evaluation of the management approach	42, 43	
GRI 301: Materials 2016	301-1: Materials used by weight or volume	43	

GRI Standard	GRI specification	Page	Omissions and comments
Energy use & consumption			
Material topic			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	17, 20, 45, 46	
	103-2: The management approach and its components	45, 46	
	103-3: Evaluation of the management approach	45, 46	
GRI 302: Energy 2016	302-1: Energy consumption within the organization	45	Only the energy consumption and sales figures that apply to Semperit are listed. Semperit does not purchase renewable fuels.
GRI 400: Social			
Occupational safety and health protection			
Material topic			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	17, 20, 26, 27	For further information also see www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Q_SHE_policy/2019/Poster_QSHE_A1_EN_2019_final.pdf
	103-2: The management approach and its components	26 - 28	
	103-3: Evaluation of the management approach	26 - 28	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	26	
	403-2 Hazard identification, risk assessment, and incident investigation	26 - 28, 42	
	403-3 Occupational health services	26, 27	
	403-4 Worker participation, consultation, and communication on occupational health and safety	26 - 28, 42	
	403-5 Worker training on occupational health and safety	28	
	403-6 Promotion of worker health	27	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	39	Further information available at www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Supplier_Policy.pdf www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Q_SHE_policy/2019/Poster_QSHE_A1_EN_2019_final.pdf
	403-9 Work-related injuries	27	
Social standards & working conditions			
Material topic			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	17, 20, 30 - 32	Further information also available at www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Q_SHE_policy/2019/Poster_QSHE_A1_EN_2019_final.pdf www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/CodeConduct_EN_Screen_171205.pdf www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Compliance/ModernSlaveryStatement_FY_2018.pdf
	103-2: The management approach and its components	30 - 32	
	103-3: Evaluation of the management approach	30 - 32	

GRI Standard	GRI specification	Page	Omissions and comments
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	12	
GRI 405: Diversity and equal opportunity 2016	405-1: Diversity of governance bodies and employees	13	
GRI 412: Human Rights Assessment 2016	412-1: Operations that have been subject to human rights reviews or impact assessments	32	2019: External assessment of 14% (2 of 14) of production sites (Sopron, Hungary, and Kamunting, Malaysia)
Sustainability in the supply chain			
Material topic			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	17, 20, 38, 39	Further information also available at www.semperitgroup.com/fileadmin/img/holding/pdf_dateien/Sustainability/Semperit_Supplier_Policy.pdf
	103-2: The management approach and its components	38, 39	
	103-3: Evaluation of the management approach	38, 39	
GRI 414: Supplier Social Assessment	414-1: New suppliers that were screened using social criteria	39	
GRI 308: Supplier Environmental Assessment	308-1: New suppliers that were screened using environmental criteria	39	

GRI Standard	GRI specification	Page	Omissions and comments
Other topics			
Water			
Other topic			
GRI 303: Water 2018	303-3: Water withdrawal	47	
Emissions			
Other topic			
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	47	In Scope 1, Semperit does not cause biogenic GHG emissions.
	305-2: Energy indirect (Scope 2) GHG emissions	47	Currently, Semperit is only reporting using the location-based method. Work is underway to also report Scope 2 emissions in 2020 using the market-based calculation method.
Compliance & integrity			
Other topic			
GRI 205: Anti-corruption 2016	205-3: Confirmed incidents of corruption and actions taken	52	
GRI 206: Anti-competitive Behavior 2016	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	52	
GRI 307: Environmental Compliance 2016	307-1: Non-compliance with environmental laws and regulations	52	
GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	52	
GRI 419: Socioeconomic Compliance 2016	419-1: Non-compliance with laws and regulations in the social and economic area	52	

About this report

This non-financial report is the summarised consolidated report of the Semperit Group pursuant to Section 267a UGB and covers the financial year 2019, which corresponds to the calendar year 2019. Beyond the legal requirements, the report contains further information on the sustainability activities of the Semperit Group and is published annually.

The content of this report reflects the relevant and important topics of the Semperit Group with regard to a sustainable development. There are no significant changes in the list of key topics and in the topic boundaries compared with the previous report. The selection of topics is based on the principles of stakeholder involvement, materiality, sustainability context, completeness as well as topicality and comparability. The statements made and the information on economic contexts generally relate to the consolidation range of the Annual Report 2019. Any deviations from the consolidation range are described on the following page or in the individual chapters. There were no changes in size or ownership during the reporting period. A fifth segment, "Semperseal", was introduced at the end of 2019, which does not yet affect the topics, goals and key figures for 2019.

The report was prepared in accordance with the GRI Standards: Core option. The report uses the GRI Standards of 2016

and the Standards of 2018 for the topics "Water and Wastewater" (GRI 3030) as well as "Occupational Health and Safety" (GRI 403).

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. subjected part of the published information,

- GRI 101: Foundation 2016
- GRI 102: General disclosures 2016
- GRI 302: Energy 2016
- GRI 305: Emissions 2016
- GRI 403: Occupational safety and health 2018
- GRI 308: Environmental assessment of suppliers 2016
- GRI 414: Social assessment of suppliers 2016,

to a review by an independent third party. The review was planned and performed in accordance with the "International Federation of Accountants' ISAE 3000 (Revised)". The assessment was made with limited certainty. The Management Board instructed the responsible employees of the respective departments to make the documents and information necessary for the review available in a complete and correct form.

The report lists risks in line with the requirements of the Sustainability and Diversity Improvement Act. A comprehensive risk report can be found in the Group Management Report of the Semperit Group for 2019.

Database

The report covers primarily data from 2019. Where possible, the report also includes data in the form of time series over two or three years to increase understanding and comparability. Compared to last year's Sustainability Report, the depth of key non-financial figures was improved, the data collection process was optimised, and the consolidation framework was aligned where possible. In this context, primarily the key figures in the areas of resource management, environmental protection and employees were adapted.

- Economic data is based on the information given for Semperit's Annual report 2019
- Data on employees is primarily based on the personnel data system "SuccessFactors"; additional data is collected manually. Due to a standardisation of definitions and recording methods, which was completed in 2019, a consolidated presentation of all data is only possible as of 2019.
- Collection of data on resource management and environmental protection: The data for resource management and environmental protection follows the principle of materiality and refers to the 14 production sites. Pure sales locations are not taken into account. However, due to different definitions and collecting methods, a consistent consolidation of data is only possible as of 2019. In the course of more in-depth data management and by aligning the consolidation framework, there have been slight adjustments compared to the previous year's report. The Allershausen site in Germany was not considered a production site due to its small size and the processes carried out there.
- Data on greenhouse gas emissions have been determined for direct and indirect greenhouse gas emissions (Scope 1 and Scope 2) since the reporting year 2017. The scope 3 emissions presented since this report only include the indirect shares of energy use (natural gas, heating oil, etc.). These shares were also calculated retrospectively for the years 2017 and 2018. For the future, it is planned to also include other indirect emissions (Scope 3)

of the value chain. For 2019, the conversion factors were also adjusted, and the scope of consolidation expanded. These changes in the calculation of greenhouse gas emissions lead to an adjustment of the previous year's figures.

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 (only the indirect shares of energy use). The CO₂eq conversion factors for the direct emission sources (natural gas, liquid gas, heating oil and the fuels diesel and petrol) and their indirect share (Scope 3) are taken from the database of the Austrian Federal Environment Agency (as of January 2020) and are applied universally for all countries considered. For purchased electricity, location-based emission factors of the International Energy Agency (IEA, 2019) were applied. For purchased heating and steam energy, emission factors of the Ecoinvent 3.6 database were used. Furthermore, emission factors are taken from the 5th Assessment Report of the IPCC (Intergovernmental Panel on Climate Change) from 2013. The aim is to continuously improve the completeness of the greenhouse gas balance.

- Data on occupational health and safety: The data for this report primarily originates in the "Incident and Severity Rate" tool. The data is collected on site level. Sales locations are included depending on their size. The rates of recorded work-related injuries have been recalculated for the years 2017 and 2018 and adjusted compared to the 2018 report.
- Data on suppliers, innovation and compliance: The data in the fields of innovation, compliance and supply chain originates in the corresponding specialist departments and is subject to the data acquisition systems used there.

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Disclaimer

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

The forecasts, plans and forward-looking statements contained in this report are based on the knowledge and information available and the assessments made at the time that this report was prepared (editorial deadline: 19 March 2020). As is true of all forward-looking statements, they are subject to risk and uncertainties. As a result, actual events may deviate significantly from these expectations. No liability whatsoever is assumed for the accuracy of projections or for the achievement of planned targets or for any other forward-looking statements. These statements are identifiable by terms such as "expect", "want", "anticipate", "intend", "plan", "believe", "strive", "estimate", "will" and "predict", "contemplate" or similar terms. Furthermore, no guarantee can be given for the completeness of the contents.

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

All references to people are gender neutral.



The Management Board

Martin Füllenbach
Chairman

Frank Gumbinger
Chief Financial Officer

Felix Fremerey
Member of the Management Board

Kristian Brok
Chief Operational Officer

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

Report on the independent audit of selected contents of the non-financial report of 2019

We have audited a selected content of the non-financial report 2019 (hereafter "reporting") of Semperit AG Holding (hereafter "Semperit"), Vienna, based on the requirements according to Art. 267a UGB Sustainability and Diversity Improvement Act (Austrian Commercial Code UGB, Nachhaltigkeits- und Diversitätsverbesserungsgesetz NaDiVeG) and the GRI Standards, CORE Option.

According to the GRI content index in the present "Sustainability Report 2019", the reporting included the following GRI standards for the reporting year 2019:

- GRI 101: Foundation 2016
- GRI 102: General Disclosures 2016
- GRI 302: Energy 2016
- GRI 305: Emissions 2016
- GRI 308: Supplier environmental assessment 2016
- GRI 403: Occupational health and safety 2018
- GRI 414: Supplier social assessment 2016
- and for each topic mentioned GRI 103: Management Approach 2016

Responsibility of legal representatives

The company's legal representatives are responsible for the proper preparation of the selected contents of the non-financial reporting 2019 in accordance with Art. 267a UGB¹⁾ (NaDiVeG) and the GRI standards²⁾.

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

The auditor's responsibility

Our responsibility is to express an opinion, based on our audit procedures, as to whether any matters have come to our attention that cause us to believe that the selected contents of the non-financial report 2019 do not comply in all material respects with Art. 267a UGB (NaDiVeG) and the GRI Standards "GRI 101: Foundation 2016", "GRI 102: General Disclosures 2016", "GRI 302: Energy 2016", "GRI 305: Emissions 2016", "GRI 308: Supplier environmental assessment 2016", "GRI 403: Occupational health and safety 2018", "GRI 414: Supplier social assessment 2016" and for each of the above-mentioned topics "GRI 103: Management Approaches 2016".

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

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

According to the "General Conditions of Contract for the Public Accounting Professions" our liability is limited. According to that, an accountant is only liable for violating intentionally or by gross negligence the contractual duties and obligations entered into. In cases of gross negligence, the maximum liability towards the client and any third party totals EUR 726.730.

Our reporting procedures were taken to achieve limited reporting security as a basis for our assessment. The scope of the reporting procedures for obtaining reporting evidence is smaller than the scope for sufficient reporting security (such as for annual reporting), so that a lower degree of reporting security is given.

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

- Obtaining an overview of the business activities as well as the company's structural and process organisation
- Interviews with company managers to identify and understand relevant systems, processes and internal controls with regard to the audited report contents that support collecting information for reporting
- Review of relevant documents on Group, Management Board and management level to assess awareness and priorities of the issues in non-financial reporting and to understand how further development of processes and monitoring was implemented
- Examination of risk management and governance processes related to sustainability and critical evaluation of the representation in the non-financial report
- Performing analytical procedures on Group level

1) <https://www.ris.bka.gv.at/Dokumente/Bundesnormen/NOR40189009/NOR40189009.pdf>
2) <https://www.globalreporting.org/standards>

PERSPECTIVE 2021

- Site visits in Vienna and Wimpassing to obtain evidence on key performance indicators. In addition, we conducted random data reviews on site level to test completeness, reliability, accuracy and current relevance of individual data in the non-financial report of 2019.
- Review of data and processes on a random basis to test whether they had been collected, consolidated and reported appropriately at Group level. This included reviewing data samples to test whether the data had been reported in an accurate, reliable and complete manner.
- Review of the coverage of material issues raised in stakeholder dialogues, that were covered in media reports and to which significant competitors refer in their environmental and social reports
- Evaluation of the materiality analysis within the Group, including sector-specific megatrends and aspects of GRI
- Assessment as to whether the requirements were addressed appropriately according to Art. 267a UGB
- Review on a random basis of statements on the audited report contents in the non-financial reporting 2019 based on reporting principles of the GRI Standards, and
- Assessment as to whether the GRI Standards were consistent with the CORE Option.

such as embezzlements or other malicious acts or regulatory offences, nor the assessment of effectiveness and efficiency of the management were subject of our mandate. Furthermore, the figures that were taken from external studies, forward-looking statements and prior-year figures were not subject of our contract. The report reviewed the references listed in the GRI content index, but no (web) references going beyond this.

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

Summarised assessment

Based on our reporting procedures, nothing has come to our attention that causes us to believe that the selected contents of the non-financial report 2019 do not comply in all material respects with Art. 267a UGB (NaDiVeG) and the GRI Standards "GRI 101: Foundation 2016", "GRI 102: General Disclosures 2016", "GRI 302: Energy 2016", "GRI 305: Emissions 2016", "GRI 308: Supplier environmental assessment 2016", "GRI 403: Occupational health and safety 2018", "GRI 414: Supplier social assessment 2016" and for each of the above-mentioned topics "GRI 103: Management Approaches 2016".

Vienna, 19 March 2020

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Stefan Uher

iV DI Georg Rogl

Subject of our engagement was neither a final audit nor the auditing of financial statements. The performance indicators and statements, as well as information from the Corporate Governance Report and the risk reporting, which were audited by us within the framework of the annual audit, were not subject of auditing by us. We have reviewed the GRI-compliant presentation of this information in reporting. Equally, neither the detection and investigation of criminal offences,

→ OCCUPATIONAL SAFETY & HEALTH

No accidents

100% of accidents were documented and evaluated
100% of the corresponding counter measures were implemented
100% of the "lessons learned" have been processed and disseminated

→ SOCIAL STANDARDS & WORKING CONDITIONS¹⁾

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

→ SUSTAINABILITY & INNOVATION

Increase in recycled materials proportion by 25%²⁾

→ SUSTAINABILITY IN THE SUPPLY CHAIN

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

→ ENERGY USE & CONSUMPTION

Annual improvement in the energy intensity³⁾ of selected reference sites
3% location Odry (Semperflex), 2% location Deggendorf (Semperform),
2% location Bełchatów (Sempertrans), 5% location Kamunting (Sempermed)

→ RAW MATERIALS & MATERIAL USE

Annual improvement of waste & scrap rate⁴⁾ by segment until 2021
Semperflex: 6%, Semperform: 3%, Sempertrans: 5%, Sempermed: 4%

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

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

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

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

SEMPERIT 