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Enhancing lives



# Sustainability Report 2023

REHAU Industries




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## How to use this report

This sustainability report is published as a navigable PDF. This makes it quick and easy to find all the information contained in the report. The chapter names in the table of contents and in the cross navigation on all pages that follow will take you to the relevant chapter.

Additional online information, for example on the REHAU website, can be accessed using the links in the PDF. The following symbols help you get oriented:

-  Link to an external page, e.g., [www.rehau.com/sustainability](http://www.rehau.com/sustainability)
- Reference to another page of the report

## WE SUPPORT



REHAU has been a member of the UN Global Compact initiative since 2020 and are therefore committed to its 10 principles in the areas of human rights, labour standards, the environment and corruption prevention.

# Preface



**Dr. Uwe H. Böhlke**  
CEO REHAU Industries  
SE & Co. KG

## Dear readers,

We are currently experiencing a major shift in the area of sustainability. The requirements for a sustainable business are growing due to increasing urgency, an increasing number of regulations and guidelines and a changing Zeitgeist that is rightly demanding this more than ever. Our path is to question ourselves and work on becoming a sustainable company step by step.

We want to prepare for future developments at an early stage. Transparency is important to us regarding our sustainability efforts, which have a long history in our company. After all, our customers and partners can only make informed decisions if we disclose what we mean by sustainability and what progress we are making.

This is why we launched our voluntary sustainability reporting back in 2011 and have been continuously disclosing our development ever since. In 2022, we focused our report on the three ESG dimensions of environment, society and governance. This allows us to keep a holistic overview of which goals we have achieved and where we still need to improve. In addition, we have already carried out initial materiality analyses with a view to the forthcoming guidelines to better understand the impact on and through us as a company.

With the current report for the 2023 reporting year, we are taking a step further: in dialogue with numerous internal and external stakeholders, we have deepened our materiality analysis and added valuable perspectives. We have also created structures and processes and collected sound data to be prepared for future requirements at an early stage and optimize our reporting. From next financial year, we will report in accordance with the Corporate Sustainability Reporting Directive (CSRD), which will then apply to us.

The end of 2023 marks the start of our anniversary year 2024 – we are celebrating 75 years of pioneering spirit, visionary strength and our goal of improving the lives of people around the world. Building on the values of trust, reliability and innovation, we want to continue to be forward-looking and proactive in the future and seize the opportunities that arise through the realization of our sustainability strategy.

We would like to thank all our employees and our customers and business partners for their trust and look forward to continuing to shape the future with them.

Yours

A handwritten signature in black ink, appearing to read 'Uwe Böhlke', written in a cursive style.

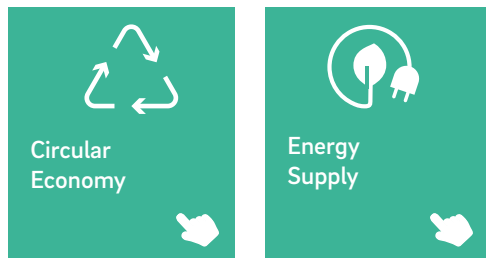
**Dr. Uwe H. Böhlke**  
CEO REHAU Industries SE & Co. KG

## What motivates us

### Environmental

The European Commission has launched the EU Green Deal, a plan of action to mitigate the existential threats posed by the climate crisis. This includes an increasing number of directives companies must comply with to make their contribution to this objective. We are preparing for these imminent regulatory requirements, for example with regard to the new reporting standards as part of the Corporate Sustainability Reporting Directive (CSRD) or the requirements of the EU taxonomy.

At the same time, we are working towards our continued success: In 2023, we received the gold medal in the EcoVadis rating for the third time, placing us in the top 5 percent of all participants and even in the top 1 percent of the polymer goods industry. We were also awarded a B grade in the CDP rating for the third year in a row, placing us above both the global average as well as that of the C grade for polymer production.



### Social

The last few years have been dominated by challenges that we have to face both as human beings as well as entrepreneurs. Crises such as the wars in the Ukraine and Israel or the earthquake in Turkey and Syria create a sense of instability and helplessness and highlight the volatility we are all facing.

"Family for Families" was launched in 2022 as a donation fund to provide rapid assistance to families affected by the war in the Ukraine. It has since become the umbrella term for the measures that have benefited REHAU employees and their families since the start of the war. The solidarity project has been further developed by many committed colleagues since the beginning. In 2023, we extended our support to employees and their families in Turkey, who were affected by the earthquakes. In 2024 we took the next step and founded an association to consolidate our social commitment to families even more efficiently and respond quickly in the future.



### Governance

Like many other companies, we are facing challenges due to the difficult economic developments that are emerging in Germany in particular. On the one hand, due to geopolitical tensions and the associated delays in supply chains. On the other hand, because many of our customers in industry and the construction sector are also feeling the consequences.

We are navigating the company through the current situation with targeted counter-measures. In doing so, we are acting with foresight and laying the foundations for future innovation and growth through strategic investments. By wisely investing in modern technologies and processes, we aim to increase our efficiency, become resilient to fluctuating market conditions and achieve long-term competitive advantages

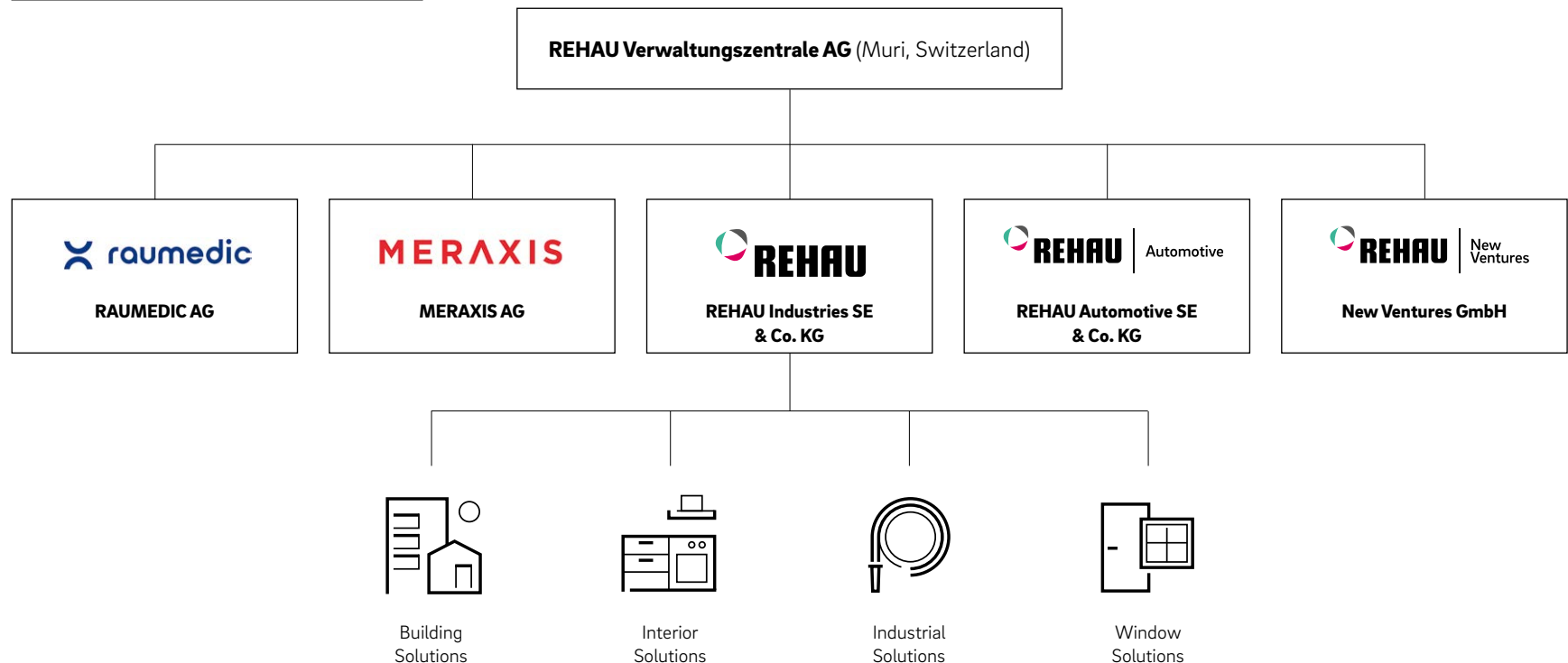


# Company

## Corporate structure and business activity

The REHAU Group, consisting of REHAU Verwaltungszentrale AG and all its subsidiaries, is a leading, global system and service provider for polymer-based solutions in the construction, automotive, industrial and medical technology sectors. It operates with around 21,000 employees at over 180 locations worldwide. The parent company, REHAU Verwaltungszentrale AG, forms the tip of the management structure, under which are five market-oriented subgroups: REHAU Industries, REHAU Automotive, MERAXIS, RAUMEDIC and REHAU New Ventures. When we talk about REHAU in this report, we are referring to the entire REHAU Group and its subgroups.

### 01 Corporate structure of the REHAU Group



The Sustainability Report 2023 is based on the activities of the globally operating subgroup, REHAU Industries. REHAU Industries consists of the Building Solutions, Interior Solutions, Industrial Solutions and Window Solutions divisions, as well as the cross-divisional central functions. Further general information and basics can be found in the report profile section.

- Report profile, P. 61 onwards
- Key figures Own Staff P. 79 onwards
- 🌐 Management report of the largest company REHAU Industries SE & Co. KG (published at [www.bundesanzeiger.de](http://www.bundesanzeiger.de))

The headquarters of REHAU Verwaltungszentrale (corporate head office) are located in Muri bei Bern (Switzerland). The headquarters for both the Interior Solutions and Industrial Solutions divisions are located in Rehau, (Germany). The administrative office of the Window Solutions and Building Solutions divisions is located in Erlangen, (Germany).

## Corporate management

The Supervisory Board of REHAU (SB Group) exercises overall supervision and management of REHAU and its subgroups. In this task, it is guided by the goal of sustainable corporate development. The SB Group adopts each vision, mission and strategy. It defines the goals to be achieved by REHAU and its subgroups such as REHAU Industries as well as the strategic and financial framework for achieving these goals. In the reporting year, it was decided that the sustainability strategy would also be integrated into the annual strategic process for the Industries subgroup in the future. The SB Group independently controls, monitors and supervises the impacts, risks and opportunities arising from the economic activities of the subgroups and intervenes in the event of deviations. It regulates the basic features of the organisation of REHAU and the subgroups and appoints the top executives.

The SB Group currently consists of five members: Dr Veit Wagner, president, Jobst Wagner, vice-president, and three assessors, Prof Grünig, Prof Klinkner and Prof Nösberger. The SB Group is led by the president, who may also be fully represented by the vice-president. Both are representatives of the owner family with many years of operational experience within REHAU. Independent, long-standing external experts and consultants from the fields of natural and economic sciences sit on the board as assessors. The members of the SB Group are elected during a general meeting of REHAU Verwaltungszentrale.

The SB Group instructs the supervisory boards of the subgroups (SB SG) to delegate management of the subgroups to the respective executive boards. In the reporting year, the SB SG consisted of the same members as the SB Group. The SB Group delegates management to the respective executive boards of the companies with the right to sub-delegate. This also includes directly or indirectly held equity investments that are not allocated to the subgroups.

The executive boards are the highest executive management boards of the subgroups and are therefore responsible for the management of the respective subgroup.

The Industries Executive Board (IEB) appointed for REHAU Industries assumes management responsibility for the entire subgroup, as far as legally possible.

→ For diversity disclosures see Appendix, P. 81

The SB SG of REHAU Industries regulates the tasks, competences and responsibilities of the executive board in the organisational regulations issued for REHAU Industries.

The SB Group elects the chairperson of the executive board (CEO) at the request of the SB SG for REHAU Industries and the members at the request of the CEO. The executive board must consist of at least three members.

**02 Management structure**

Supervisory Board Group	Supervisory Board Group
Supervisory Board Subgroup	Supervisory Board IND
Executive Board Subgroup	Industries Executive Board

The SB SG of REHAU Industries is the Supervisory Board REHAU Industries (SB RH IND). It currently consists of five members: Dr Veit Wagner, chairman, and assessors Prof Rudolf Grünig, Prof Raimund Klinker, Prof Nösberger and Jobst Wagner, all of whom have many years of operational experience in industrial companies.

The IEB of REHAU Industries currently consists of eight members. The IEB is headed by the CEO, supported by the CFO. In addition to the members named above, both the four heads of the divisions as well as the two heads of the Americas and Asia Pacific regions are members of the IEB.

The IEB is responsible for the operational implementation of the subgroup’s vision, mission and strategies. In the reporting year, the IEB decided and the SB SG confirmed that the subgroup’s sustainability strategy will be included in the subgroup’s strategic process in the future. This takes place within the strategic and financial framework defined by the SB SG. Within this framework, it also defines and approves the higher-level medium- and long-term sustainability goals within the areas of action defined as essential.

In the future, the assessment of material sustainability information for this report will be determined based on the double materiality analysis. At least once a year, the IEB receives a status report from the sustainability officer on this and the objectives of the defined areas of action, as well as proposals for further development of sustainability management, sustainability strategy and the objectives, if required. On this basis, it can make adjustments and intervene in the event of major deviations from the specified framework.

Since 2021, variable remuneration has been split between management and individual goals at levels E0 to E2, . Since then, sustainability-related benefits have also been possible as part of variable remuneration. These must be measurable and contribute to the medium- and long-term objectives of the defined areas of

action. In this way, an incentive system has been created for all managers to implement sustainability in their area of responsibility.

In the reporting year, there was a general commitment for managers at levels E0 to E2 to achieve a sustainable individual goal.

## Corporate strategy

REHAU is a sustainably operating partner and supplier of innovative and sustainable product and system solutions made of polymer materials. REHAU Industries aligns its operative business in accordance with their vision with the following points of its mission:

- As a specialist in polymer-based innovative products and systems, REHAU Industries develops novel, cost-efficient, durable and high-quality solutions.
- By successively focusing on the circular economy, REHAU Industries is continuously reducing its direct and indirect CO<sub>2</sub> footprint.

In line with this mission, the strategic focal points for REHAU Industries and its divisions have been defined based on key guiding topics as follows:

- For REHAU Industries and all divisions, recycling and circular economy – as well as the associated internal and external circular systems – are a key issue. Corresponding objectives are defined on the plant, division and subgroup levels.
- In addition, digitalisation is a cross-sectional topic for all divisions and, like the circular economy, is closely linked to the topic of sustainability – for example, in the areas of production, logistics and the product passport.
- In the Interior Solutions division, individualisation, durability and New Work also play an important role among product focal points.
- For the Industrial Solutions division, the focus lies on the global mobility of the future, or mobility transition, among other things.

- The Window Solutions division is focussing on becoming a complete system provider ('all-in-one partner') in the window sector. Simultaneously, the division Window Solutions is taking on a pioneering role in the circular economy and has one of the highest recycling shares in the industry.
- The Building Solutions division focuses in particular on water, energy efficiency and renewable energies and concentrates on developing holistic and sustainable solutions that are specifically designed for the durability of buildings and infrastructure.

The vision of REHAU Industries, the focal points of the mission and the defined guiding topics result in a unique orientation of the four divisions: Building Solutions, Industrial Solutions, Interior Solutions and Window Solutions. The basis of this orientation is products and systems made of polymer materials. Generally speaking, a market- and customer-oriented approach is pursued. Together with a broad customer structure, all this opens up real opportunities for the Group's vision of sustainable and profitable growth.

## Divisional business areas

REHAU Industries is the world's leading system and service provider of polymer-based solutions in the construction and industrial sectors. The REHAU brand is synonymous with high performance, quality, innovative strength and design expertise for its customers, suppliers and employees. The product range of REHAU Industries essentially did not change in the reporting period.

Products are manufactured according to specific customer requirements, and standard products are produced for various applications in the business-to-business (B2B) sector.



The customer base of REHAU Industries isn't just business customers, but covers small portions of the end consumer sector as well. Its composition differs greatly by division and business area. REHAU Industries pursues a market-oriented approach in each of the four divisions. For customers in the different market segments, the focus lies on partnership-based, long-term cooperation, taking economic, environmental and social aspects into account.

**REHAU Building Solutions** is a leading global system and service provider for holistic solutions in the fields of building technology and civil engineering. In building technology, REHAU is an expert in domestic water technology and thermal comfort. The subdivision develops high-quality integrated and intelligent solutions for keeping water flowing hygienically, safely and flawlessly in buildings. The product portfolio is complemented by systems for heat distribution and supply inside and outside the building. Important business partners primarily include installers in the plumbing and heating industry, plumbing wholesalers as well as planners, architects, investors and public institutions. REHAU Civil Engineering offers sustainable infrastructure solutions in the areas of rainwater, wastewater and sewage treatment technology as well as in power line construction. The product portfolio includes extremely reliable and perfectly matched sewerage and rainwater management systems. By bringing together the latest technologies, an innovative product portfolio and software expertise, the subdivision develops durable and sustainable solutions. In close cooperation with partners, planners, engineering offices, contractors and municipalities, projects are generally accompanied from the preliminary planning stage to their completion. A comprehensive planning service and construction site support in project development and implementation support a cooperative partnership between all parties involved in construction.

The **Industrial Solutions division** acts as a development partner for a wide range of different industrial sectors. This includes agricultural technology with the

requirements of, for example, farmers, market gardens or municipalities. In the area of industrial hoses, the target group is mainly comprised of laboratories, workshops and the food industry. In special areas of use of hydraulics, pneumatics, welding technology or high-pressure cleaning applications, the focus lies on industrial customers in plant, equipment and mechanical engineering. Other business partners can be found in the refrigerator industry, which is supplied with profiles, seals and hoses, among other things. The automobile components industry and local public transport are also part of the customer spectrum. Here, the division supplies system solutions consisting of (power) line systems, hoses and sealing technology. To meet customer requirements, the division is increasingly working on innovative product solutions, maintaining high quality and complying with internationally applicable standards and guidelines.

In doing so, they accompany their business partners through individual product developments, from development to delivery.

As a division, **Interior Solutions** is a globally recognised partner in high-quality furniture and interior construction. Its customers include craftspeople, the specialist wood trade, furniture manufacturers and international furniture companies. The business unit is divided into the two product areas of edgeband and surface and system products. In this way, surfaces are combined with matching edgebands to create customised components, for example. Generally speaking, the division combines functionality with extreme durability and a wide range of design options. The range includes products that are used to manufacture visually and functionally high-quality and durable furniture for kitchens, bathrooms and living rooms, as well as interior applications in offices, restaurants and shops. Measures such as minimising waste and reusing raw materials play an important role in product manufacturing. In the future, recyclability and the use of recycled materials will be increased. Together with customers and in funded projects, we are working on the development of industry-specific concepts for a circular economy.

Thanks to extensive experience in the implementation of decorative designs, embossing and lacquers, a wide range of colour nuances – all the way through to a natural wood or stone look – are possible. Among others, one key service is individual edgeband delivery, which can be chosen according to respective needs, starting with one metre or one roll all the way up to high volumes. Thanks to the use of high-quality polymer materials and our many years of expertise with materials, the products can meet the most stringent quality standards, even in large quantities.

The **Window Solutions division** is one of the world's leading manufacturers of modern, innovative and sustainable door and window systems. As an all-in-one partner, the division is connected with all key players such as architects, construction companies as well as private and public housing associations. The customer base consists of a large number of smaller, medium-sized and large industrial window manufacturers. The main systems in Europe and the USA are the design options:

- ARTEVO/GENEO – PVC profiles made from the fibre-reinforced plastic RAU-FIPRO X, which makes the profile extremely stable so that steel reinforcement is usually not required and the best thermal insulation and energy efficiency can be achieved.
- SYNEGO – PVC profile boasting good thermal insulation and excellent noise insulation and is versatile in use.
- BRILLANT/Euro-Design 70 – PVC profiles offering effective thermal insulation and a wide range of design options.

In the product area itself, the focus in 2023 was on consistently evolving into an all-in-one partner. To this end, the new, innovative ARTEVO window system was introduced, the accessories portfolio was further expanded and work was carried out on digital services and smart products. Thanks to a wide range of design options, window fronts can be supplied in almost all RAL colours and with different surface textures. The EcoPuls recycling approach ensures that >60 percent of the

profiles produced today already contain recycled material. The recycles quota varies between 40 and 80 percent here. The division provides extensive customer support. For smaller and medium-sized partner companies in particular, a service offer for profile processing, marketing and sales is provided. Moreover, the division and its affiliated subsidiaries have their own European business for taking back and processing polymer waste from window processing and refurbishing. Because of their own take-back systems and material processing, logistics companies, competitors or private and public housing associations with a focus on energy renovation are other important business partners besides the players already mentioned.

## Sustainability management

The requirements arising from the European Green Deal are increasingly important to REHAU. They are associated with specific demands on the respective sectors and their products and services in particular.

An important part of the transformation of the industry towards a green economy is the EU taxonomy. This is an EU-wide system for classifying sustainable economic activities. It is intended to provide investors with orientation and to attract capital for the green transformation of the economy. The taxonomy defines specific thresholds and requirements for various environmental goals such as greenhouse gas emissions, energy efficiency or principles of the circular economy. To be classified as ecologically sustainable, REHAU must ensure that its activities, products and services meet these criteria over the long term.

The introduction of the uniform European Sustainability Reporting Standards (ESRS) also comes with challenges and changes. In addition to the complexity of data collection and reporting, the ESRS have to be integrated into existing systems and data accuracy must be ensured.

This requires sufficient resources and capacities on different levels.

Overcoming these challenges requires commitment, collaboration and continuous improvement of sustainability reporting practices across different industries.

Moreover, the climate crisis will impact every area of industrial production, as well as regional climatic conditions, in all divisions. To date, these changes have not sufficiently influenced our thinking concerning raw material supply, supply chains, development and production processes as well as new business models, and they have only been taken into account in a rudimentary way in our risk management.

In addition to the internal need for adaptation, however, the external pressure to implement climate adaptation strategies within the company is also increasing. Among other things, the ESRS require reporting on adaptation processes, guidelines and action plans. Information is to be provided here on the proportion of assets that is covered by a company's internal climate adaptation plan, for example.

The EU taxonomy for sustainable activities is already in place for capital market-oriented companies. It also addresses the resilience of companies to potential climate risks. Climate adaptation is one of the six environmental goals and also plays an important role in the other five goals via the "do no significant harm" (DNSH) criterion. For REHAU, the EU taxonomy will be mandatory starting in fiscal year 2025.

To lay a foundation for these requirements now, preliminary work on the development of climate adaptation strategies was further advanced and individual locations were analysed in the last reporting year, as planned. For this purpose, a standardised process, which enables the individual assessment of (plant) locations,

was discussed. The climate change risk/site analysis checklist was developed in the reporting year. All plant locations worldwide are to be gradually assessed based on the twenty-five criteria defined in this checklist. In addition to physical and environmental risks, the focus also lies on economic, political and social risks in this context.

## Challenges

The internal and external requirements of the four divisions of REHAU Industries were shaped in particular by geopolitical crises and the European sustainability regulation. The overall focus lies on high-quality and durable products – the longer the use phase, the lower the need for raw materials or new products.

Taking further steps toward a circular economy, combined with the gradual abandonment of fossil raw materials, continued to be one of the most important challenges and goals for the subgroup in 2023. This also involved the operational implementation of the change in strategy for energy supply. In the future, one third of energy demand is to be covered by sustainable sources.

So far, the construction industry has been slow to adopt the new European reporting standards, the requirements of the EU taxonomy or the circular economy. The increased use of recycled materials and stricter requirements concerning the use of materials or demolition are becoming a major challenge for all involved. A decisive development in the building industry will be that, in addition to the main topic of energy efficiency, recyclable construction and renovating will gain in importance.

In the furniture industry, the demand for furniture with an improved lifecycle assessment is continuously increasing, although there are significant regional differences. It is still early days for the industry.

“Green” furniture is becoming increasingly important, especially in invitations to tender, but it is often referred to purely in terms of the use of wood as a renewable resource. Similar to the building sector, a holistic expansion of the understanding of sustainability is in store via future reporting. Topics such as freedom from harmful substances, durability, reparability and fair production are still relatively unimportant today. The EU’s new Ecodesign Directive is of great significance. It is gradually being introduced in every sector. The furniture industry will be one of the first to have to deal with improved recyclability, for example.

The situation is similar for customer developments in the B2B sector. Depending on the size of the customer, product group or industry, there are selective initial requirements for sustainability and even extended product requirements as part of the Ecodesign Directive in place.

Generally speaking, the customer and market response to a holistic approach to sustainability consisting of economic, environmental and social aspects in the B2B area is still rather reserved. So far, the focus on sustainability in the Building Solutions, Industrial Solutions and Interior Solutions divisions has been on quality, safety and durability for this reason.

In contrast, the **Window Solutions division** has already firmly anchored the topic of the circular economy, including a comprehensive collection strategy for Europe, in its strategy.

In the Building Technologies subdivision of **Building Solutions**, improving energy efficiency, as well as supplying heating and cooling based on renewable energies, also continues to be an essential part of sustainability. In the Water Infrastructure subdivision, business activities focus on the sustainable use of global water resources in order to counteract the impacts of climate change.

In the **Industrial Solutions division**, the possibility of (increased) use of recyclates while retaining the same level of quality, the development of recycling concepts and the safety and longevity of customer developments are focal points. The **Interior Solutions** and **Building Solutions divisions** have recognised the importance of taking back or reprocessing post-industrial and post-consumer material and have taken it up as a key new topic.

It is true for all divisions of REHAU Industries that the implementation of the circular economy in the various industries requires extensive collaboration, transparency, innovative spirit and cooperative partnerships. It is still early days for the majority of the industry.

## Materiality analysis

The materiality analysis of recent years was extensively further developed in order to determine the material topics that are important for the strategy and reporting of REHAU Industries. The revision is based on the principle of double materiality of the European Corporate Sustainability Reporting Directive (CSRD), which will apply to REHAU Industries from the 2025 fiscal year.

In the future, two perspectives will be considered for the materiality analysis:

- Outside-in perspective: sustainability aspects that can influence the course of business, the results or the situation of the company (company relevance) as opportunities and risks = financial materiality
- Inside-out perspective: business activities, business relationships as well as products and services of the company that have a positive and negative or likely serious impact on sustainability aspects (sustainability relevance) = materiality by impact

The revision of the materiality analysis process was based on the “Double materiality – conceptual guidelines” working paper of the European Financial Reporting Advisory Group (EFRAG).

The internal stakeholder groups include management and the relevant specialist departments. Large strategic customers and suppliers are involved externally, as are associations, partners and REHAU’s sustainability representatives.

A list of twelve sustainability issues that map the value chain was defined during document analyses on reporting standards and based on internal workshops. This aims to answer the following questions:

#### **Materiality by impact (inside-out)**

- How large is the number of people or the environmental area that is or could be affected by the sustainability issue as a result of REHAU Industries’ actions?
- To what extent do REHAU Industries’ actions have an impact on the people or the environment that are or could be affected by the sustainability issue?
- How easy or difficult is it to avoid, reduce or reverse the negative effects of the sustainability issue as a result of REHAU Industries’ actions?

#### **Financial materiality (outside-in)**

- To what extent can sustainability issues influence the future profitability of REHAU Industries?

These questions are rated on a scale of 0–5 for each sustainability topic and their averages are then calculated. This revised materiality analysis will be carried out for the first time with REHAU Industries’ most important internal and external stakeholders in 2024.

#### **Areas of action resulting from the simple materiality analysis in the reporting year:**

In particular, climate protection or the reduction of carbon dioxide equivalent emissions and the transition to a circular economy continued to be rated as very important by both REHAU and its stakeholders in 2023. Topics here included the reduction of CO<sub>2</sub>e emissions through the purchase of energy from renewable sources or the increased obligation of suppliers to reduce emissions. Another important aspect for stakeholders was increased awareness of production rejects and waste. To REHAU, this is a clear mandate to implement consistent integration of these topics into our core business. They are to be increasingly integrated into the areas of action of resource conservation or circular economy and climate protection.

Other important ESG topics were “sustainable corporate management” and “environmental and social standards in the value chain,” as well as behaving with integrity in business practice, particularly in procurement. This area is to be given even higher priority than before.

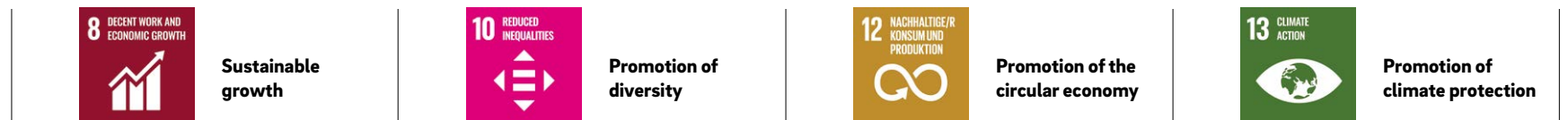
The promotion of employees taking aspects of diversity and inclusion into account was also a frequently mentioned topic. The key issues addressed by internal and external stakeholders coincide with REHAU Industries’ previous priorities. The revision of the materiality process in the reporting year in accordance with the double materiality principle may change these priorities.

**03 Process for determining the main reporting obligations**



→ Sustainability goals, P. 64 onwards

**04 Areas of action resulting from the materiality analysis:**



## Sustainability strategy

At REHAU, sustainability is part of the strategy process. This is continuously being reviewed and fleshed out. Subsequently, it is the task of the executive board of the respective subgroup or its divisions to put the existing strategic sustainability initiatives and activities to the test, adapt them to the newly emerging framework conditions and integrate them into the operational strategy wherever possible. Depending on the focal point of the business activity, this results in different opportunities and risks.

In the reporting year, REHAU Industries continued the process of strategic transformation it had begun. The sustainability strategy, KPIs and goals have been further developed and improved in an iterative annual process since 2019 so that the central goal of a long-term transformation to a circular economy can be achieved. The four key areas of action defined in 2019 – “growing sustainably,” “promoting diversity,” “promoting the circular economy” and “pushing climate protection” – were confirmed and continued to be central topics of sustainability management for the subgroup and its divisions.

At REHAU Industries, the focus in the reporting year was on the further implementation of the sustainability strategy in the overall organisation as well as the international organisational development of sustainability management towards Asia and the Americas.

The focus in the four divisions was on the (further) development of the sustainability strategy and international organisational development. During a joint workshop with the Americas and Asia Pacific regions, the current organisational structure, projects as well as the respective sustainability strategies were presented and jointly discussed in order to leverage synergies and create a common awareness of the respective opportunities and risks as well as focal points.

The activities of the REHAU Industries' sustainability strategy and the defined top KPIs were confirmed by the Industries Executive Board in the reporting year. Improvements were achieved in the top KPIs for climate, circular economy and diversity, meaning that the goals for 2025 remain realistic.

The executive board also read and confirmed the updated status for the reporting year. It was decided to separate the joint Sustainability Report of REHAU Automotive and REHAU Industries from the 2023 fiscal year.

The activities of REHAU Industries' sustainability strategy in 2023 continued to be based on the following four areas of action.

### Growing sustainably

This area of action has been integrated into the DNA of REHAU Industries as a family-owned company for decades. The subgroup aims to grow in a sustainable and value-oriented way with products, services and new business models in different industries.

In the reporting year, the IEB decided to replace the “growing sustainably” area of action with the “green growth” area of action. The corresponding sales-driven KPI is to be aligned with the EU taxonomy as far as possible. Technical criteria will be defined at the latest when these are available for the products of REHAU Industries. The previous, purely financially driven indicator is therefore being replaced.

### Pushing climate protection

The approach to climate protection is: The Paris goals (COP 21) are also REHAU's goals. In the reporting year, it was decided to carry out scope 1–3 analyses annually from the 2023 fiscal year. At the same time, the decision in principle on the Science Based Target was converted into a concrete commitment as a Near Term Target and submitted to the Science Based Target Initiative. A scientifically based target with the corresponding roadmap for REHAU Industries will be drawn up by

2025. For scope 2, further projects for the direct purchase of green electricity were implemented in the reporting year in order to minimise REHAU Industries' direct CO<sub>2</sub> emissions. The medium-term goal in EMEA is a 30 percent share of green electricity via off-site or on-site PPAs.

### **Promoting the circular economy**

As a production company, the transformation from a linear to a circular economy is essential for REHAU in order to achieve its ambitious climate goals. In the divisions, product take-back projects were continued and further lighthouse projects in the product area were launched in order to gradually prepare or convert the product portfolio for/to the circular economy. The global target of 20 percent recycle content in REHAU products has already been achieved ahead of schedule for the EMEA region in 2023.

### **Promoting diversity**

REHAU Industries see development potential and opportunities in the promotion of diversity and inclusion. With significantly increased internal and external communication, e-learning, days of action or interviews on the intranet and in social media, tolerance and diversity are to be promoted within the company and in a social context. The main objective of the activities is the development towards an increasingly diverse and inclusive work culture. The proportion of women in management positions continues to be a key indicator. The proportion stagnated in the reporting year. The target of 17 percent by 2025 remains in place.

The implementation of the strategic activities of the four areas of action defined since 2019 remains central and is supplemented by the revision of the materiality analysis in accordance with the double materiality principle. As reported, the sustainability strategy and double materiality process will be implemented in an iterative annual process from the coming reporting year in order for these to be continuously developed and improved.

The strategy process of the divisions is integrated into the strategy process of the subgroup. The divisions themselves largely act independently with regard to strategy development. The respective division can determine their areas of responsibility and structures independently.

The divisions and subdivisions pursue market-oriented strategies and approaches depending on business field, markets, existing customer portfolio, customer size or regions served. In principle, the various aspects and challenges of the circular economy are the most important areas of action in the sustainability strategy for the divisions. As an essential step, all divisions began calculating lifecycle assessments for selected products together with an external service provider in the reporting year. The results will be available in 2024. The next step is to evaluate one's own possibilities of influence and to implement suitable measures in order to then reproduce them with other products.

Due to the fundamental strategic approach to market and customer orientation, there are dependencies that limit the scope for action depending on the industry, customer portfolio and legal or normative framework conditions.

The vision of the business area of the **Building Solutions division** – "shaping a sustainable future by pioneering building solutions worldwide" – is at the heart of its sustainability activities. The most important goals are the reduction of CO<sub>2</sub> emissions and the promotion of the circular economy. It is also about the extent to which the existing and future product portfolio can contribute to protecting the environment. The aspect of sustainability is pursued holistically here. The focus lies not only on increasing integration of the circular economy, but on high quality standards as well. The aim is to offer a counter-model to the "throwaway society." There is an independent personnel resource for sustainability to further promote sustainability and incorporate it organisationally in the division. In addition to building up resources, other projects were pursued for implementation of this strategic area of action.



In the reporting year, product development specifically worked on further increasing the proportion of recyclate content. In addition, the European plants were successfully certified according to ISCC PLUS for the first time, to enable the use of bio-circular raw materials. Environmental Product Declarations (EPDs) are being prepared for the most important products in order to offer the business area's customers greater transparency regarding the environmental impact of products and to promote sustainability in the construction industry. Specific information in the context of sustainable building certifications (e.g. DGNB or QNG) is provided by means of "manufacturer declarations on product conformity and sustainability." At the same time, there continues to be a focus on promoting internal communication on the topic of sustainability in order to improve awareness, understanding and transparency.

In the **Industrial Solutions division**, the focus in 2023 was on internal and external communication of the topic. This was combined with the internal development of expertise on the topic of sustainability. Both form the basis for promoting the integration of circular principles into the operational strategy and an even closer partnership with our own customers. As in the Building Solutions division, personnel resources were created for this purpose and new priorities were defined in product management and communication.

In the reporting year, the **Interior Solutions division** developed their first strategic mission statement on the topic of sustainability. The goal is to be a pioneer in sustainable product lines, production processes and services. The division's ambition is to set trends as a leading innovator. The new product lines, take-back concepts for unprocessed or no longer needed products as well as additional digital services are to be developed directly in dialogue with customers and should support the development of sustainable solutions. There was also a focus on promoting internal communication on the topic of sustainability to create awareness, understanding and transparency. The detailed analyses in the lifecycle assessments are intended to help adjust the company's own development

priorities and to drive forward approaches for decarbonisation along the entire supply chain in exchange with customers and suppliers.

The **Window Solutions division** has integrated recycling management and climate neutrality into its strategy as key areas of action. The strategic guiding principle is, firstly, the circular economy, i.e. the transformation of the recycling economy to nearly completely closed cycles. The primary goal here is the continuous and profitable expansion of the Europe-wide network for waste material and waste extraction and the parallel development of the company's own processing capacities. Secondly, the division is assuming a pioneering role in climate neutrality. The aim of the Net Zero WS initiative created specifically for this purpose is to neutralise all emissions across the three scopes by 2040. To this end, we are working on a roadmap with specific measures for gradual achievement, based on a certified corporate carbon footprint. In the reporting year, the focus continued to lie on increased external communication on the topic of sustainability to create awareness, understanding and transparency among customers and partners.

## Sustainability organisation

The SB Group bears overall cross-functional responsibility for sustainability and delegates this to the executive boards of the subgroups via the SB SG as instructed by management. At the REHAU level, sustainability activities are operationally coordinated by the Group Council Sustainability (GCS) and progress is presented to the SB Group at least once a year. It consists of the Heads of Sustainability from all subgroups as well as REHAU. The GCS supports the SB Group and promotes the sharing of experience between the subgroups, creates synergies and is responsible for the conceptual development of future non-financial reporting as part of REHAU's annual financial statements. The GCS meets quarterly, at least twice in

person. It is chaired by the Head of Sustainability REHAU. The GCS can make recommendations to both the SB Group and the executive boards of the subgroups.

At REHAU Industries, sustainability is primarily a management task. The primary responsibility for implementing sustainability into the organisation lies with all managers and in particular with the division managers and their sustainability officers. In addition to the supervisors, all employees also contribute to the integration into "day-to-day business" in their respective activities.

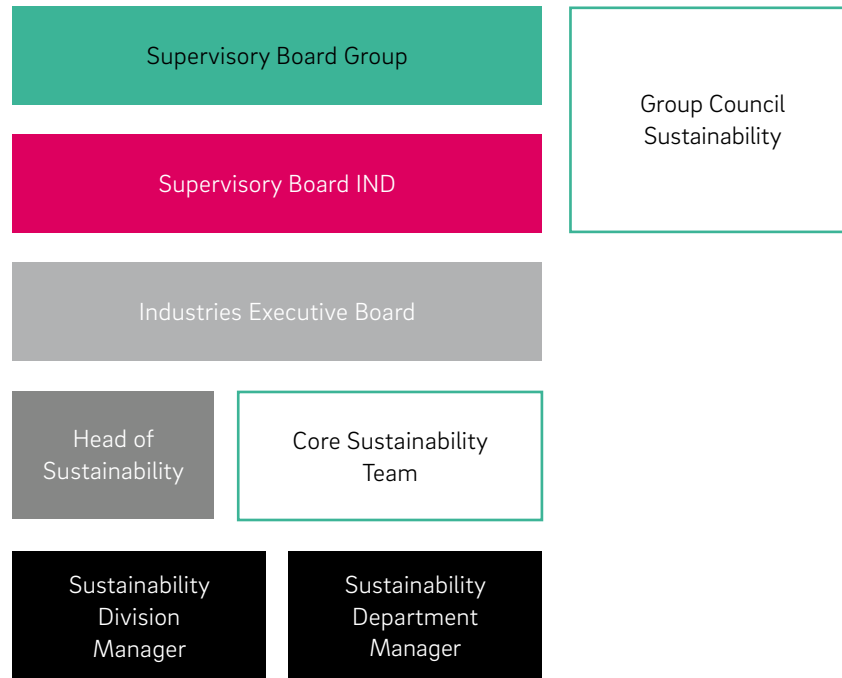
At the highest level, the IEB is responsible for sustainability management at REHAU Industries and in this function has appointed the Head of Sustainability as part of the Operations division to coordinate, develop and monitor sustainability management. At least once a year, the Head of Sustainability informs the IEB about the progress of the implementation of the sustainability strategy.

The Head of Sustainability is supported by the Core Sustainability Team, a committee made up of sustainability officers from the divisions and sustainability specialists from specialist departments. In addition to the usual information and reporting channels, the Core Sustainability Team ensures a regular flow of information on reporting, areas of action, important ratings, rankings and initiatives, as well as higher-level topics. It is managed by the Head of Sustainability. Core Sustainability Team meetings are held once a month and are convened by the Head of Sustainability. In addition to the Head of Sustainability, the Core Sustainability Team currently consists of the four divisional sustainability officers and the sustainability specialists from the Health, Safety and Environment (HSE), Energy Management (EM), Purchasing (PUR), Diversity and Inclusion (HR), Communications (COM), Compliance, Strategy (GS) and Finance (FI) departments.

The reporting year was characterised by the internationalisation of sustainability management. Independent sustainability officers have been appointed for the Americas and Asia Pacific regions, who are in regular contact with the Head of Sustainability at REHAU Industries. Regional core teams have been created to identify starting points for lighthouse projects. The first priority identified in both regions was energy management dialogue and synergies.

Further additions and adjustments were also made in 2023 to integrate sustainability aspects into the REHAU Rules and Procedures based on the "sustainability umbrella procedure." This is intended to ensure a uniform group-wide approach to sustainability management in all REHAU subgroups. The higher-level goal is to implement sustainability requirements in all relevant management, core and support processes. The primary responsibility for implementing sustainability into the organisation lies with the process owners or heads of the specialist departments. The decision-making structure is regulated analogously to the generally applicable statutes of REHAU.

**05 Sustainability organisation at REHAU Industries**



**Stakeholders**

Stakeholder involvement is an essential part of our corporate management and development. Through continuous dialogue, we strive to understand their positions, concerns and expectations. This regular interaction feeds into our sustainability efforts, projects and processes. The insights gained from this are incorporated into our due diligence processes and the assessment of future double materiality.

In a stakeholder analysis, the most important stakeholders were defined according to their interests and potential influence on REHAU Industries.

- Strategic customers, suppliers and partners
- Workforce
- Owners and management (shareholders)
- Organisations such as trade associations and rating agencies
- Society and NGOs
- Authorities

REHAU's priority is to pursue a dialogue with stakeholders who significantly impact – or are heavily impacted by – the economic, environmental or social performance of the company. Indirect stakeholders with whom active dialogue is also sought are of interest as well. Media, science and universities are also considered stakeholders, as are competitors.

Guided by the principles of openness, transparency and integrity, our policy for involving these stakeholders is based on international standards and codes, such as the United Nations Guiding Principles on Business and Human Rights.

We ensure that the views and interests of affected stakeholders with regard to our sustainability-related impacts are regularly communicated to the Core Sustainability Team and the IEB.

For stakeholder commitment, different formats have been developed for reaching direct and indirect stakeholders in recent years. It is primarily a procedure that is integrated into the general workflows. They're spread out over the entire fiscal year. As part of the wider implementation of the European reporting standard ESRS into the reporting at REHAU Industries, this approach will be replaced by the double materiality analysis in 2024.

The results of the stakeholder analysis are presented to the executive board at least once a year. From the next reporting year, they will be taken into account in the annual strategic process of REHAU Industries and the divisions.

## **06 Relationship between stakeholders and REHAU**

<b>Stakeholder Group</b>	<b>Nature of the relationship</b>	<b>Commitment</b>	<b>Communication</b>	<b>Means of communication</b>
Customers, business partners and suppliers	3	3	2	Face-to-face meeting, email, telephone call, website,
Workforce	3	3	2	product presentations, trade fairs and REHAU Academy
Shareholders	3	3	2	Face-to-face meeting, email, telephone call, intranet, employee magazine, events and pulse surveys
Ministries, authorities and statutory bodies	1	1	1	Face-to-face meeting, email, telephone call, board meeting and presentation
Trade associations	2	3	2	Face-to-face meeting, email, telephone call and letter
Rating agencies	1	2	2	Face-to-face meeting, email, telephone call, events and association meetings
Non-governmental organisations (NGOs)	1	1	1	Email, telephone call and surveys
Civil society	2	2	2	Face-to-face meeting, email, telephone call and events

Type of relationship: close = 3, intermediate = 2, not close = 1    Commitment: high = 3, medium = 2, low = 1    Communication: diverse = 2, situational = 1

## Customers, business partners and suppliers

We maintain close relationships with our customers, business partners and strategic suppliers. Understanding their expectations and requirements gives us the opportunity to build trust and loyalty and to identify trends or changes in the market at an early stage. This enables us to improve our products and innovations based on direct feedback. We strive for long-term relationships and cooperation on an equal footing.

→ Supply chain, P. 54 onwards

## Own Staff

REHAU Industries maintains active dialogue with its employees and encourages their participation. Various platforms and formats are available for direct communication between employees and management, such as round tables, get-togethers, town hall meetings or regular pulse surveys.

→ Social impact, P. 44 onwards

## Shareholders

REHAU Industries is an independent, privately owned family business. REHAU Industries isn't operationally managed by the shareholders, but they are represented in the SB Group as supervisory board members and are supported in this activity by independent experts. This creates natural, active dialogue between management (IEB) and our shareholders in the course of the supervisory board's activities (SB Group).

→ Company, P. 5

## Rating agencies

REHAU maintains in an active exchange with the major agencies and consultancies. Since 2018, there has been an intensive dialogue with the EcoVadis international rating agency. For the 2022/23 reporting year, the REHAU Automotive and REHAU Industries subgroups were evaluated together for the last time. They maintained their gold status here. The score increased by 4 points to 75 points compared to the previous year. REHAU has also been participating in the CDP since 2014. REHAU Industries completed the climate change questionnaire in the reporting year, once again achieving a B rating.

## Civil society

REHAU considers itself a corporate citizen. Corporate citizenship begins with establishing a good relationship with local residents and communities. Ahead of investment decisions, we investigate the effect our business activities will have on the environment. This includes analysing the anticipated emissions, the regional infrastructure and the impact on the local job market. We respond to questions from the general public at all of our locations across the globe. Local residents who come to the company with their concerns receive fast, comprehensible answers. Central contact persons from different departments, such as Sustainability Management, are available for this purpose. At regular intervals, the locations invite visitors to open-day events.

In the reporting year, cooperation with the German Plastics Centre (SKZ) was intensified at the sustainability management level. REHAU also cooperates closely with chambers of commerce and industry at a number of other locations.

## Non-governmental organisations (NGOs)

REHAU discusses the possible impacts of its business activities on people and the environment with non-governmental organisations. As part of its voluntary commitment, the company also supports international initiatives by NGOs for drawing attention to key areas of action in the sustainability strategy, such as resource scarcity, climate change and inequalities.

No business activities of our own with significant actual or potential negative impacts on local communities are known. Social projects all around the world are supported as part of REHAU's sustainability activities. In doing so, the company aims to improve conditions in the local area and to actively support the achievement of the UN's Sustainable Development Goals.

## Trade associations

At a higher level, REHAU Industries is a member of select national and international industry associations and interest groups.

In line with the sustainability strategy, REHAU Industries proactively supports the objectives of the Green Deal, the circular economy and the EU taxonomy in its association work. Essentially, responsible behaviour and integrity are aimed for – also towards political parties and non-governmental organisations. Specifically, the energy and heat transition occurring as part of the implementation of the Paris Agreement on climate change is being supported through the expansion and direct use of solar and wind energy, the climate-friendly use of cogeneration plants within local heating networks as well as thermal insulation in building envelopes.

The selected interest groups include the following organisations, among others:

- European Plastics Converters (EuPC) (since 2018)
- European PVC Window Profiles and Related Building Products Association (EPPA) (since 2006)
- German Association of the Plastics Converters (GKV) (since 2001)
- Shareholders of Rewindo GmbH, promoters and shapers of polymer window recycling in Germany (since 2011)

## Compliance and integrity

### Corporate values, principles, standards and norms of behaviour

The values of reliability and trust, which have been the basis of REHAU's success for decades, are closely associated with integrity in business transactions. In sustainability reporting, integrity is used as a separate term.

REHAU's solid integrity is the result of employees acting in accordance with the company's values, together with the conviction that they will always comply with applicable laws.

Sustainable corporate management is based on values and principles of conduct which must be lived by everyone out of conviction. REHAU drives people. People drive REHAU. The values of trust, reliability and innovation form the foundation. These values shape management principles and actions in equal measure. REHAU is a reliable partner with integrity when it comes to dealing with stakeholders. REHAU feels bound by laws, guidelines and market standards such as the UN Global Compact or the OECD Guidelines, as well as by voluntary self-commitments and internal REHAU guidelines.


Corporate values, principles and culture are accessible to the workforce in the brochure entitled "The REHAU Way."

### The REHAU Way

The binding global principles of conduct like the Code of Conduct (CoC), for example, provide the workforce with guidelines for proper, ethically impeccable behaviour in their day-to-day work. All employees worldwide have a copy, generally written in their national language. The fundamental values and rules of conduct are included in it, as well as in a set of more specific anti-corruption guidelines. Like the anti-corruption guidelines, the CoC can be found on the REHAU intranet by all employees. The document contains ethical and moral rules of conduct. The rules apply to all subgroups and are binding for all REHAU employees – regardless of position and hierarchical level – and form the basis of all business activity. The Code of Conduct covers the following topics:

- Corporate culture
- Responsibility to our fellow human beings and society
- Compliance with the law
- Integrity and independence in business transactions
- Relations with business partners and decision makers
- Donations and sponsoring
- Conflicts of interest

REHAU's relationships with its suppliers are determined by our values and contractual requirements, which are set out for suppliers in our SCoC. The Code of Conduct was completely revised and significantly expanded in 2022. Partners in the supply chain are expected to accept these values and the expanded principles.

- Supply chain, P. 54 onwards
-  Code of Conduct

## Compliance

Acting in accordance with the law (i.e. compliance) is a fundamental principle of REHAU for which the company and its employees have stood since the first day of business. REHAU is committed to behaving with integrity in business transactions and in dealing with business partners. Failure to follow compliance principles can result in considerable financial damages and a significant loss of reputation.

REHAU has a global Compliance Management System (CMS), which is described in detail in internal Rules and Procedures and applies group-wide to all subgroups. The CMS and those entrusted with functions within the CMS framework create the necessary conditions for the REHAU Group and their subgroups for achieving a state of compliance. The CMS serves to plan, manage and control all compliance activities of the company.

The compliance organisation is a vital component for good, sustainable corporate management. In particular, REHAU's compliance efforts focus on corruption, competition violations and foreign trade law / money laundering, as well as compliance with environmental regulations. They are oriented towards the OECD Guidelines for Multinational Enterprises, the United Nations Convention Against Corruption (UNCAC) from 31 October 2003 and The Ten Principles of the UN Global Compact.

The higher-level objective of compliance is to minimise compliance risks, which arise due to the objectives and activities of the Group and its subgroups with regard to the sub-areas identified as particularly relevant. Compliance risks are systematically analysed as part of the compliance risk management process.



The primary aim of the CMS is to avoid violations that are most likely to occur. Secondly, violations are quickly to be identified and eliminated and the consequences are to be limited. The main responsibility for the state of compliance – within the scope of their responsibilities – lies with the supervisors and ultimately with all employees in their respective actions.

All REHAU employees receive regular training on these topics. A culture of open discussion, trust, transparency and compliance awareness means that queries and issues are usually speedily resolved on a case-by-case basis. REHAU has an established whistleblowing process that enables employees to address compliance issues.

The goal of our compliance efforts is a living compliance culture in line with the motto “Compliance at REHAU: Comply – Commit – Trust.”

The CMS and compliance activities are managed by the Group Compliance department.

The Chief Compliance Officer Group has ultimate responsibility. This person reports directly to the General Counsel Group and the supervisory board.

The Group Compliance department also regularly checks the effectiveness of the Compliance Management System in order to implement appropriate measures for further development, if necessary. As part of compliance reporting, the IEB as well as the supervisory board of REHAU are updated annually on the current compliance status as well as on activities and processes.

Work is continually done to improve the Compliance Management System and compliance processes. REHAU pursues the principle of anticipating changes and reacts to innovations at an early stage, particularly in view of constantly evolving and changing legislation (e.g. ESG, Whistleblowing Directive).

In the reporting year, the whistleblowing process at REHAU was adapted, among other things. A procedural code for the existing whistleblowing system was drawn up and published, taking into account the provisions of the LkSG (German Supply Chain Act) and the European Whistleblowing Directive. As part of this process, the Compliance section of the REHAU website was also updated and an article on the whistleblowing process was added.

Employees and non-members of the subgroups of REHAU, such as suppliers, can use the REHAU Compliance Communication System (CoCoS) to report compliance violations – anonymously if desired – thereby contributing to fighting corruption and complying with the law. CoCoS is web based and meets all requirements in terms of data protection and data security. Information received through the system goes directly to the Compliance Officer at the Legal and Compliance department. This information is treated with the highest priority and, of course, in strict confidence.

The “business partner review” process implemented in 2022 with a focus on potential compliance risks is applied on an ongoing basis. All the relevant suppliers are reviewed in accordance with the due diligence process defined and anchored in Rules and Procedures.

The compliance training process is another important process. Compliance e-learning is mandatory for the entire workforce and employees with external contact. Employees without access to computers are given on-site training sessions.

During the reporting period, employees of REHAU Industries successfully completed a total of 4,157 (2022: 2,464) compliance courses, of which 497 (2022: 966) were in the area of Compliance and Code of Conduct, 652 (2022: 683) completed the course in the area of antitrust law and 3,008 (2022: 815) completed the basic and refresher course in the area of anti-corruption.

On-site training sessions on compliance topics are also organised. Other regular compliance training and communication measures include general compliance information and articles on the intranet. Fighting corruption is a focal point of the Compliance Management System.

Various measures are taken and processes are defined to continuously raise awareness. For example, REHAU has created anti-corruption guidelines, which are binding for employees worldwide, regardless of position, and can be accessed on the intranet. All new employees with external contact must complete the mandatory anti-corruption e-learning programme. In addition, an anti-corruption refresher course is assigned to all employees.

As part of the annual compliance risk assessment, which is part of the annual REHAU risk assessment, corruption risks worldwide are reviewed and recorded or updated in the risk management database. Around 29 percent (2022: 32 percent) of the compliance risks recorded or updated in 2023 were related to the issue of corruption. Measures and persons responsible are defined for each risk. The focal points of corruption risks include, for example, gifts, customer events, hospitality activities and cooperation with state-owned companies. Some risks cannot be influenced directly, especially in countries with systemic corruption. No significant corruption risks were reported in the reporting year.

An approval process for handling and documenting the organisation of customer events was developed and launched during the reporting period.

Fighting corruption is also one of the focal points of the REHAU Supplier Code of Conduct.


REHAU does not tolerate any form of corruption or other criminal acts committed by its employees. REHAU has a zero-tolerance approach to violations. In 2023, no public legal action was taken against REHAU or any of its employees relating to

corruption. There are currently no known violations of corruption laws at REHAU. Another focus of the Compliance Management System is antitrust law.

REHAU does not tolerate anti-competitive behaviour or other actions that obstruct free competition in an inadmissible manner.

In the interest of free competition, REHAU also requires suppliers to completely refrain from any anti-competitive behaviour such as price agreements, splitting of market segments, price fixing, etc., to pursue zero tolerance with regard to competition agreements and to train their workforce accordingly.

These principles are set out in the internal Code of Conduct (CoC) and the Supplier Code of Conduct.

 The CoCoS whistle-blower system

## Human rights

As a value-oriented, family-owned business, REHAU supports the global agenda for sustainable development. The entrepreneurial conduct and performance in this area are represented by the explicit confirmation of the following relevant international regulations

The Ten Principles of the UN Global Compact

- OECD Guidelines for Multinational Enterprises from 25 May 2011
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas from April 2015 (OECD Guidance on Conflict Materials), third edition from 2019
- UN Guiding Principles on Business and Human Rights (Resolution 17/4 from 16 June 2011)

- ILO Declaration on Fundamental Principles and Rights at Work from 18 June 1998
- ILO Conventions Nos. 138 and 182 and the ILO-IOE Child Labour Guidance Tool for Business from 15 December 2015
- UN Convention Against Corruption (UNCAC) from 31 October 2003
- UN Universal Declaration of Human Rights from 10 December 1948
- UN Rio Declaration on Environment and Development from 14 June 1992
- The Paris Agreement of the December 2015 UN Climate Change Conference (COP 21), which entered into force on 4 November 2016

and by the REHAU principles and Rules and Procedures, some of which go beyond the defined minimum requirements. A binding behavioural code for the workforce has been set out in our Employee CoC, which is available to all REHAU employees around the world.

The topic of human rights is also addressed as part of Sustainable Fridays, an international format on the REHAU intranet, which all employees can use to find out about sustainability issues.

In addition to the internal CoC, REHAU also obliges its suppliers to implement these principles (including, among other things, the prohibition of child and forced labour, ensuring fair pay and working hours, guaranteeing freedom of association, the prohibition of discrimination, compliance with environmental laws and international agreements on this and the prohibition of corruption).

REHAU conforms to the core labour standards of the International Labour Organisation (ILO). The vast majority of REHAU Industries employees work in member states of the European Union, where the ILO standards are enshrined in law. Naturally, REHAU locations comply with the respective national legal requirements.

Market development in terms of salaries is monitored on a regular basis. This is usually done once a year. The ILO core labour standards are also applied in this context. Globally, REHAU meets the legal requirements in terms of minimum wage and fringe benefits. As a member of the UN Global Compact, the company commits itself, among other things, to upholding freedom of association and the effective recognition of the right to collective bargaining, to advocating the elimination of all forms of forced labour and the abolition of child labour, and to championing the elimination of discrimination with regard to employment and occupation.

REHAU rejects child labour and also follows a zero-tolerance strategy with its suppliers in this regard. REHAU Industries is not aware of any locations or suppliers that have, or have had, a risk of child labour. As well, none of our audits during the reporting period revealed any indications of child labour.

The Human Rights Officer appointed in 2019 is based in Human Resources. In their role, they report directly to the Head of Human Resources.

Since 2022, there has been a separate position for risk and sustainability management with a focus on environmental risks that impact human rights as well as on human rights risks in strategic purchase.

In addition to the measures already implemented for checking, preventing and prosecuting human rights violations, REHAU Industries worked also and more in depth on the following projects in the reporting year:

- Declaration of principles on the REHAU human rights strategy
- Systematic risk analysis
- Professional and continuous internal communication
- Complaints mechanism expanded on the focus of "human rights violations"

### Declaration of principles

A concept for risk assessment and internal auditing is in place. The general risk assessment of locations, including on the topic of human rights, is updated annually for countries outside Europe. This is done with the publicly available MVO CSR Risk Check.

### MVO-CSR Risk Check

The “HR Quality Check and Social Audit Plants” internal audit also includes the auditing and monitoring of human rights risks at all locations worldwide. It consists of clearly defined guidelines and checklists, including the topic of human rights. HR checks the indicators during plant visits at selected locations. In addition, an audit catalogue is used in the context of consultation days at all plants, logistics centres, sales offices and administrations.

The “HR Quality Check and Social Audit Plants” internal audits were also carried out and consultation days were held in 2023. The audits did not reveal any relevant findings or reports of human rights violations.

In India, China and South America, the highest risks for REHAU Industries continue to be in the area of the environment, followed by risks relating to labour and human rights. For the Asia Pacific and Americas regions, decentralised implementation is being redesigned in 2024 under the responsibility of the regional HR managers.

For locations with an increased risk of human rights problems, the colleagues carrying out the work are specifically made aware of this. Internal and external training sessions took place in the Purchasing as well as the Legal and Compliance departments. As part of an initial basic training course on sustainability, the topic was offered to relevant managers in 2022 for the first time. Further training

sessions specialised in human rights issues are in preparation. The sustainability officers as well as the human rights officer receive ongoing training on the topic.

REHAU rejects forced labour and also follows a zero-tolerance strategy with their suppliers in this regard. The company is not aware of any locations or suppliers that have or have had a significant risk of compulsory or forced labour cases. None of our audits during the reporting period revealed any indications of forced labour.

REHAU expect their workforce and business partners worldwide to treat the different regional mentalities and cultures with fairness and respect, even beyond compliance with the law. There were no reports or incidents during the reporting period.

## Risk management

At REHAU, risks are principally understood to be possible; future developments or events could lead to a negative deviation from the plan and therefore jeopardise the meeting of corporate targets. This includes economic and environmental as well as social objectives.

Risk management (RM) evaluates the defined risks in terms of probability of occurrence and impact. Trivial risks from day-to-day business aren't taken into account. As the boundaries are fluid, the respective risk owner has to prioritise appropriately.

The internally specified process description dubbed REHAU Rules and Procedure Risk Management regulates the corresponding process for REHAU, all subgroups and therefore REHAU Industries as well. This process includes the identification and documentation of risks, their assessment and handling as well as controlling

and consideration in strategic planning (including reporting). The process itself is a cycle that runs continuously within the corresponding organisational unit. It includes the identification, assessment, management and monitoring of risks. At REHAU Industries, the IEB is responsible for coordinating the entire process. RM itself is organisationally integrated in the Finance division and reports to the CFO and the IEB on a regular basis.

Risk reporting is done annually from the bottom up based on a company-wide reporting format. This means that every employee can be a potential risk owner who identifies and reports risks and manages countermeasures. In this format, identified risks, which exceed a defined threshold, are explained and assessed according to their probability of occurrence and business significance, and measures to address them are identified. Identified risks are qualitatively summarised by risk management into significant risk clusters and reported to the CFO of REHAU Industries, who then reports in full to the IEB. The report also forms the basis for reporting to the auditing committee. The qualitatively aggregated risk concentrations are assessed in this report, taking risk management measures into account based on their probability of occurrence and their potential impact on the results of the spreads listed in the table and classified as low, medium or high.

In addition to risk management, opportunity management is an important component of REHAU's planning, management and control processes. The goal is to identify internal and external potential, which can positively influence the economic success of the company, at an early stage. This potential is evaluated and weighed against the associated risks. The next step is to define initiatives and measures that help realise this potential. The process of identifying and assessing opportunities is part of the annual integrated strategy and planning process. To identify opportunities at an early stage, REHAU continuously monitors and analyses supply and demand aspects of the markets, the competitive environment and global trends. Taking advantage of opportunities is a daily management task. Risk management is seen as part of strategic and operational management, which

is why it can't be delegated to staff positions. Measures, persons responsible and a timeframe are specified for each risk.

REHAU's risk management aims to create a basis for risk- and opportunity-conscious decision making by corporate management. It is integrated into operational processes by way of defined information and escalation systems.

Specifically, risk management includes production and procurement risks, environmental and climate risks, compliance risks, cyber risks, customer relationships, technology and market developments and product risks, as well as their impact on REHAU's corporate and sustainability principles.

## Risk reporting

In line with the corporate structure, risk assessments are carried out at the level of REHAU Industries or their four divisions and the service areas and are reported to the IEB. Risk assessments are based on the probability of occurrence and the potential extent of damage.

Reporting serves to monitor the development of risks and to review whether the measures being taken have been successful in terms of handling the risk. The risk report of the REHAU Group is a summarised report of the main units of the company on the results of the risk assessments and is structured according to specified reporting points. This report takes place annually on all specified levels.

Identified risks are presented graphically in a risk map. The presentation is made in a matrix with the axes for probability of occurrence and impact for both REHAU and REHAU Industries.

Risks in the reporting year were characterised by the consequences of the Russo-Ukrainian War in particular. The following topics were focused on:

- Energy price increases, especially in Europe
- Sales collapses due to the loss of Russian business
- Data security and cyber risks, including increased attacks
- Volatility of the procurement markets (prices and availability of raw materials, merchandise and transport)

## **Risk assessment of sustainability issues, reporting and internal control systems**

The REHAU Industries sustainability officer is in regular contact with the REHAU Industries risk management team. Information on current risks is exchanged at least four times a year. The focus is on climate change risks, environmental impacts, human rights and reputational risks. Another focus is sustainability reporting and reporting on due diligence obligations in the supply chain in the form of the BAFA (German Federal Office of Economics and Export Control) report in accordance with the requirements of the LkSG (German Supply Chain Act). To identify and manage environmental and social impacts as well as new requirements at an early stage, a process has been defined, which enables identified risks to be incorporated into the company's overall risk strategy and management early on. Structures and resources can also be created for this purpose. Sustainability management, the Human Rights Officer and the Global Procurement Services and Legal teams help the Head of RM with this. The executive board of REHAU Industries is responsible for recording identified risks and making an overall assessment with the adoption of corresponding measures and responsibilities.

Our human rights and environmental due diligence in conjunction with our risk management covers our indirect suppliers as well as our own business areas. Reporting on the supply chain is carried out annually in accordance with the requirements of the German Supply Chain Act (LkSG). Sustainability risks are also reported annually to the executive board as part of the Risk Management Report.

As part of this process, suppliers, products, production processes, locations and customer groups for which sustainability is a particular factor were checked in the reporting year. The focus of the risk assessment for sustainability issues was on the implementation of due diligence in the supply chain and the further development of the process for analysing climate risks.

In 2023, as in previous years, locations were evaluated using the publicly accessible MVO CSR Risk Check and risks were updated. The risk area of climate adaptation was integrated in the risk management process. Detailed risk analyses are available for one location each in Europe, Asia and the Americas.

REHAU Industries' risk management and its internal control procedures with regard to sustainability reporting are based on the well-known Deming cycle (PDCA cycle) and start with annual project planning in the second half of the reporting year. The previous report is analysed based on an external gap or risk analysis. On this basis, the responsible specialist departments check and create their status report and the current KPIs. As part of a continuous improvement process, the report is created during several correction loops until the final version is produced. This is followed by an internal review by the specialist departments and, as an additional internal control system, by sustainability management and an external specialist agency. The final check prior to publication is carried out by members of the IEB.

For the reporting year, the most important risks identified were the general standardisation of KPIs within the subgroups and the reporting gaps on impacts, opportunities and risks in the specialist departments based on the new ESRS requirements.

In the future, risks arising from reporting will be addressed in the IEB as part of the status report on sustainability management and corrective measures will be adopted, if necessary. In the event of higher-level risks for REHAU, these will be passed on and dealt with by the responsible supervising bodies.

## Quality management

Quality forms an essential basis for REHAU's success. REHAU is making a significant contribution to customer satisfaction by meeting quality demands and customer requirements. All employees at all the locations contribute to this and work in accordance with the following globally applicable principles:

- REHAU fulfills our customers' requirements and implements their quality demands.
- Quality is planned, produced, checked and monitored.
- Quality involves qualified processing of enquiries, services and adherence to deadlines.
- Avoiding errors goes before correcting errors. Causes of error have to be rectified immediately.
- Processes and the quality management system are continuously improved.

The quality principles are solidly integrated in the company's quality management system (QM system) and are applied in all defined company processes. These principles apply not only to REHAU employees, but to suppliers as well.

REHAU quality management encompasses all the management activities, which define the quality policy, quality targets and responsibilities within the scope of the QM system and which carry them out according to the processes for quality planning, quality control, quality checking and monitoring as well as quality improvement. The corresponding specifications are set out at REHAU in the QM management process.

## Quality management system

To evaluate the effectiveness and efficiency of the QM system, REHAU Industries uses the following KPIs and evaluation criteria, among others:

- Meeting product and process quality targets, represented for example in the form of product quality complaints and delivery complaints from customers or the number of internal quality complaints in the course of internal quality audits
- Insights from customer feedback, customer satisfaction ratings and feedback from other interested parties (e.g. quality monitoring)
- Results from quality cost analyses
- Results from internal and external quality audits
- Supplier performance assessments

The results and their evaluation as well as necessary corrective and improvement measures are included in quality summary reports during the year and in the annual QM report to the Industries Executive Board (IEB).


The 2023 QM report shows that all quality targets were met at subgroup level in 2023. Another customer satisfaction analysis survey conducted in 2023 confirms the reliability and quality of the REHAU procedure.

The QM system of REHAU Industries fulfills the requirements of DIN EN ISO 9001 “Quality management systems – Requirements” and of IATF 16949 “Automotive Quality Management System”.

Implementation of the QM system within the organisation is regularly reviewed by independent internal and external auditors. Many of REHAU Industries’ customers also carry out audits on the conformity and implementation of the QM system. All audits conducted by customers resulted in positive assessments.

Certification and monitoring audits based on the aforementioned DIN EN ISO 9001 and IATF 16949 standards take place annually. In 2023, all the relevant audits were completed with good results and the corresponding certificate confirmations.

As part of REHAU Industries’ strategic planning, the strategic orientation of the REHAU Management System was further developed from the strategies of the divisions and based on the above-mentioned principles of quality. The go-live of the new Idea to Market process 2023 was implemented in the reporting year. In the area of sustainability, the management system was further developed in order to successfully complete ISCC certifications for the relevant plants in the BS and FS divisions.

 [Information on certifications](#)



# Environment

## Climate management

Climate protection is a central element of the sustainability strategy for REHAU Industries. REHAU strives to continuously improve its carbon footprint. The goal is to avoid negative impacts on the environment and climate and to reduce greenhouse gas emissions. This applies both at the company's own locations as well as in the supply chain and with customers.

In the following, the subgroup is referred to simply as REHAU Industries. When we talk about REHAU, we mean the entire REHAU Group.

In the reporting year, the management approach and governance structure of REHAU Industries remained unchanged from the previous year. Progress was aimed at improving energy efficiency as well as reducing CO<sub>2</sub> emissions in relation to production activities.

The Industries Executive Board (IEB) is the central decision-making body for the environment, climate protection and energy management. Its members adopt strategies and goals in these areas and monitor progress.

→ Corporate management, P. 6 onwards

Implementation is the responsibility of Energy Management and the sustainability officer of REHAU Industries. Together, they draft resolutions or make recommendations on climate issues to the boards and monitor progress.

REHAU Industries wants to gradually align its processes, products and services with the circular economy. As a production company, the subgroup sees this as the best way to directly reduce emissions. As an important objective on this path, REHAU Industries has committed itself to contributing to the 1.5 °C target of the Paris Agreement and to achieving this in the long term. To emphasise this, REHAU joined the Science Based Targets initiative (SBTi) in 2023. The CEO of REHAU Industries signed the commitment to a near-term science-based emissions reduc-

tion target and REHAU Industries thereby commits itself to develop an initial CO<sub>2</sub> roadmap by 2025 and to place the defined targets for scope 1, 2 and 3 on a scientifically sound basis.

There were no changes to the corresponding objectives for scope 1, 2 and 3 and the strategy adopted in 2022, compared to the previous year. REHAU Industries continues to pursue the approach of firstly avoiding emissions, subsequently implementing reduction measures and only at the end offsetting any unavoidable emissions.

In 2023, the focus in the divisions was on further developing the sustainability strategy. For this reason, no new analysis of emissions was carried out – only individual carbon footprints were determined at product level. However, the IEB decided that, from the reporting year, direct and indirect emissions should be continuously monitored, analysed and reduced.

REHAU is aware that climate change also directly impacts their operating business. The checklist for analysing locations with regard to physical, environmental, social and economic climate change risks was completed in the reporting year. An independent strategy for long-term decarbonisation is being developed. As yet, there are no such measures for adapting to climate change. The most important means of reducing greenhouse gas emissions are energy efficiency measures, the direct or indirect purchase of electricity and heat from renewable energies and, operationally, the gradual transition to a circular economy. In particular, the realignment of electricity procurement and the transformation to a circular economy offer great opportunities and are a crucial way of reducing emissions. The Power Purchase Agreements (PPA), which are increasingly being concluded, offer a reliable way for REHAU to decarbonise as a manufacturing company and are therefore an important part of the sustainability strategy. The switch to circular product cycles should be evaluated in the same way and also offers enormous potential for innovation at product level as well as for new business models. Simultaneously, the development of new raw material sources from secondary sources significantly reduces CO<sub>2</sub> and improves reliability.

In order to take advantage of the opportunities presented by climate change, a wide range of projects and product developments for the circular economy have been launched over the years. Simultaneously, the various topics of the sustainability strategy are gradually being integrated into the corporate strategy. However, there is still no comprehensive strategy for the risks of climate change and regulatory requirements. The standardised process for identifying risks is to be optimised and integrated into risk management by 2024. The first specific measures will also be implemented as part of this process.

### Emissions

Generally speaking, the issue and the need to reduce greenhouse gas (GHG) emissions are well established. However, there are still major differences in the reduction of emissions and technical requirements in REHAU Industries between the individual plants and, in particular, outside the EMEA region.

When monitoring GHG emissions, REHAU bases its measurements on international environmental and climate reporting guidelines such as the Greenhouse Gas (GHG) Protocol, CDP as well as the Global Reporting Initiative (GRI). Emissions are calculated as CO<sub>2</sub> equivalents. This means that, in addition to CO<sub>2</sub>, other greenhouse gases such as methane (CH<sub>4</sub>) and nitrogen oxides (NO<sub>x</sub>) are taken into account to calculate emissions, and the climate impact is converted into the CO<sub>2</sub> reference value. REHAU Industries currently only reports on CO<sub>2</sub>e emissions according to GHG scope 1 (all direct emissions caused by combustion at own plants) and scope 2 (indirect emissions from purchased energy).

The relevance analysis carried out in previous years to improve the data situation for scope 3 emissions was revised for the reporting year. The analysis will now be conducted annually.

In the reporting year, the measures taken by Energy Management to protect the climate also made a contribution of around 3,771,000 kWh/a, thereby further reducing scope 1 and 2 emissions. The most important measures at a glance:

- New compressors
- Pump optimisations
- Use of LED lighting
- Optimisation of cold water system with free cooling
- Use of new compressed air nozzles
- Optimisation of vacuum supply
- Optimisation of refrigeration systems ...

A total budget of around EUR 1,500,000 was used for these and other projects.

REHAU Industries' target continues to be to achieve zero scope-2 emissions, i.e., zero tonnes of CO<sub>2</sub>e on the balance sheet, by 2025 at the latest, irrespective of the company's growth. This target and those for scope 1 and 3 will be aligned with the SBTi's near-term target by 2025 at the latest.

At REHAU Industries, 65 percent of the electricity consumed at the plants came from renewable energy sources in 2023.

In 2023, emissions were reduced by 53 percent as compared to the 2018 base year. With this, the target was again met ahead of schedule. This is mainly due to the fact that more and more REHAU Industries locations are being supplied with electricity from renewable sources.

→ For details on scope 1, 2 and 3 emissions, see Appendix P. 76 onwards

## Energy

The economical use of energy is a central element of climate management for REHAU Industries. REHAU strives to make all stages of the value chain as energy efficient as possible. Certified environmental and energy management systems according to ISO 14001 and ISO 50001 help to reduce greenhouse gas emissions.

The energy and procurement strategy is based on the 70/30/3 rule.

- 70 percent of the energy demand is to be procured on the stock exchange.
- 30 percent of the electricity demand is to be generated via on-site or off-site PPA (Power Purchase Agreement) plants.
- 3 percent is the target set at the locations for the annual increase in energy efficiency (compared to the 2019 base year).

As part of this objective, REHAU Industries pushed ahead with the gradual conversion of locations across the globe to electricity from renewable sources in the reporting year.

Currently, the majority of electricity from renewable sources is secured through the purchase of guarantees of origin. These guarantees of origin are properly validated by the energy suppliers in the register of guarantees of origin to avoid double counting.

In cooperation with external investors, large-scale plants for internal power generation were built at the Erlangen (Germany), Feuchtwangen (Germany), Rehau OX3 (Germany), Guntramsdorf (Austria) and Celaya (Mexico) sites in 2023. Two more large photovoltaic (PV) systems are being built in Rehau (Germany) in 2024. PV systems are being planned for the Wittmund, Visbek and Triptis sites.

In total, REHAU Industries took photovoltaic systems with a total output of 7.4 MW<sub>peak</sub> into operation at the company's locations worldwide in 2023. Furthermore, REHAU were able to conclude contracts with investors for all production locations in Germany. This means that additional plants with a total capacity of about 20 MW<sub>peak</sub> will be built in the future. Details of the projects are still in the planning phase.

Heating and cooling from renewable energies, such as local heating generated from "green gas" or woodchip plants, are also being implemented. Specifically, negotiations are currently underway with an investor for the Viechtach 5 plant regarding a local heating connection to a woodchip plant. This plant already supplies the Viechtach 11 plant with approx. 2,500,000 KWh of heat.

At the Feuchtwangen sites (Plant 2 and Plant 15), there is a contractual relationship with a local farmer for the provision of heat from biogas CHPs (combined heat and power plants). This supplies approx. 5,000,000 KWh of heat per year. Additional supply systems are being planned.

As a result of the energy and procurement strategy described above, REHAU Industries spent a total budget of around EUR 1.9 million on energy efficiency measures in the reporting year, particularly for projects in the REHAU plants.

The base year for the calculations for reducing primary energy consumption is 2019. Only the primary energy consumption for fuels and electricity is reported. This approach is intended to simplify monitoring on the one hand and to reduce the number of sustainability KPIs on the other.

To reinforce its consistent commitment to greater energy efficiency, REHAU has included scope 2 emissions as a separate KPI in its monthly plant controlling for quality, processes, costs and employees. These KPIs are reported to the executive board under the term "Sustainability."

## 07 Energy consumption (total energy consumption in MWh, broken down by energy mix)

Energy consumption and energy mix	Comparison 2019	Year 2023
Total fossil energy consumption (MWh)	225,053	92,925
Proportion of fossil fuels in total energy consumption (in %)	79.3	35.0
Consumption from nuclear power sources (MWh)	19,015	13,541
Proportion of consumption from nuclear sources in total energy consumption (in %)	6.70	5.10
Fuel consumption for renewable sources, including biomass (also industrial and municipal waste of biological origin, biogas, hydrogen from renewable sources, etc.) (MWh).	–	–
Consumption from purchased or received electricity, heat, steam and cooling and from renewable sources (MWh)	–	172,575
Consumption of self-generated renewable energy other than fuels (MWh)	–	962
Total consumption of renewable energy (MWh) (sum of rows 8–10)	39,732	173,537
Proportion of renewable sources in total energy consumption (in %), including certificates	14	65
Total energy consumption (MWh)	283.800	265.500

REHAU Industries' total consumption in the base year was 283.8 gigawatt hours. Thanks to strict energy efficiency measures, the energy footprint (measured in kWh/EUR of plant revenue) has been continuously reduced since then, despite constant growth.

The operational focus of Energy Management in 2023 was on expanding the ISO 50001 certification to include the Klaipėda and São Paulo sites, developing the energy monitoring system and implementing twenty-six measures from the energy budget. The following projects were implemented or initiated through corresponding planning, cooperation and contracts:

- Construction of photovoltaic (PV) systems at the Erlangen (Germany), Feuchtwangen (Germany), Rehau OX3 (Germany) and Guntramsdorf (Austria) sites
- Planning of the PV systems at the Rehau (Germany) site
- Expansion of the energy monitoring system for the Feuchtwangen (Germany) and Śrem (Poland) plants
- Expansion of the ISO 50001 certification in the São Paulo (Brazil) and Klaipėda (Lithuania) plants

## Environmental pollution

### Environmental risks

REHAU Industries' environmental policy is an integral part of the corporate strategy. A robust process has therefore been implemented to identify and assess the main climate-related impacts, risks and opportunities. This process involves a combination of internal audits, environmental performance indicators and risk management to produce a holistic view of our environmental impacts. This process is part of the HSE (Health, Safety, Environment) Management System, which is based on the ISO 14001 environmental management standard, among others.

Our strategy for combating environmental pollution is essentially based on prevention. Systematic analyses, such as the assessment of key environmental aspects, enable risks to be identified at an early stage and measures to be taken to prevent environmental pollution. These include investments in low-emission technologies, the optimisation of production processes, continuous and discontinuous emission monitoring, emergency concepts and employee training in environmentally conscious behaviour.

We continuously monitor our impact on air, water and soil. By using the best available technology, such as post-combustion, filter technologies and wastewater treatment plants, we minimise our emissions and discharges and prevent soil contamination. The substances and chemicals used at REHAU Industries are subject to a strict monitoring, approval and testing process in order to minimise the risk for humans and the environment. We also monitor impacts on our environmental performance within our supply chain. This is achieved by auditing our suppliers and service providers (e.g. waste disposal companies), among other things.

Our greenhouse gas targets (cf. climate management) aim to minimise our environmental impacts across all processes.

In addition, the HSE Industries Roadmap was developed in 2023 and submitted to the relevant locations for subsequent implementation.

This also prioritises the further reduction and prevention of the release of microplastics into the environment through our activities as a key issue.

### Waste and disposal

REHAU Industries is actively committed to waste prevention throughout the entire lifecycle of its products. The amounts of waste are recorded and broken down according to the criteria "hazardous" and "non-hazardous" as well as "recycled" and

“disposed of”. The environmentally friendly and also legal recycling, treatment and elimination of waste is a top priority at REHAU. To this end, the waste disposal companies that REHAU works with in recycling and disposal are subject to risk-based monitoring.

The recycling and disposal routes used are to be broken down in more detail for 2024.

### **Circular economy**

Closing internal material cycles, even beyond plant boundaries, has long been of great importance within REHAU. The EU Circular Economy Action Plan and associated directives are continuously increasing the focus in the polymer sector on four strategic areas:

- Narrowing the cycle by reducing the amount of new material entering the cycle
- Operating the cycle primarily with renewable energies
- Extending utilisation in the cycle
- Closing the cycle by applying so-called R strategies

The transformation to a circular economy requires an intermediate step via the so-called recycling economy, i.e., the qualified return, processing and use of secondary materials, along with associated partnerships. There are different dependencies and material potentials, depending on the industry.

### **Orientation and management**

The systematic minimisation of resource consumption has been an essential part of REHAU’s understanding of sustainability and its DNA for decades. The circular economy and different phases are established terms at REHAU Industries. A differentiation is therefore made between four stages of the circular economy: maintenance, reuse, reprocessing and recycling. Of these four stages, the stages

of reprocessing and recycling (or the use of recyclate within the subgroup or divisions) have long been in place and established in varying proportions. Depending on the industry or major customer, however, the level of use varies.

In product development, the focus still lies on internal and external technical requirements for the material or raw material. The possibility of using recyclate or options for taking back products and subsequent recycling dominate the considerations for implementing the circular economy. The basic principle so far has been that the product is kept in the use phase for as long as possible.

At the same time, expertise must be built up and awareness must be created for the future regulatory requirements of the circular economy. In the reporting year, REHAU Industries successfully qualified for participation in the funded KARE project. KARE is a network of companies, research and educational facilities that is creating a centre of excellence for labour research for the polymer circular economy, which is intended to have an impact on operational practice and society. The funded project will run for a total of five years until 2028. As part of the consortium and under the leadership of the German Plastics Centre (SKZ), REHAU is developing ergonomic concepts, methods and technical tools for sustainable and healthy work structuring.

The product development phase is the decisive phase for the comprehensive implementation of the circular economy in an operational context. Circular design principles have been integrated into the product development process since 2022. Depending on market, customer and standards requirements, further REHAU products were developed according to these principles in the reporting year in order to create a constantly growing portfolio of recyclable products.

The 10 circular design principles were created as guidelines and idea generators for product development. The 10 principles are:

1. Conscious material selection
2. Contextual longevity
3. Material identification
4. Dismantling capacity
5. Modular principle
6. Open standards
7. Simple design
8. Closed cycles
9. Positive footprint
10. Service design

In order to create a better understanding of circular economy and sustainability, various internal events were organised by the REHAU Academy or the Sustainability department, also in 2023.

#### **The circular economy at REHAU Industries**

In the four divisions of the REHAU Industries subgroup, implementation of the circular economy is also strongly dependent on external factors such as industry and customer acceptance, standardisation or general market conditions. In principle, there are now good opportunities for using recyclates in all divisions. One limiting factor is often the access to and availability of high-quality secondary raw materials.

In addition to the basic integration of the topic, one focal point of the activities is therefore on projects for the taking-back of products.

Within the subgroup, there is a separate Recycling team that bundles and coordinates basic expertise on circular economy, lifecycle assessment and use of recyclates and recycling technologies. At the same time, the team members are an essential part of the expert group that has existed for years and coordinates pilot projects with customers.

In the reporting year, it became apparent that initial higher-level approaches are slowly emerging or developing in the construction and furniture industries. The

use of recyclates will increase in the future, as will the even greater ability to return products to material cycles by means of material recycling. But it is still early days for the majority of the markets and customers served by REHAU Industries in terms of the circular economy.

In the **Building Solutions division**, promoting the circular economy is seen as a basic strategy for the long-term reduction of CO<sub>2</sub>e emissions. As the use of materials has a significant impact on the CO<sub>2</sub>e footprint, this is a particular focus. When sourcing suitable secondary raw materials from shorter-lived products (packaging industry), availability and quality pose a challenge. The main focus of development lay on further increasing the proportion of recyclate content in products. Overall, this amounted to 15.4 percent across all products (EMEA). In addition, the EMEA plants were successfully certified according to ISCC Plus for the first time in 2023, to enable the use of bio-circular raw materials.

In addition to the use of materials, all other stages of a product lifecycle are considered to be a task here. Since the beginning of 2023, the Civil Engineering subdivision has offered a take-back concept for polymer pipes from demolition and old profiles from construction sites in order to retain the materials in the cycle as valuable materials. We are also working with suppliers and external partners on new recycling options.

The **Industrial Solutions division** is strongly influenced by customer developments. In the reporting year, the main focus lay on dialogue with selected customers on two topics: opportunities for replacing existing raw materials with recyclates and the recovery of materials at the end of life. The sometimes-strict specifications of customers regarding raw materials to be used are questioned if REHAU can offer more environmentally sensible solutions.

The **Interior Solutions divisions'** business is strongly characterised by the aspect of design. The integration of circular design elements is a major challenge due to complex specifications on processing, durability and optical tolerances. Today, already 50 percent post-industrial recyclates are being used in the RAUKANTEX eco product line and are subjected to elaborate testing with regard to the

specifications. REHAU set up their own laboratories for this purpose. In 2022, Interior Solutions also obtained the initial ISCC (International Sustainability and Carbon Certification), which entitles REHAU to use mass-balanced raw materials and to sell certified product lines in accordance with ISCC Plus (ISCC Plus: certificate on the sustainable use of biomass and/or recyclates from packaging waste in the chemical industry and downstream industrial sectors).

There is also a take-back concept for polymer edgebands that are no longer needed. These are taken back by REHAU, reprocessed and, for example, used in products like the supporting edgeband RAUKANTEX basic edge or the basic profile of some RAUWALON product lines.

In the **Window Solutions division**, the circular economy has long been established as a basic strategy. More than 60 percent of the profiles are produced with recyclates. The proportion of recycle content varies between 40 and 80 percent here and is continually being increased. The reporting year was characterised in particular by further investments for expanding the circular economy in the core market of Europe.

This included the expansion of co-extrusion lines, old window processing and material recycling. With the expansion of the extrusion area and a new recycling hall at the Śrem plant and logistics centre in Poland, additional capacity was created for the sustainable production of window profiles for Central Europe. In the British market, technical performance was improved at recycling subsidiary PVC-R in Great Britain, especially in the separation of glass and other materials.

Contracts currently exist with around 1,200 partners for the collection of waste material, with the importance of urban mining steadily increasing. The REHAU

Window.ID is the central element here, as a digital identity for windows and window components. It accompanies each window throughout its entire lifecycle, ensuring that materials are efficiently fed into the recycling process at the end of their duration of use.

These materials are processed by the Polish plant in Śrem as well as the subsidiaries PVC-R in England and DEKURA in Germany. In this way, REHAU Window Solutions ensures separation and recycling of entire old windows into different raw materials such as PVC, glass or metal. PVC parts come from old window profiles and sections, which are processed into high-quality recycled granules. This reduces CO<sub>2</sub> emissions by up to 88 percent as compared to the production of virgin PVC. Therefore, all four of REHAU's European window plants are certified with the independent VinylPlus product label. This means that they meet all sustainability criteria placed on the PVC industry, from raw material procurement and material cycles to reprocessing. This makes REHAU Window Solutions one of only a handful of system suppliers who can boast this standard across Europe.

### Resource utilisation

The efficient resource utilisation has been an essential component of REHAU's understanding of sustainability for decades. For even more resource efficiency, a circular approach was chosen. Wherever feasible, the principle of "reduce.reuse. redesign." applies. The redesign principle ensures that the responsible use of resources is already examined during the development phase. The speed of implementation is strongly dependent on external factors such as market and customer acceptance, the framework conditions of standardisation and the requirements of customer specifications.

**REHAU Industries** significantly overshot the targets set for 2025 for the use of recycle across all products. For this reason, the previous target of 15 percent recycle content in the EMEA region was expanded to 20 percent worldwide by 2025 in the reporting year.



In 2022, international monitoring was also expanded to include the topic of recyclate use. It is now part of regular international plant controlling as an additional KPI. This consists of KPIs for quality, costs, workforce, process and sustainability.

### Primary raw materials

The product range of REHAU Industries essentially did not change in the reporting period. On the one hand, the subgroup produces according to specific customer requirements. On the other hand, standard products are being produced for various applications in the B2B area. REHAU is an international producer of polymer-based solutions with comprehensive expertise in the processing of materials such as polyolefins, technical thermoplastics, silicones and thermoplastic elastomers. The most important primary raw material is still PVC, followed by polypropylene and ABS. The total output quantity of all REHAU plants in 2023 was 338,979 tons, which is lower than in previous years.

### Secondary raw materials

Recyclable material accumulated during production – known as recovered or production material – is recorded, classified and, depending on the results of the assessment, inspected again and fed back into the manufacturing process.

REHAU distinguishes between different material flows in this procedure. These flows are classified according to EN ISO 14021 as internally reusable materials and external materials (post-consumer or post-industrial materials). These material flows form the basis for determining the recyclates quota, which specifies the proportion of recycled materials in a product.

Simply processed return material, which is fed into the same process, is not considered recyclate in this context.

At REHAU Industries, the recyclates quota amounted to 23.4 percent in the EMEA region considered to date (2022: 21.1 percent). A recycling quota of 20.2 percent was achieved worldwide.

Where possible, recycled polymer is already used in REHAU's products. With the consistent reprocessing of production waste and the processing of post-industrial and post-consumer waste at separate or external recycling plants, the use of secondary raw materials is continually being increased.

### Packaging

When it comes to packaging, efficient resource utilisation and reduction have also been an essential component of REHAU's understanding of sustainability for decades. Overall, the proportion of packaging from sustainable raw material sources was increased. Packaging made of paper and corrugated cardboard, as well as wood and cardboard reels, had a proportion of 66 percent at REHAU Industries in 2023 (previous year: 64 percent). The ratio of disposable polymer packaging to total packaging in EMEA also improved to 25 percent (previous year: 23 percent).

### Substances of high concern and substances of very high concern

The handling of substances of very high concern is coordinated centrally by the Material and Product Compliance (MPC) department. MPC is a product feature and compliance with legal requirements is an essential part of the corporate strategy. The basics of MPC organisation are presented in the internal procedure LEGO48-WW-IND.

The MPC specialist department monitors legal trends, specifically changes to the REACH Regulation (EC) No. 1907/2006, which regulates the handling of substances of very high concern. Together with our divisions, potential risks and their effects are assessed and reduced, for example by participating in public consultations or substituting substances of very high concern, where possible.

To implement the information obligation for substances of very high concern, REHAU Industries uses software that enables the composition of our products to be documented. Information is automatically communicated to our customers in printed form on the order confirmation and delivery note.

Almost 90 percent of the information obligation under Article 33 of the REACH Regulation (EC) No. 1907/2006 is attributable to lead. The majority of this is due to the use of PVC profiles, which may contain more than 0.1 percent of the declarable lead compounds from old windows due to the ecologically advantageous use of recyclate. REHAU Industries also uses metallic components made of brass or steel, which also contain lead in the recycling cycle. Other substances of very high concern have already been largely substituted or are used exclusively for special applications with increased technical requirements.

### **Water**

The protection of water as a vital resource is an important element of the sustainability efforts for REHAU Industries. REHAU strives to continuously reduce its water consumption. The topic of water and wastewater is part of the principles of sustainability, environmental protection and occupational health and safety and is handled via the HSE and energy management system. The purpose and aim of the systems are to use the resource of water as efficiently as possible and to prevent environmental pollution. The two management systems are designed to enable the organisation to achieve these goals while simultaneously improving performance, continuously. At the same time, the systematic approach minimises environmental risks.

REHAU Industries do not currently have an independent water or wastewater strategy, as the issue is not considered to be significant. Management is carried out via procedural instructions or a separate water protection procedure. Under ISO 14001, the company is committed to continuously improving its environmental and water protection performance.

In addition to the environmental audit, the management approach and targets regarding water and wastewater are reviewed on a regular basis, among others by the independent EcoVadis rating.

Operationally, documented monthly process water monitoring of all plants worldwide has been carried out for more than ten years. Defined quality limit values for the process water are recorded locally on site and managed centrally. The operational KPI is the reduction of water consumption per euro of plant revenue. The base year for this is 2019. The objective is to continuously reduce water consumption by 10 percent per euro of plant revenue.

In the reporting year, the Circular Scorecard was included in the development process. In the production category here, closed water circuits are included as an important criterion in the product evaluation process, among other things.

Water consumption is measured as it is supplied to each plant. REHAU changes the process water at the plants completely up to twice a year, depending on the plant location. The water footprint of the products (litres/kilogramme of plant output) varies depending on the production procedure or product.

If necessary, water is also deliberately drained at the plants to achieve a certain degree of water exchange. The circular use of water is finite. For REHAU, this means that, in concrete terms, a further reduction in water consumption or an increase in cycles would come at the expense of product quality.

For REHAU Industries, neither water quality nor water availability were severely compromised as a result of water withdrawal at the REHAU production and administrative locations in the reporting period.

At REHAU Industries, consumption in the reporting year was 0.57 litres/kilogramme (2022: 0.51 l/kg). The reduction of water losses at REHAU Industries is achieved primarily through the gradual conversion to closed or semi-open systems.

The total water consumption of the REHAU Industries subgroup in the reporting year was 184.7 megalitres.

**Waste and disposal**

REHAU strives to avoid waste throughout the lifecycle of its products. Company-wide, the amount of waste generated is recorded at least every six months, broken down according to the criteria "hazardous" and "non-hazardous" and also according to the criteria "recycled" and "disposed of".

The environmentally friendly and also legal recycling, treatment and elimination of waste is a top priority at REHAU. To this end, the waste disposal companies that REHAU works with in recycling and disposal are monitored selectively and, for example, criteria such as legally compliant documentation and the plausibility of quantity, type and costs of disposal are evaluated.

The objective of specifically reducing waste volumes at REHAU Industries will not be pursued further. Instead, the proportion of recycled waste in the total quantity should continue to be considered. A more detailed analysis and documentation of the recycling and disposal methods used will be presented from 2024.

# Social impact

## Corporate culture

In the following, the subgroup is referred to simply as REHAU Industries. When we talk about REHAU, we mean the entire REHAU Group. For REHAU, sustainable corporate management is based on defined values and principles of conduct. The values are regularly evaluated by all internal stakeholders in so-called pulse surveys. The company feels bound by laws, guidelines and market standards, as well as by voluntary self-commitments and internal REHAU guidelines (Rules and Procedures). The further development of the corporate culture is being driven by the executive board and the HR department. This is primarily intended to reinforce employee engagement and identification with REHAU's values and goals. It is important to remain competitive while enabling a consistently high level of performance and establishing or maintaining a good relationship with the company, especially in challenging times of economic and political uncertainty, extreme pressure to perform and a severe skilled labour shortage.

REHAU is working to integrate the change taking place on all levels into the corporate culture in the best possible way. Topics such as virtual leadership, new and mobile work as well as digital communication are also intended to create a new willingness to make the necessary adjustments. One important component are the so-called Change Pilots: interested employees who are networked worldwide and monitor the respective projects and measures on site.

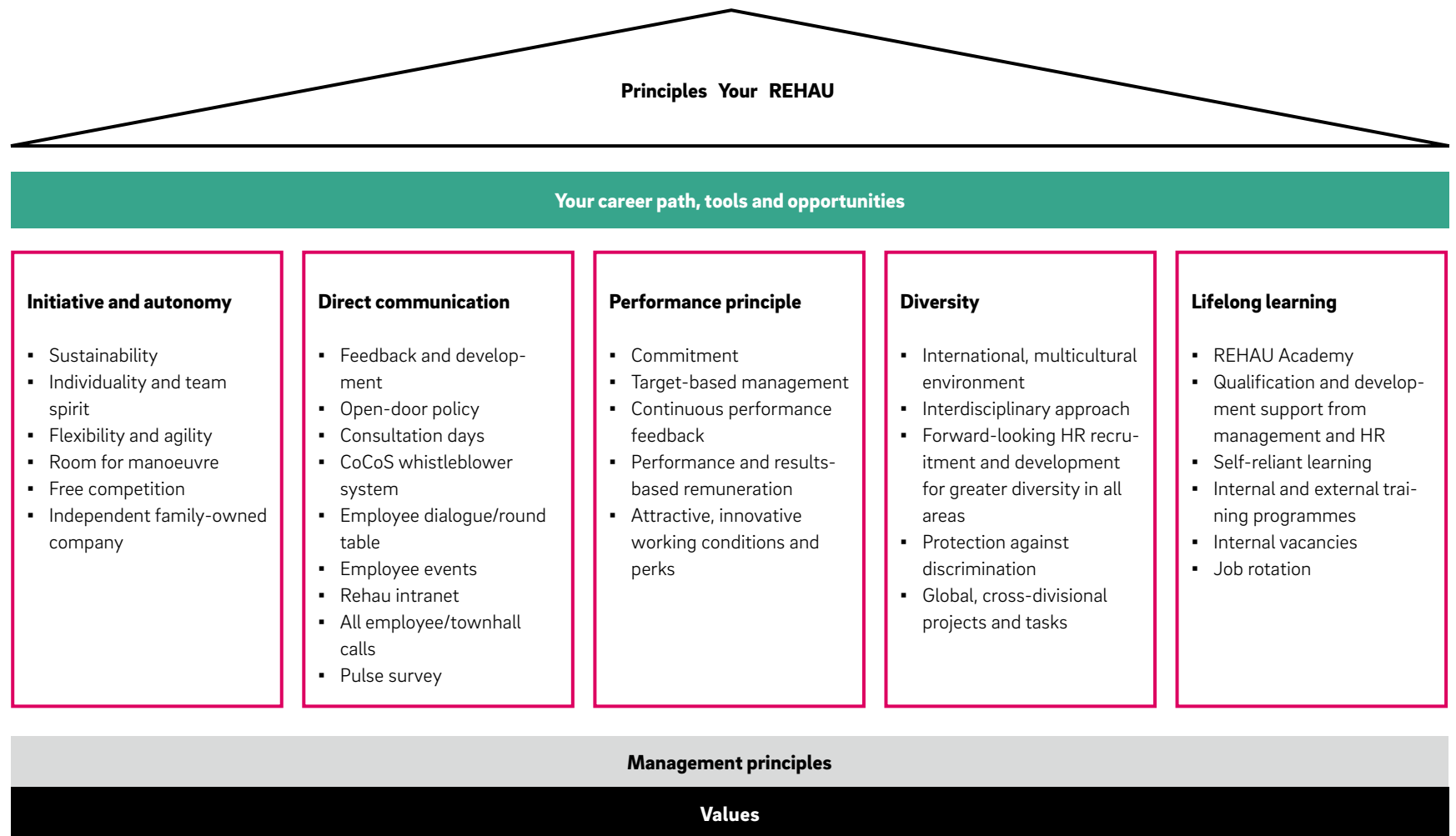
The binding global principles of conduct like the Code of Conduct (CoC), for example, provide the workforce with guidelines for proper, ethically impeccable behaviour in their day-to-day work.

→ Integrity, P. 23 onwards

In the 2023 reporting year, measures were developed in a "customer centricity" project to ensure that all employees are aware of their own contribution to the fulfilment of customer wishes and needs when it comes to customer acquisition and loyalty, which are critical to success. The corresponding assessment criteria for 2024 have been incorporated into the managers' target agreements.

The five essential pillars of REHAU's corporate culture can be described as follows:

**08 Corporate culture – YOUR REHAU – Values and principles**



These principles are laid down in the corresponding REHAU Rules and Procedures and in the Code of Conduct and are regularly reviewed, communicated and trained.

**Direct communication** is a principle of corporate culture intended to encourage and enable all employees to participate directly in the company's activities and thus help shape the present and the future. Among other things, this is ensured by means of:

- Dialogue and feedback tools between employees and supervisors
- Regular all-employee calls, town hall meetings and location dialogues
- Regular employee surveys
- Direct line for all employees up to executive board level
- Anonymous complaints procedure CoCoS (Compliance Communication System)

→ Compliance and integrity, P. 23 onwards

The direct, transparent and early involvement in operational change processes of our employees based on legal requirements and regulations is important to us. We use existing procedures and tools to avoid and eliminate negative effects on our own workforce, right down to direct communication with the executive board.

Thanks to our diverse communication channels and tools, potential for improvement in all areas is identified at an early stage and implemented in our behaviour, processes, products, etc. This improves employee satisfaction and loyalty, as well as our innovative strength.

**The performance principle** as a tenet includes ensuring fair remuneration, attractive fringe benefits and working conditions in accordance with regulations:

- Performance and result-oriented, transparent remuneration system with Integrated Performance and Talent Management (IPTM) for all employees, implemented annually.

- Fair remuneration through market orientation in compliance with legal regulations, relevant collective agreements, etc., and regular reviews and adjustments, including supportive social and other benefits.
- Modern flexible working (time/shift) models including global guidelines for mobile working to improve efficiency by increasing employee motivation thanks to greater flexibility and responsibility.
- Work-life balance.
- Various country-specific benefits for welfare and pension plans.

All benefits are provided to both full-time and part-time employees alike. This being the case, both groups can take advantage of the wide range of remote working options, for example. The specific services offered and the exact modalities vary from country to country.

The services are reviewed and adapted as appropriate, particularly on the basis of market research and employee surveys. For example, projects to reduce weekly working hours and to record working time (Germany) were launched in the reporting year.

REHAU promotes commitment and employee loyalty through a fair range of benefits, including welfare and pension plans, in order to sustainably consolidate their market and competitive position in the long term.

- Diversity and equal opportunities, P. 50 onwards
- Compliance and integrity, P. 23 onwards
- Training and further education, P. 49 onwards

### Organisation and objectives

The Human Resources department reports directly to the CEO Industries. The Head of Human Resources REHAU Industries is responsible for the development and operational implementation of the HR strategy.

HR plays a vital role in all regions, countries and locations in ensuring that REHAU Industries always has the right human resources to remain successful in the long term in times of skilled labour shortages and various expectations from applicants and employees. Our primary goal is to fill positions with qualified employees and managers who share REHAU's values and principles, as set out in our mission statement.

In addition to rapid procurement (German example: time to hire), a reasonable, usually country-specific labour turnover rate is a measured variable of success and possibly the basis for appropriate measures. Appropriate measures are implemented in the event of negative developments.

→ KPIs workforce, Appendix P. 79 onwards

HR Industries assumes responsibility for the entire HR process. Our managers proactively determine the need for employees based on the requirements for products, processes and jobs, as well as the company's goals and plans. This covers both personnel and succession planning and includes defining the required competences and qualifications.

The HR Marketing and Recruitment departments, our HR Support and Development, including the REHAU Academy and, last but not least, Administration are responsible for attracting new talent to the company and ensuring that existing employees are retained by REHAU Industries in the long term. HR's efforts focus on creating an environment in which employees can develop their full potential and identify with the company's goals and values.

The framework for personnel work is provided by the HR functional strategy, which is coordinated annually in line with corporate objectives. In the reporting year, its measures to manage the identified risks and opportunities in the HR area primarily focussed on the following:

- Supporting and shaping the ongoing transformation processes in an economically challenging environment
- Further developing the corporate culture (feedback and leadership, values, diversity, a global mindset and customer centricity)
- HR process optimisation and digitalisation
- Preparations for reducing weekly working hours and working time recording system (Germany)
- Modernising the global remuneration system (performance management)
- Personnel development and talent management, specifically the implementation of a succession planning process

REHAU aims to win employees over as an attractive employer. The HR department will continue to prioritise these topics in 2024. Measurable improvements and specific measures for employee engagement and satisfaction are primarily derived from the annual pulse surveys and successful "Great Place to Work" certifications.

→ Employee Engagement, P. 79

### **Personnel management**

Professional personnel management ensures that REHAU has the right human resources at all times. With this, it is jointly responsible for the long-term success of the company. Personnel work over the entire lifecycle is ensured through corresponding internal regulations (REHAU Rules and Procedures) in particular. They are reviewed, updated and communicated on a regular basis. The applicable laws and regulations form the minimum standard to be complied with for REHAU.

→ Compliance and integrity, P. 23 onwards

The supervisors determine the necessary employee requirements ("personnel planning" and "succession planning"), including the required skills and qualifications, in a proactive way on the basis of the requirements on products, processes and jobs, as well as corporate targets and plans. In doing so, relevant customer

requirements and legal stipulations are also taken into account. The requirements for the respective workplace are derived from the higher-level position as well as the associated job description.

REHAU is made known to potential applicants as an employer brand through personnel marketing measures. As part of personnel recruitment, suitable applicants are identified and won over for REHAU. Another possibility is to cover personnel needs through international personnel deployments ("foreign assignments").

One of the main tasks of the supervisors' personnel management is active employee development. An important part of personnel management is also the target agreement process. All these measures serve to deploy and further develop employees according to their individual skills in a targeted and needs-based manner. The assessment of skills and potential as part of Integrated Performance and Talent Management (IPTM) helps to identify corresponding potential and develop this through appropriate qualification measures in order to substantiate career and succession planning.

Employee development and professional training are also governed in the REHAU Rules and Procedures. The training and instruction activities serve – in addition to the qualification of the employee – to motivate and raise awareness (e.g. quality awareness). The effectiveness of the training activities completed is evaluated, among other things, using various methods of measuring learning success and as part of checks by supervisors or employees (HR).

→ Training and further education, P. 49 onwards

By way of personal target agreements and IPTM, employee performance and potential is assessed regularly, as is the extent to which the personnel is aware of the significance and importance of its role and contribution to fulfilling corporate

targets. This forms a decisive basis for performance remuneration according to the remuneration system procedure. The results are communicated at employee meetings by the supervisor.

Important standards for the work of personnel departments are governed in the global personnel management and business trips procedures, for example. They also serve as orientation for all employees. HR-related KPIs and HR controlling are carried out to measure the effectiveness of the personnel process. The required essential characteristics of our employees or workforce, our diversity and training parameters, etc., can be found in the Appendix.

→ KPIs workforce and HR, Appendix P. 79 onwards

REHAU uses uniform wage and salary groups based solely on the job, and all employees have access to this. In accordance with the performance principle, the company attaches importance to transparent, performance-oriented and non-discriminatory remuneration and consistently follows up on cases of doubt and complaints.

REHAU offers employees attractive remuneration packages consisting of position-based basic salaries and wages as well as variable performance- and result-based payments. There are also numerous additional benefits. The labour and employment conditions are generally based on the respective market or the collective agreements of similar companies, such as the polymer processing, chemicals or metal industries in Germany, for example.

→ Corporate culture, P. 44 onwards

Market development in terms of salaries is monitored on a regular basis (i. e. annually). The relevant regulations are also taken into account, such as compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on



Fundamental Principles and Rights at Work and the OECD Guidelines for Multi-national Enterprises. These are also part of the REHAU Code of Conduct. REHAU Industries therefore complies with the legal requirements for minimum wages, social protection and other fringe benefits worldwide.

- Compliance and integrity, P. 23 onwards
- Corporate culture, P. 44 onwards

REHAU is committed to ensuring fair working conditions at all our locations worldwide. The company also expects its suppliers (and specifically, to a limited extent, temporary employment agencies) to comply with the relevant laws. No cases of violation of or threat to freedom of association or collective bargaining were reported during the reporting year.

- Supply chain, P. 54 onwards

Personnel is an essential factor for the success of the company. In order to be able to record and manage these resources economically ("management with figures"), defined HR-relevant KPIs are generated for REHAU-wide reporting and controlling. This allows negative developments to be identified promptly and appropriate measures to be initiated. The following is a brief excerpt of KPIs for the reporting year:

At REHAU Industries, there were a total of 12,626 (2022: 12,877) employees (male: 9,152 (2022: 9,736), female: 3,087 (2022: 3,128), other: 19 (2022:13)) by the end of 2023, of which 5,276 (2022: 5,174) were salaried employees. The majority of the REHAU workforce has permanent contracts, at 11,705 (2022: 11,835). At the end of 2023, a good 1,325 (2022: 1,223) employees worked part-time (10.5 percent (2022: 9.5 percent); male: 771 (2022: 719), female: 521 (2022: 504)). The global labour turnover rate was 14.04 percent in 2023 (2022: 13.9 percent).

- KPIs workforce and HR, Appendix P. 79 onwards

### Education and training

The area of education and training is closely linked to the "lifelong learning" pillar of REHAU's corporate culture and offers continuous professional development, improves employees' qualifications, facilitates further employability and prevents skilled labour shortage. In the area of education, REHAU offers a large number of dual apprenticeship training programmes and several dual study programmes. As a pilot company, REHAU Industries has adopted the recommended actions from the German National Action Plan "Education for Sustainable Development" („Bildung für nachhaltige Entwicklung", BNE). Specifically, the position of "environmental protection" was integrated into training on the cross-sectional topic of "sustainability." There is also a compulsory social placement for all industrial apprentices.

The development of dual training in the reporting year is as follows: in the apprenticeship training programmes, the number of apprentices at REHAU Industries increased from 280 in 2022 to 296 in 2023. This corresponds to a German apprenticeship rate of 6 percent (2022: 5 percent) for REHAU Industries. The proportion of female apprentices at REHAU Industries was 12 percent (2022: 20 percent).

Of the total 124 (2022: 75) apprentices trained in Germany in 2023, REHAU Industries kept on 69 percent (2022: 96 percent).

REHAU also offers comprehensive competence development and qualification measures that can be used by the workforce, by managers, and if necessary, even by apprentices. The diverse offering consists of numerous training and e-learning courses and various qualification modules such as coaching and feedback tools. The training courses are structured analogously to the competence assessment in the IPTM process and can be booked by employees via the learning management system.

In 2023, a total of 4,617 (2022: 8,518) REHAU Industries employees worldwide received on-site or live online training. REHAU Industries achieved an average of

5.5 hours (2022: 7.5) of on-site or live online training per employee. In addition, 18,787 (2022: 17,626) e-learning courses were completed by REHAU Industries employees worldwide in the reporting period on topics such as cybersecurity, anti-corruption and REHAU Rules and Procedures. Cybersecurity training accounted for the largest share with 10,231 (2022: 4,698) participants at REHAU Industries. In 2023, 583 (2022: 691) employees used the Speexx language learning platform.

To strengthen learning based on individual needs and interests, REHAU Industries decided to connect to the e-learning platform LinkedIn Learning in 2022. This means that from the reporting year, employees will have access to over 18,000 online courses and contents on current topics in the fields of business, technology and creativity in seven different languages.

REHAU regularly organises onboarding seminars in German for new employees in the EMEA region, lasting several days. The strategic focus is also on in-depth activities relating to sustainability and the circular economy. The regions have been empowered to adapt the concept to their needs and implement it locally. Nationally relevant content is presented in English on the intranet and can be used for local onboarding. Employees who take on management responsibility for the first time receive BECOME FIT training.

The Education and Training department also supports the objectives of the "promoting diversity" area of action by means of the international graduate programme for the promotion of young professionals and the talent development programmes for promoting employees with high potential.

→ Diversity and equal opportunities, P. 50 onwards

REHAU talent development programmes run for an average of fifteen months and promote international, cross-divisional networks as well as the knowledge

exchange throughout the company. In 2023, 38 (2022: 39) people participated in one of the REHAU talent development programmes.

### **Diversity and equal opportunities**


REHAU believes that a culture of mutual tolerance and respect is essential to achieving corporate goals.

"Promoting diversity" is one of the four essential areas of action of the REHAU sustainability strategy. REHAU has therefore actively supported the Diversity Charter since 2018. At the same time, the company's own administration departments and plants have been partnering with sheltered workshops for years.

Since the beginning of 2022, the REHAU diversity and inclusion officer (who was appointed for the first time) has been responsible for the strategic and operational implementation within the company. The diversity and inclusion strategy for REHAU Industries was adopted at the end of 2022. To create an increasingly inclusive working environment, both internally and externally, REHAU focuses on the following three areas of action:

1. Mindset (attitude and ways of thinking): Creating awareness
2. Processes: Fostering a diverse workforce
3. Behaviour(s): Demonstrating an inclusive coexistence in everyday working life

The binding behavioural guidelines for the workforce were formulated uniformly in the Code of Conduct. The Code of Conduct states, among other things, that discrimination based on ethnic origin, gender, religion, ideology, disability, age, sexual identity or other personal traits is unacceptable at REHAU.

 Code of Conduct

To REHAU, discrimination includes any form of verbal or physical assault as well as sexual abuse. The threat of harassment and the creation of an intimidating atmosphere are already unacceptable. Employees have the right to use the existing complaints process without reprisal. No cases of discrimination were reported in the reporting year.

→ Compliance and integrity, P. 23 onwards

The equality of different gender identities is a given. Against this backdrop, the Diversity Dimensions for specialist area, nationality, gender, region and profession were defined, among other things, to serve as a guideline for selecting participants for their own talent development programmes.

Country-specific e-learning and four online courses on the following topics are available to all employees:

1. What is diversity and inclusion and what does it have to do with me?
2. Inclusion nudges: fun and creativity for inclusive cooperation
3. "That's not what I meant!" – recognising and interrupting micro-messages
4. How unconscious bias stands in the way of an inclusive culture

→ Training and further education, P. 49 onwards

The proportion of women in management positions (E0 to E3) can be presented at a subgroup or division level since the 2022 reporting year. In the reporting year, the proportion at REHAU Industries remained constant at 16 percent.

Since 1 September 2023, a female CFO has been a member of the REHAU Industries executive board for the first time.

By 2025, the subgroup aims for a 17 percent proportion of women in management positions. In addition, there is a longer-term target of 20 percent by 2030.

### **Employee engagement**

REHAU wants to be an attractive employer and wants to offer a positive, inclusive working environment in order to actively counteract risks such as skilled labour shortage. Measurable KPIs and specific improvement needs for employee engagement and satisfaction based on corporate values result from the annual pulse surveys. Concrete measures are derived from the results with the participation of the workforce and are then implemented. At some companies, more elaborate workplace culture surveys are already being conducted in preparation for "Great Place to Work" certification. These surveys also provide KPIs.

In the 2023 reporting year, the focus areas of trust, reliability, innovation and morality were defined in the usual way, alongside diversity/inclusion, sustainability and customer centricity. At REHAU Industries, an overall average of 62 percent agreement was achieved in the focus areas in the 2023 survey. At the same time, the participation rate was increased to 80 percent worldwide in the same period. In the area of sustainability, 63 percent of respondents agreed. In order to improve this result, which is not yet satisfactory for REHAU Industries, various training modules will be set up for employees in 2024, some of which are mandatory. In addition, ten countries have received "Great Place to Work" certification, including five countries from the Americas and, for the first time, five countries from EMEA.

The REHAU Industries subgroup has again proposed to itself a participation rate of at least 70 percent for 2024. The aim of all measures is to improve communication and the exchange of feedback on all levels of the company.

→ Pulse survey, Appendix P. 79

### Occupational health and safety

The REHAU occupational health and safety policy is a key matter for the company. It is based on the principle that all occupational accidents and diseases are preventable. The health and safety of employees is paramount, which is why REHAU deliberately exceeds the minimum standards. This is both part of responsible interaction and an expression of the esteem in which REHAU holds its employees. The aim is not only to better protect the company's own workforce, but all suppliers, service providers and employees of subcontractors as well. For the Mission Zero vision for occupational accidents, the company involves its workers in all aspects of the occupational health and safety management system.

REHAU is gradually introducing an HSE (health, safety and environment) management system at its production locations worldwide. The aim here is to maintain the health of employees, prevent work-related injuries and protect the environment. The HSE management system is based on the ISO 14001 (environmental management) and ISO 45001 (occupational health and safety management) standards. While the management systems of the two subgroups are managed on the basis of common standards and values, individual focus topics and goals provide the opportunity to respond to the individual requirements of the respective sector.

Certification of DIN standard ISO 45001, published in 2018, is taking place gradually. At REHAU Industries, the Klaipėda (Lithuania), Rehau (Germany) and Taicang 1 (China) plants were certified for the first time in 2023.

- KPIs certifications, Appendix P. 76 onwards
- 🌐 Information on certifications

REHAU's occupational health management (OHM) system is part of the HSE management system and integrated into HR processes. Since 2023, there has been an internal four-stage accreditation process, with bronze/silver/gold status. Each level has different health criteria against which the health management of

the location is assessed. This is used both worldwide and at the German locations. At the beginning of this process, the company already involves external medical professionals according to the respective national laws. In the further course of the OHM, a REHAU-internal contact person ensures the optimal integration of all parties involved.

REHAU also encourages its workforce and managers to build up resources on their own responsibility to better meet the demands of everyday working life. They are supported worldwide with various mental and physical health promotion programmes like resilience workshops. The form and variety of the offers differ depending on the region and local resources. In addition to regular consultation hours by a company physician, a health-day event is held at least once a year at a large number of the locations worldwide. There are also many health-promoting – and locally based – initiatives.

In addition, the HSE Industries Roadmap was developed in 2023 and submitted to the relevant locations for implementation. The main aim is to further reduce work-related injuries.

- KPIs HSE, Appendix P. 82
- Sustainability goals, Appendix P. 64 onwards
- 🌐 Information on certifications

Principles – Sustainability, environmental protection, occupational health and safety at REHAU: To further reduce the number of accidents, the locations are to implement targeted measures tailored to the specific causes of accidents.

### Social involvement

As an internationally active company, REHAU and REHAU Industries are aware of their social responsibility. This is why commitment also exists beyond the actual business activity in accordance with the entrepreneurial principle "think global, act local."

Globally, REHAU supports environmental, economic, social and cultural issues at about 150 locations. Local involvement was clustered according to the 17 Sustainable Development Goals (SDGs). The selected SDGs (good health and well-being (SDG 3), quality education (SDG 4), clean water and sanitation (SDG 6), reduced inequalities (SDG 10), sustainable cities and communities (SDG 11), responsible consumption and production (SDG 12), climate action (SDG 13), life on land (SDG 15) and partnerships for the goals (SDG 17)) are the focal points for social and cultural involvement at the international locations.

Since 2023, REHAU has further strengthened its international role as a “good corporate citizen” and created an organisational and financial basis for supporting social involvement. The company developed a support plan in the reporting year, which enables local internal stakeholders to make an active contribution to their own and defined higher-level projects as part of the REHAU Group’s social involvement. Projects to support families from Ukraine and aid for earthquake victims in Turkey and Syria continued during the reporting year.

→ KPIs donations and sponsorship, Appendix P. 83

An important part of local involvement is corporate volunteering. At REHAU, this is linked to the dual vocational training programme. REHAU also supports its employees by giving them time off or providing infrastructure. This personal involvement on the part of our own employees benefits social and personal development and promotes a sympathetic coexistence.

In accordance with the company’s own guidelines for donations and sponsoring, REHAU predominantly supports projects with a direct link to the company, for example due to their proximity to the location or because REHAU employees are active in the organisation in question. During the reporting period, a variety of projects in the areas of education, health, ecology, social issues, sports and culture were supported.

Education: among other things, support for events on fun activities in the fields of mathematics, information technology, natural sciences and technology (MINT)

- Health: among other things, various health and nutrition-day events and support for running events
- Ecology: among other things, support for World Cleanup Day
- Culture: among other things, promotion of the “Kreuzgangspiele” theatre festival in Feuchtwangen and the Hof International Film Festival
- Sports: among other things, regional promotion of young ice hockey and football players
- Social issues: among other things, promotion of the “Tafel” (food bank) in Hof

# Supply chain

REHAU strives for long-term and cooperative relationships with its suppliers. The company's responsibility covers the entire value chain here.

The management of our suppliers is characterised by cooperation and communication on an equal footing. We want to work with companies that demonstrably act sustainably and assume environmental and social responsibility.

Systematic risk monitoring for its suppliers is an important tool at REHAU Industries. It allows us to accurately evaluate supplier relationships and adapt procurement strategies accordingly. As part of the purchasing strategy and audit planning, REHAU Industries reviews supplier-related risks at interdepartmental consultations on a regular basis.

To meet the requirements of the new LkSG (German Supply Chain Act), the management approach in procurement was adjusted in 2022. As of 1 September 2022, a role for sustainability issues was also created in purchasing in addition to the risk management role. The people in these roles are central coordinators, experts and supervisors as well as the contacts for risk and sustainability issues in the Procurement department.

Corporate management takes these issues seriously, which is further emphasised by the fact that the Executive Director Purchasing reports directly to the executive board. This structured approach demonstrates the company's commitment to combining economic efficiency with ethical and environmental standards.

REHAU Industries has more than 20,000 suppliers in over 70 countries worldwide and was able to purchase around 60 percent of its purchasing volume regionally in the reporting year, i.e., within the region without using transcontinental transport routes.

The strategic objectives of REHAU Industries' purchasing are clearly defined: optimising cooperation between the various stakeholders and reducing the number of suppliers. This should not only improve efficiency, but also reduce the complexity of the supply chain and enhance sustainability.

## **Sustainable standards in the supply chain**

REHAU Industries considers its corporate responsibility towards people, communities and the environment to be fundamental. This obligation is reflected in our commitment to the global sustainable development agenda. REHAU Industries pursue a zero-tolerance strategy with regard to unethical business conduct such as discrimination, child and forced labour, corrupt business conduct and cartel agreements. Signing the REHAU Supplier Code of Conduct (SCoC), which includes the Global Compact principles, is obligatory for all strategic suppliers.

### Supplier Code of Conduct

The measures to ensure health, safety, fairness and diversity along the value chain are an expression of these fundamental values and are implemented in strict compliance with the corporate guidelines.

REHAU has introduced contractual agreements with suppliers and contractors to ensure the health and safety of its employees. These agreements contain specific conditions and obligations designed to ensure that employees have appropriate safety precautions in the workplace and are protected from health risks. This also includes measures to ensure compliance with working time regulations and social security for employees.

Another focus is on the fair remuneration of employees along the value chain. REHAU endeavours to ensure that employees receive fair wages that adequately reward their contribution and enable them to live a dignified life.

In addition to ensuring basic labour standards, REHAU is also actively committed to diversity and inclusion. This includes partnerships with sheltered workshops to provide job opportunities for people with disabilities and promote diversity in the workplace.

REHAU has integrated software tools to review the effectiveness of these measures and to ensure that they are implemented effectively. These enable independent verification of working conditions along the entire value chain. In addition, regular audits are carried out, either spot checks or risk-based audits, to ensure that standards are being met.

→ Social and environmental assessment of suppliers, P. 56

REHAU's goals in connection with these measures are clearly defined: to ensure the health and safety of workers along the value chain, to promote fair working conditions, to support diversity and inclusion and to continuously monitor and improve compliance with these goals.

### **Supplier management**

The global procurement of non-production materials and logistics services as well as defined production material volumes is organised by REHAU Industries Purchasing and its divisions. The broad procurement portfolio includes a variety of purchasing categories into which the supplier pools are divided; a distinction is also made according to material groups. They make up the lowest level of strategy formation in purchasing and are ranked according to importance and value contribution.

Supplier and material group managements form the basis for all activities and decisions. The various purchasing departments are aligned with these material groups, and they all have strategic buyers. There are also other strategic buyers in the divisions and regions.

Within the framework of a strategic alliance, the MERAXIS affiliate takes over worldwide procurement and the corresponding supply chain management of defined production materials, purchased parts and merchandise as well as capital goods in the form of machinery, equipment and tools.

Purchasing is a central component of the sustainability strategy and its key areas of action. It is responsible for the long-term implementation of the sustainability goals in the supply chain. Supplier and material group managements form the basis for all activities and decisions here. Supplier management is carried out in the following steps:

1. Supplier selection
2. Supplier assessment
3. Supplier development

Sustainability and social responsibility are of central importance to REHAU Industries. The company attaches great importance to working with suppliers who have a proven track record of sustainable practices. This is reflected in the expectation that all suppliers ensure that these obligations are passed on and adhered to throughout the supply chain. REHAU Industries uses a variety of policies and processes to ensure our suppliers meet these basic standards.

### **Supplier Code of Conduct**

The Supplier Code of Conduct (SCoC) is the central basis of supplier agreements. The SCoC specifies in binding terms that REHAU also expects its business partners

to respect human rights, comply with environmental and occupational safety standards and carry out their business ethically. The degree of implementation is monitored using a KPI. Violations of the SCoC can lead to termination of the business relationship. We expect our suppliers to impose similar requirements on their own supply chain. New suppliers are selected in a multi-stage process that takes social and environmental criteria into account. If necessary, an initial audit will take place. The type and scope of these measures depend on the respective procurement object. Key criteria considered depending on the procurement segment are quality, risk in the event of delivery failures, availability and dependence, environmental protection, working conditions, protection of expertise and the economic stability of the suppliers, among other things. In the process of selecting new suppliers and planning audit measures, the risk assessment also takes into account obvious risk factors such as geographical location or potential environmental impact due to the business activity.

In addition to quality and price, both environmental and social criteria are also important when it comes to commissioning external suppliers and service providers. In principle, suppliers of production materials oblige to maintain a quality management system in accordance with ISO 9001 or a comparable standard. Materials and services are procured based on contractually agreed-upon specifications. In this way, it can be ensured that the legal framework conditions applicable to materials are complied with.

Selected suppliers are regularly assessed in terms of quality, logistics and cooperation. In addition, they are classified according to their relevance to the company within the framework of material group management. This so-called classification as well as the result of the supplier assessment may form the preliminary stage of a supplier development process, which in turn is integrated into the category strategy. In the future, additional sustainability criteria will be included in the supplier assessment, e.g., when reports by employees in the value chain become known.

#### Supplier Code of Conduct

#### **Audits**

REHAU carries out audits of its suppliers. The audit basics include aspects of management systems as well as quality and sustainability requirements.

In 2023, 37 audits were carried out. No violations of REHAU sustainability guidelines were identified during these audits.

#### **Social and environmental assessment of suppliers**

REHAU Industries keeps an eye on all suppliers' compliance with the SCoC, also with regard to social and environmental criteria, and reserves the right to check this using appropriate measures. No significant negative social or environmental impacts in the supply chain were identified during implementation of the processes of the LkSG (German Supply Chain Act).

#### **Material and Product Compliance**

Material and product safety as well as compliance are essential aspects that are of great importance to REHAU Industries. Compliance with the legal framework for supplied materials, purchased parts and merchandise, also known as Material and Product Compliance (MPC), is of crucial importance. These requirements vary depending on the production stage, product category, application area and country of marketing and must be observed by both suppliers and customers.

In addition to the management of a central schedule of legal provisions for higher-level legal requirements for materials and product, a documentation system is provided (SAP EHS(M) module). In this way, regulatory requirements on banned and declarable substances can be checked and documented, e.g. on the REACH Regulation (EC) No. 1907/2006. Beyond the legal requirements, compliance with the specifications for delivered materials and products is queried with the suppliers.



### Payment practices

Payment terms and procurement practices should be fair and transparent. REHAU has agreed upon standard payment terms with suppliers. In individual cases, individual terms are mutually agreed upon. Liabilities are settled in accordance with the respective agreements. REHAU acts with special due diligence towards less economically powerful partners, e.g. small and medium-sized enterprises. In the event of liquidity shortages, solutions are developed jointly. Controlling mechanisms have been implemented for payment practices.

The average time (in days) taken by the company to settle an invoice from the start of the contractual or statutory payment period is 38.46 days.

The following illustration describes the current payment terms:

### 09 Illustration of standard payment terms

Invoice or goods inward date	Payment on	Net	2% cash discount	3% cash discount
1 st to 10th of the month	10th of the following month	K005	K205	K303
11th to 25th of the month	25th of the following month			
26th to 31th of the month	10th of the month after next			
1 st to 10th of the month	25th of the following month	K006	–	–
11th to 25th of the month	10th of the month after next			
26th to 31th of the month	25th of the month after next			
1 st to 10th of the month	10th of the month after next	K007	–	–
11th to 25th of the month	25th of the month after next			
26th to 31th of the month	10th of the third succeeding month			

The proportion of payments for which these standard conditions are applied is 61 percent. There were no legal proceedings for late payment in the reporting year.

### Labour in the value chain

REHAU has analysed the impacts, risks and opportunities in the value chain and assessed their materiality. With regard to the labour in the value chain, no particular materiality was identified based on the existing requirements for suppliers and implementation in supplier management. Both internal and external materiality are rated as important.

Signing the REHAU Supplier Code of Conduct (SCoC) is obligatory for all strategic suppliers. REHAU requires its suppliers to adhere to the principles of the UN Global Compact. With regard to labour in the value chain, REHAU pursues a zero-tolerance strategy in connection with unethical business conduct such as discrimination, child and forced labour, corrupt business conduct and cartel agreements. The objectives for social responsibility include fair pay, fair working hours and safety in the workplace.

REHAU operates a whistleblowing system (hotline) that meets the highest standards of data protection and security and is open to employees and third parties, such as employees of suppliers, to report any unethical behaviour or illegal actions. REHAU does not tolerate any form of retaliation against a person who raises a concern in good faith. Anyone who reports a concern and seeks advice in good faith will always be supported by REHAU. The relevant link for accessing the whistleblowing system can be found on the REHAU website. Suppliers are requested to pass on information about this complaints procedure to their employees in an appropriate manner.

Access to this complaints procedure is ensured by means of publicly accessible and clearly worded information on the REHAU Industries website. Reports via CoCoS are kept anonymous by means of encryption and other special security routines.

If concerns are raised with REHAU by employees in the value chain, these are taken seriously and forwarded to the responsible Compliance Officer. Possible solutions are evaluated and implemented together with the person responsible for the relevant category and the internal user. Measures and implementation monitoring are carried out via the category strategy.

Suppliers who are associated with an increased risk of corruption and/or antitrust or environmental violations due to their business activity and/or region are subjected to an in-depth review using external, recognised data sources. This process is called third-party due diligence (TPDD) and takes place once a year.

At its core, this process involves the systematic and verifiable investigation of business partners using external, recognised data sources regarding corruption risks. In detail, REHAU Industries aims to:

Gain further knowledge about the business partner with regard to possible compliance risks

- Refuse collaboration with dubious partners
- Obligate its own business partners, where necessary, to comply with relevant laws and the company's own principles
- Monitor the behaviour of business partners and take action if necessary
  - Sustainability goals, Appendix P. 64 onwards
  - Diversity and equal opportunities, P. 50 onwards
  - Human rights, P. 26 onwards
  - Occupational health and safety, P. 52

No significant violations were identified in 2023. REHAU employees are offered training sessions on compliance and anti-corruption.

→ Compliance, P. 24 onwards

### **Risk management**

REHAU Industries carries out a regular risk analysis of its own business activities with the aim of identifying and recording risks and defining and implementing suitable and appropriate preventive measures with clearly defined responsibilities. This applies both to its own business area and to the activities of its direct suppliers. In the event of suspected violations and to safeguard supply chains with increased risks, suppliers shall inform REHAU Industries promptly and, if necessary, regularly about the identified violations and risks as well as the measures taken.

REHAU Industries has also set up a Supplier Relationship Management System to ensure that there is a uniform process for selecting, evaluating, monitoring and managing suppliers. This system uses a risk-based approach to assess suppliers against the requirements of this Code of Conduct. We use this approach to evaluate new suppliers before REHAU Industries enters into a business relationship with them. In addition, a selected number of existing suppliers is periodically audited and assessed. REHAU Industries uses external information sources and relevant service providers for this, among other things. REHAU Industries reserves the right to review compliance with the requirements specified in the Supplier Code of Conduct using a self-assessment questionnaire and risk-based audits at the locations of the suppliers.

If cases of non-compliance with the regulations of the Supplier Code of Conduct are identified, REHAU Industries has the right to demand appropriate measures in individual cases. Failure to implement the remedial measures may result in suspension or termination of the supplier contract / business relationship.

 [Supplier Code of Conduct](#)

# EU taxonomy

## Introduction

With the Green Deal, the European Union aim to be climate neutral by 2050. With the Action Plan on Financing Sustainable Growth, the EU Commission aim to make the economic and financial system in the EU more sustainable. The core element of the Action Plan is a classification system for green economic activities. This defines six environmental goals:

1. Climate protection
2. Adaptation to climate change
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and reduction
6. Protection and restoration of biodiversity and ecosystems

According to the taxonomy guidelines, economic activities are taxonomy-compliant if they

- make a substantial contribution to the achievement of one or more of the six environmental goals mentioned (Substantial Contribution)
- do not significantly hinder achievement of the five other objectives (Do No Significant Harm, or DNSH)
- comply with minimum social standards (Minimum Safeguards)

Verification of whether an economic activity makes a significant contribution to one of the objectives and does not significantly hinder achievement of the five other objectives is to be carried out on the basis of technical assessment criteria.

## EU taxonomy and REHAU Industries

For the time being, only companies subject to CSR Directive 2014/95/EU have to disclose information on the conformity of their business activities with the EU taxonomy. For REHAU and REHAU Industries, the disclosures are not mandatory until the 2025 fiscal year at the earliest.

The EU taxonomy was not finally adopted until mid-2023. There are general as well as considerable uncertainties created by the environmental criteria themselves, in the interpretation of various formulations and terminology. At the same time, we are not sure when clear definitions of minimum social standards (Minimum Safeguards) will be in place.

REHAU Industries has decided to make voluntary disclosures in its sustainability reports. Taxonomy workshops were held in 2023 to gradually prepare the organisation and systems for this.

# Report profile

The Sustainability Report 2023 is based on the activities of REHAU Industries, the globally operating subgroup of the REHAU Group. REHAU Industries consists of the Building Solutions, Interior Solutions, Industrial Solutions and Window Solutions divisions, as well as the cross-divisional central functions.

When we talk about REHAU, we therefore mean the entire REHAU Group. The headquarters of REHAU Verwaltungszentrale (corporate head office) are located in Muri bei Bern (Switzerland). The headquarters for the divisions of the REHAU Industries subgroup are located in Rehau (Germany) and Erlangen. The German company REHAU Industries SE & Co. KG is located in Rehau.

REHAU Industries has about 190 locations worldwide with 39 plants, 117 sales offices, four logistics centres and 31 administrative buildings. The subgroup is active in 53 countries and has 12,626 employees. The focal point of international activities lies on Europe and the EMEA (Europe, Middle East and Africa) economic area. In Europe and the Middle East, REHAU Industries are represented in 35 countries. In the reporting year, Africa became an independent region. The existing business activities in the Maghreb countries and South Africa are to be expanded in the coming years to include individual states in West Africa. On the American continents, REHAU Industries operates eight plants in Canada, the USA, Mexico, Colombia, Argentina and Brazil. The Asia Pacific region is home to 38 sales offices, five plants and a logistics centre. In the reporting year 2023, REHAU Industries generated turnover of EUR 2.3 billion (2022: EUR 2.6 billion). The company develops product and system solutions for different industries and areas of life. With its Building Solutions, Industrial Solutions, Interior Solutions and Window Solutions divisions, REHAU Industries covers a broad spectrum for customers in the construction, furniture and industrial sectors.

The implementation of a comprehensive materiality process with all key internal stakeholders was the central topic in the subgroup in 2023.

→ Materiality analysis, P. 12 onwards

The four main areas of action of the REHAU Industries subgroup, regarding its sustainability strategy and this report, are "growing sustainably," "pushing climate protection," "promoting the circular economy," and "promoting diversity."

→ Sustainability strategy, P. 15 onwards

All environmental KPIs refer to REHAU Industries' production locations unless otherwise indicated.

REHAU conserves resources across its production, sales and administrative functions. Starting in 2011, all production locations have gradually been certified according to the ISO 14001 environmental management systems standard. Currently, approx. 98 percent of the production volume in the REHAU Industries subgroup is manufactured in plants that are certified according to the 14001:2015 standard.

→ Environment, P. 37 onwards

The Sustainability Report reflects the current general mood of optimism with regard to sustainability issues. The report is based on the current GRI Standards (2021) and the European Sustainability Reporting Standards (ESRS). Elements of the EU taxonomy are also included. In this way, REHAU wishes to cover the diverse requirements in the best possible way and to prepare for their future fulfillment. This process will continue over the next years.

All indicators relevant for this report, as well as their assigned contents, are listed in the Appendix.

→ Reporting index, Appendix P. 66 onwards

In addition to a large number of internal principles and guidelines, REHAU has conformed to The Ten Principles of the UN Global Compact since 2015 and joined it in April 2020. The sustainability strategy with the areas of action described above are based on the United Nations Sustainable Development Goals (SDGs) and the materiality analysis. In this, REHAU considers itself responsible for contributing to the SDGs. The Appendix of this report documents the relevant SDGs for each area and demonstrates how REHAU is contributing to sustainable development.

- Company, P. 5 onwards
- 🌐 UN Global Compact
- 🌐 United Nations Sustainable Development Goals

#### External checks

In the areas of occupational safety, health, energy consumption and emissions, external inspectors of TÜV Rheinland (Technical Inspection Association Rhineland) have confirmed the efficiency, effectiveness and reliability of the management systems. The contents of the report have also been verified by the responsible technical employees. The report itself has not been subject to an external check.

- 🌐 Information on certifications

This report is available in English and German. Further information about the company and its sustainability initiatives can be found on the following websites.

- 🌐 REHAU | Sustainability

The previous Sustainability Report was published in October 2023 under the title "Sustainability Report 2022." The current Sustainability Report was published on 20.09.2024 and is titled "Sustainability Report 2023." The editorial deadline for this report was 23.08.2024. The next report will be published in 2025.

#### Editor's note:

To improve readability, we have sometimes used the masculine form to refer to all genders. In doing so, it is not REHAU's intention to discriminate against other genders; all personal designations refer to all gender identities.

#### Reporting method

##### Entities considered in the sustainability reporting of the organisation

The entities included in the annual financial statements for the REHAU Industries subgroup are described in the REHAU Group's consolidated financial report for the 2023 fiscal year. This report is not published.

The upstream and downstream value chain is only considered and covered qualitatively in the Sustainability Report.

##### Changes in the reporting period

Following the acquisition in 2022, REHAU is the co-owner of Pauli und Menden GmbH. The company is managed as a legally independent company as part of the REHAU Group with links to the Building Solutions division.

- KPIs workforce, P. 49
- 🌐 Management report of the largest company REHAU Industries SE & Co. KG (published at [www.bundesanzeiger.de](http://www.bundesanzeiger.de))

**Reporting period, reporting frequency and contact**

1 January 2023 to 31 December 2023

The Sustainability Report is published annually.

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→ [Legal notice, P. 84](#)

# Annex

## 10 Sustainability Goals

ESRS	Target/Target KPI	2021	2022	2023	Target year
		AU & IND	IND	IND	
E5-1 E5-2 E5-3	Gradual transition from a linear to a circular economy	The topic of the circular economy has been confirmed as an essential field of action. In the meantime, REHAU Automotive and the four divisions of REHAU Industries have developed concrete implementation strategies and initial measures.	There has been further integration of the topic of the circular economy into the operational strategy. Implementation in the market continues to be strongly dependent on external factors such as industry and customer acceptance, standardization, etc. Industries has laid the internal foundations for this by integrating circular design principles into the development process. As planned, further light house projects were conceived and launched in 2022.	In the reporting year, all four divisions took further steps to close their loops. All divisions now have at least one product line with a take-back concept. This development is reflected in the achieved recycling rate of > 20% across all programs.	ongoing
G1-2	Supplier management: embedding sustainability requirements into relationships with business partners	All strategic and selected new suppliers must sign REHAU's Supplier Code of Conduct. A project was launched in the reporting year to further anchor the topic in operational activities and to also integrate social responsibility. Various aspects of sustainability were reviewed as part of the first supplier audits and dialogues in 2021.	A risk and sustainability officer role were established in procurement. This is the central coordination point and contact for sustainability issues in procurement.  Based on the new legal requirements, the whistleblower system was expanded to include additional necessary functions and a supplier risk management system.	In the reporting year, a systematic risk analysis was carried out for the first time and the complaints mechanism was expanded to focus on "violations of human rights".  A policy statement on REHAU's human rights strategy was developed and published. The focus was on the implementation of due diligence obligations in the supply chain.	ongoing
S1-14	Occupational health and safety: continuous reduction of occupational accidents (Vision Zero) accidents with >3 lost days per 1 million working hours – actual state (factories worldwide)	6.83	7.02	6.28	ongoing
E5-3 E5-4	Achieve average proportion of recycled content of 20% (worldwide)	15	18	20	2026
E5-3 E3-4	Reduction of water consumption per euro of factory revenue by 10% (based year 2019)	3.5%	20%	7%	2025



## 10 Sustainability Goals

ESRS	Target/Target KPI	2021	2022	2023	Target year
		AU & IND	IND	IND	
E1-4 E5-3	Implement at least one sustainable lighthouse project in each division	In 2021, Interior Solutions launched the RAUKANTEX eco.protect a sustainable product line based on recycled and bio-based materials. Window Solutions has developed a digital ID card, Window ID, to facilitate the traceability of windows throughout the entire product life cycle from production to recycling.	In 2022, Building Solutions designed and implemented its own return concept for sewer pipe systems with an external disposal partner. This means that three out of four divisions have implemented a sustainable lighthouse project.	Interior Solutions implemented a Europe-wide take-back concept for edge bands in 2023 and introduced it with various external disposal partners. This means that four out of four divisions have thus implemented a sustainable light house project.	2025
E2-3 E5-3	Reduction of waste generation in production by 2% compared to the previous year, in relation to the output in tones (factories worldwide)	The target for hazardous waste was met. For non-hazardous waste, a reduction was achieved, but the target of 2% was missed. From 2021, the amount of hazardous and non-hazardous waste will be further divided into the categories "recycled" and "disposed" of.	For a number of reasons, it was not possible to reduce the total waste volume in relation to the output.	The total volume of both hazardous and non-hazardous waste was reduced. In terms of output, the target value could not be achieved.	ongoing
E1-4	Reduction of primary energy consumption per euro of factory revenue by 15% (base year 2019)	36%	68%	65%	2025
E1-4	REHAU Industries: Reduction of CO <sub>2</sub> e emissions from electricity consumption (scope 2 – market based) by 100% in balance sheet terms (base year 2018)	0.5%	42%	25%	2025
S1-5 S1-9 S1-13	Mixed teams as standard in project teams as well as education and training programmes	The diversity criteria developed for mixed teams were implemented again in the GROW and trainee programmes in 2021.	The developed diversity criteria for mixed teams were met in the GROW. Trainee and MDP programmes.	The developed diversity criteria for mixed teams were met in the GROW. Trainee and MDP programmes.	ongoing

## 11 Reporting-index

ESRS		UNGC		References	ESRS conformity
<b>ESRS 2: General Disclosures</b>					
Basis for preparation	BP-1	General basis for preparation of sustainability statements		→ Corporate structure and business activity, P. 5 → Report profile, P. 61 onwards	–
	BP-2	Disclosures in relation to specific circumstances		→ Report profile, P. 61 onwards	Requirement partially covered
Governance	GOV-1	The role of the administrative, management and supervisory bodies	3	→ Company, P. 5 onwards → Corporate structure and business activity, P. 5 → Corporate management, P. 6 onwards	Requirement partially covered
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		→ Company, P. 5 onwards → Corporate structure and business activity, P. 5 onwards → Corporate management, P. 6 onwards → Sustainability organisation, P. 17 onwards	Requirement partially covered
	GOV-3	Integration of sustainability-related performance in incentive schemes		→ Corporate management, P. 6 onwards	Requirement partially covered
	GOV-4	Statement on due Diligence	1-10	→ Human rights P. 26 onwards → Risk management, P. 28 onwards	–
	GOV-5	Risk management and internal controls over sustainability reporting		→ Risk management, P. 30 onwards	–

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ESRS			UNGC	References	ESRS conformity
Strategy	SBM-1	Strategy, business model and value chain		<ul style="list-style-type: none"> <li>→ Corporate structure and business activity, P. 5</li> <li>→ Corporate strategy, P. 8</li> <li>→ Sustainability strategy, P. 15 onwards</li> <li>→ Materiality analysis, P. 12 onwards</li> <li>→ Sustainability targets, P. 64 onwards</li> <li>→ Key figures, P. 76 onwards</li> </ul>	Requirement partially covered
	SBM-2	Interests and views of stakeholders		<ul style="list-style-type: none"> <li>→ Materiality analysis, P. 12 onwards</li> <li>→ Stakeholders, P. 19</li> </ul>	Requirement partially covered
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		<ul style="list-style-type: none"> <li>→ Materiality analysis, P. 12 onwards</li> </ul>	Requirement partially covered
Impact, risk and opportunity management	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		<ul style="list-style-type: none"> <li>→ Materiality analysis, P. 12 onwards</li> </ul>	Requirement partially covered
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement		<ul style="list-style-type: none"> <li>→ Materiality analysis, P. 12 onwards</li> <li>→ Reporting index, P. 66 onwards</li> </ul>	Requirement partially covered
<b>ESRS E1: Climate Change</b>					
ESRS 2 General Disclosures	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	7-9	<ul style="list-style-type: none"> <li>→ Corporate management, P. 6</li> </ul>	Requirement partially covered
	E1-1	Transition plan for climate change mitigation	7-9		Information not available
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	7-9	<ul style="list-style-type: none"> <li>→ Materiality analysis, P. 12 onwards</li> </ul>	Requirement partially covered
	ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	7-9	<ul style="list-style-type: none"> <li>→ Materiality analysis, P. 12 onwards</li> <li>→ Risk management, P. 30 onwards</li> </ul>	Requirement partially covered

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<b>ESRS</b>			<b>UNGC</b>	<b>References</b>	<b>ESRS conformity</b>
Impact, risk and opportunity management	E1-2	Policies related to climate change mitigation and adaptation	7-9		Information not available
	E1-3	Actions and resources in relation to climate change policies	7-9	→ Resource utilisation, P. 40 onwards	Requirement partially covered
	E1-4	Targets related to climate change mitigation and adaptation	7-9	→ Sustainability targets, P. 64 onwards → Climate management, P. 33 onwards	Requirement partially covered
Metrics and targets	E1-5	Energy consumption and mix	7-9	→ Energy, P. 35 onwards	
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	7-9	→ Emissions P. 34	Requirement partially covered
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	7-9		Information not available
	E1-8	Internal carbon pricing	7-9		Information not available
	E1-9	Potential financial impact of material physical and transition risks and potential climate-related opportunities	7-9	Not covered in this report	Not covered in this report Information not available
<b>ESRS E2: Pollution</b>					
ESRS 2 General Disclosures	E2-1	Policies related to pollution	7-9	→ Environmental pollution, P. 37 onwards	
	ESRS 2 MDR-P	Process for identifying and analyzing material impacts, risks and opportunities related to environmental pollution	7-9	→ Environmental pollution, P. 37 onwards	Requirement partially covered

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ESRS		UNGC References		ESRS conformity
Impact, risk and opportunity management	ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	7-9 → Materiality analysis, P. 12 onwards → Environmental pollution, P. 37 onwards	Requirement partially covered
	E2-2	Actions and resources related to pollution	7-9 → Environmental pollution, P. 37 onwards	
Metrics and targets	E2-3	Targets related to pollution	7-9 → Environmental pollution, P. 37 onwards	Information not available
	E2-4	Pollution of air, water and soil	7-9	
	E2-5	Substances of concern and substances of very high concern	7-9 → Circular economy, P. 38 onwards	
<b>ESRS E3: Water and marine resources</b>				
Impact, risk and opportunity management	ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	7-9 → Materiality analysis, P. 12 onwards → Water, P. 42	Requirement partially covered
	E3-1	Policies related to water and marine resources	7-9 → Water, P. 42	
	E3-2	Actions and resources related to water and marine resources	7-9 → Water, P. 42	
Metrics and targets	E3-3	Targets related to water and marine resources	7-9 → Water, P. 42	
	E3-4	Water consumption	7-9 → Water, P. 42	

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ESRS		UNGC		References	ESRS conformity
<b>ESRS E5: Resource use and circular economy</b>					
Impact, risk and opportunity management	ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	7-9	→ Materiality analysis, P. 12 onwards	Requirement partially covered
	E5-1	Policies related to resource use and circular economy	7-9	→ Sustainability strategy, P. 15 onwards → Circular economy, P. 38 onwards → Resource utilisation, P. 40 onwards	
	E5-2	Actions and resources related to resource use and circular economy	7-9	→ Resource utilisation, P. 40 onwards	
Metrics and targets	E5-3	Targets related to resource use and circular economy	7-9	→ Resource utilisation, P. 40 onwards	
	E5-4	Resource inflows	7-9	→ Circular economy, P. 38 onwards	
	E5-5	Resource outflows	7-9	→ Circular economy, P. 38 onwards	
<b>ESRS S1: Own Workforce</b>					
ESRS 2 General Disclosures	ESRS 2 SBM-2	Interests and views of stakeholders	1-2	→ Stakeholders, P. 19 onwards → Corporate culture, P. 44 onwards	Requirement partially covered
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1-2	→ Materiality analysis, P. 12 onwards	Requirement partially covered

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ESRS			UNGC	References	ESRS conformity
Impact, risk and opportunity management	S1-1	Policies related to own workforce	1-2	→ Sustainability strategy, P. 44 onwards → Corporate culture, P. 44 onwards → Organisation and objectives, P. 46 onwards	
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	1-3	→ Corporate culture, P. 44 onwards → Organisation and objectives, P. 46 onwards	
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	1-3	→ Compliance, P. 23 onwards	Requirement partially covered
	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	1-2	→ Social impact, P. 44 onwards	Requirement partially covered

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ESRS		UNGC	References	ESRS conformity	
Metrics and targets	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	1-2	→ Organisation and objectives, P. 46 → Occupational health and safety, P. 52 → Sustainability targets, P. 64	Requirement partially covered
	S1-6	Characteristics of the undertaking's employees	1-2	→ Personnel management, P. 47 → Education and training: Training and further education, P. 49 → Diversity and equal opportunities, P. 50 → Key figures, P. 76 onwards	Requirement partially covered
	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	1-2	→ Personnel management, P. 47 → Key figures, P. 76 onwards	Requirement partially covered
	S1-8	Collective bargaining coverage and social dialogue	1-3		Not applicable
	S1-9	Diversity metrics	1-2, 6	→ Diversity and equal opportunities, P. 50 → Key figures, P. 76 onwards	
	S1-10	Adequate wages	1-2	→ Corporate culture, P. 44 → Personnel management, P. 47	
	S1-11	Social protection	1-2		Information not available
	S1-12	Persons with disabilities	1-2, 6	→ Diversity and equal opportunities, P. 50 → Key figures, P. 76 onwards	
	S1-13	Training and skills development metrics	1-2	→ Diversity and equal opportunities, P. 52 → Key figures, P. 76 onwards	
	S1-14	Health and safety metrics	1-2	→ Occupational health and safety, P. 52 → Key figures, P. 76 onwards	Requirement partially covered
	S1-15	Work-life balance metrics	1-2		Information not available
	S1-16	Compensation metrics (pay gap and total compensation)	1-2, 6	→ Corporate management, P. 6 → Corporate culture, P. 44 → Personnel management, P. 47	Information not available
	S1-17	Incidents, complaints and severe human rights impacts	1-2, 4-5	→ Human rights, P. 23 → Key figures, P. 76 onwards	



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ESRS			UNGC	References	ESRS conformity
<b>ESRS S2: Workers in the Value Chain</b>					
General Disclosures	ESRS 2 SBM-2	Interests and views of stakeholders	1-6	→ Labour in the value chain / AU: Involvement of workers in the value chain P. 58	
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1-6	→ Materiality analysis, P. 12 onwards → Supply chain, P. 54 onwards	Requirement partially covered
Impact, risk and opportunity management	S2-1	Policies related to value chain workers	1-6	→ Supplier management, P. 55 onwards → Sustainable standards in the supply chain, P. 54	
	S2-2	Processes for engaging with value chain workers about impacts	1-6	→ Labour in the value chain / AU: Involvement of workers in the value chain, P. 58	
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	1-6	→ Sustainable standards in the supply chain, P. 54 onwards → Supplier Code of Conduct, P. 55 onwards → Labour in the value chain / AU: Involvement of workers in the value chain, P. 58	
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	1-6	→ Labour in the value chain, P. 58	Requirement partially covered
Metrics and targets	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	1-6	→ Supplier management, P. 55 onwards	Requirement partially covered
<b>ESRS S3: Affected Communities</b>					Requirement partially covered
ESRS 2 General Disclosures	ESRS 2 SBM-2	Interests and views of stakeholders	1-2, 6	→ Stakeholder, P. 19 onwards → Materiality analysis, P. 12 onwards	Requirement partially covered
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1-2, 6	→ Materiality analysis, P. 12 onwards	Requirement partially covered

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<b>ESRS</b>			<b>UNGC</b>	<b>References</b>	<b>ESRS conformity</b>
	S3-1	Policies related to value chain workers	1-2, 6	→ Stakeholder, P. 19 onwards	
	S3-2	Processes for engaging with value chain workers about impacts	1-2, 6	→ Stakeholder, P. 19 onwards → Key figures, P. 76 onwards	
Impact, risk and opportunity management	S3-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	1-2, 6	→ Corporate culture, P. 44 onwards	
	S3-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	1-2, 6		Information not available
Metrics and targets	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	1-2, 6		Information not available

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ESRS		UNGC References		ESRS conformity	
<b>ESRS G1: Business Conduct</b>					
General Disclosures	ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	10	→ Company, P. 5 onwards → Corporate structure and business activity, P. 5 onwards → Corporate management, P. 6 onwards	
	ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	10	→ Materiality analysis, P. 12 onwards → Risk management, P. 28 onwards	Requirement partially covered
Impact, risk and opportunity management	G1-1	Corporate culture and Business conduct policies and corporate culture	1-10	→ Corporate strategy, P. 8 onwards → Corporate culture, P. 44 onwards	
	G1-2	Management of relationships with suppliers	10	→ Supply chain, P. 54 onwards	
	G1-3	Prevention and detection of corruption and bribery	10	→ Compliance und Integrität, P. 23 onwards → Key figures, P. 76 onwards	
Metrics and targets	G1-4	Confirmed incidents of corruption or bribery	10	→ Compliance und Integrität, P. 23 onwards → Key figures, P. 76 onwards	
	G1-5	Political influence and lobbying activities	10		Not applicable
	G1-6	Payment practices	10	→ Payment practices, P. 57	Information not published

## 12 Key figures

ESRS	KPI	2021		2022		2023
		IND	AU & IND	IND	AU & IND	IND
<b>ESRS 2: General information</b>						
SBM-1	Total turnover in absolute value (billion €)	2.3	3.5	2.6	3.9	2.3
SBM-2	EcoVadis (Rating)		Gold		Gold	Gold
SBM-2	CDP Climate Change (Rating)		B	B		B
SBM-2	CDP Water-Security (Rating)	–	–	B-		B
<b>ESRS E1: Climate change</b>						
E1-2	Share of factories with ISO 50001 certification (%)	–	–	56	–	56
E1-4	CO <sub>2</sub> e red. Scope 1/2 ww. (%) in relation to the base year 2018	–	36	68	–	65
E1-5	Share of electricity consumed derived from renewable energy sources (%)	34		68	–	65
	Total consumption of electricity, gas and heating oil in GWh	388.6	–	283.8	–	265.5
E1-6	Market-based GHG scope 1 (t CO <sub>2</sub> e)	8,963	–	8,076	–	7,344
	Market-based GHG scope 2 (t CO <sub>2</sub> e)	81,261	–	35,796	–	56,374
	Market-based scope 1+2 (t CO <sub>2</sub> e)	90,224	–	43,872	–	63,718
	Location-based GHG scope 1 (t CO <sub>2</sub> e)	8,963	–	8,076	–	7,344
	Location-based GHG scope 2 (t CO <sub>2</sub> e)	63,342	–	104,577	–	97,885
	Location-based scope 1+2 (t CO <sub>2</sub> e)	135,881	–	112,653	–	105,229
	Total market-based scope 3 emissions (t CO <sub>2</sub> e) <sup>1) 2)</sup>	2,494,099	–	<sup>2)</sup>	–	1,253,773

<sup>1)</sup> In the 2021 financial year, the REHAU Automotive and REHAU Industries subgroups were still managed as one company

<sup>2)</sup> Scope 3 emissions were not calculated in the 2022 financial year.

## 12 Key figures

ESRS	KPI	2021		2022		2023
		IND	AU & IND	IND	AU & IND	IND
	Cat. 1 (t CO <sub>2</sub> e)	1,189,372	–	2)	–	696,161
	Cat. 2 (t CO <sub>2</sub> e)	109,731	–	2)	–	91,612
	Cat. 3 (t CO <sub>2</sub> e)	39,173	–	2)	–	15,861
	Cat. 4 (t CO <sub>2</sub> e)	228,874	–	2)	–	111,364
	Cat. 5 (t CO <sub>2</sub> e)	5,482	–	2)	–	3,174
	Cat. 6 (t CO <sub>2</sub> e)	1,213	–	2)	–	1,047
	Cat. 7 (t CO <sub>2</sub> e)	19,062	–	2)	–	10,155
E1-6	Cat. 8 (t CO <sub>2</sub> e)	not surveyed	–	2)	–	not surveyed
	Cat. 9 (t CO <sub>2</sub> e)	not surveyed	–	2)	–	not surveyed
	Cat. 10 (t CO <sub>2</sub> e)	107,651	–	2)	–	22,670
	Cat. 11 (t CO <sub>2</sub> e)	not surveyed	–	2)	–	not surveyed
	Cat. 12 (t CO <sub>2</sub> e)	793,540	–	2)	–	301,729
	Cat. 13 (t CO <sub>2</sub> e)	not surveyed	–	2)	–	not surveyed
	Cat. 14 (t CO <sub>2</sub> e)	not surveyed	–	2)	–	not surveyed
	Cat. 15 (t CO <sub>2</sub> e)	not surveyed	–	2)	–	not surveyed
<b>ESRS E2: Environmental pollution</b>						
E2-2	Share of factories with ISO 14001 certification (%)	–	–	81.5	–	82

<sup>1)</sup> In the 2021 financial year, the REHAU Automotive and REHAU Industries subgroups were still managed as one company

<sup>2)</sup> Scope 3 emissions were not calculated in the 2022 financial year.

## 12 Key figures

ESRS	KPI	2021		2022		2023
		IND	AU & IND	IND	AU & IND	IND
<b>ESRS E3: Water and marine resources</b>						
E3-4	Specific water consumption (l/kg factory output)	0.42	0.2 – 3.6	0.539	–	0.577
	Specific water consumption (l/€ factory output)	0.154	0.2	0.129	–	0.141
	Absolute water consumption (l)	204,515,474	429,942,434	179,254,878	–	198,402,500
<b>ESRS E5: Resource use and circular economy</b>						
E5-4	Recycled source materials used in EMEA in absolute value (kt)	–	61.2	58.4	–	60
	Recycled source materials used in EMEA in relative value EMEA (%)	–	15.2	21.1	–	23.4 / 20.2
E5-5	Output quantity of all REHAU plants (EMEA)	484,519	534,763	395,199	446,427	338,979
	Proportion of packaging made of paper and corrugated cardboard as well as wood and cardboard reels EMEA (%)	61	–	64	–	266
	Ratio of single-use plastic packaging to total packaging sales EMEA (Sales of single-use plastic packaging) (%)	–	–	23.2	–	25
	Non-hazardous waste worldwide (in t)	21,802.50	36,977.9	23,180	3,7216	20,729
	... of which recycled (in t)	18,257.20	20,440.8	18,826	3,1167	16,483
	... of which disposed of (in t)	3,545.30	5,728.9	4,355	6,050	4,246
	Hazardous waste (in t)	2,652.70	5,284.4	1,355	4,281	1,236
	... of which recycled (in t)	814	1,571.4	681	2,830	522
... of which disposed of (in t)	814	1,571.4	674	1,451	714	
	Non-hazardous waste + hazardous waste (in t)	24,456	42,263.3	24,535	41,497	21,965

## 12 Key figures

ESRS	KPI	2021		2022		2023
		IND	AU & IND	IND	AU & IND	IND
<b>ESRS S1: Own staff</b>						
	Pulse Survey response rate (%)	–	65	77	–	80
	Participants in Pulse Surveys	–	–	9,140	14,218	8,865
S1-3	Value for "Trust" in the Pulse Surveys (%)	–	57.4	62	–	60
	Value for "Reliability" in the Pulse Surveys (%)	–	–	64	–	60
	Value for "Innovation" in the Pulse Surveys (%)	–	–	64	–	64
	Value for "Morals" in the Pulse Surveys (%)	–	–	68	–	64
	Value for "Sustainability" in the Pulse Surveys (%)	–	–	66	–	63
S1-3	Value for "Diversity and Inclusion" in the Pulse Surveys (%)	–	–	67	–	61
	Managers at levels E3 to E0 who have started the 360° feedback	–	85	69	159	98
	Participants in Feedback2Managers	–	226	31	42	–
	Total number of employees (deadcount, as at 31.12.)	–	19,764	12,877	19,909	12,626
	of which salaried employees	–	7,785	5,174	6,924	5,276
	of which employees in manufacturing	–	11,320	7,102	12,265	7,003
	Full-time Americas (AM)	–	2,773	2,178	2,908	2,308
S1-6	Part time AM	–	2	1	1	1
	Full-time Asia Pacific (AP)	–	1,487	1,522	1,543	1,543
	part time AP	–	1	0	–	0
	Full-time EMEA (Europe)	–	13,883	7,954	14,002	7,535
	Part time EMEA	–	1,372	1,222	1,455	1,324

## 12 Key figures

ESRS	KPI	2021		2022		2023
		IND	AU & IND	IND	AU & IND	IND
	New hires AM	–	1,029	808	1,241	927
	New hires AP	–	428	419	426	289
	New hires EMEA	–	2,197	927	1,879	651
	New hires total	–	3,654	2,153	3,545	1,867
	Number of employees AM	–	2,775	2,179	2,909	2,309
	Staff turnover rate AM (%)	–	17.1	31.9	–	18.3
	Number of employees AP	–	1,488	1,522	1,543	1,458
	Fluctuation rate AP (%)	–	10.3	14.7	–	9.3
	Number of employees EMEA	–	15,501	9,176	15,457	8,859
S1-6	Fluctuation rate EMEA (%)	–	5.4	12.7	–	3.4
	Total number of employees	–	19,764	12,877	19,909	12,626
	Total staff turnover rate (%)	–	7.4	10.5	–	6.9
	Employees in vocational training (incl. cooperative studies)	–	469	280	450	296
	Global training rate (%)	–	5	4	–	6
	Number of apprentices	–	469	280	450	296
	Proportion of female apprentices (%)	–	22	–	20	12
	Number of apprentices who have completed their training	–	169	75	146	124
	Hire rate (%)	–	79	96	–	69
S1-8	Cases of violations of or threats to freedom of association or collective bargaining (cases)	–	0	–	0	0



## 12 Key figures

ESRS	KPI	2021		2022		2023
		IND	AU & IND	IND	AU & IND	IND
	Non-binary (PT)	–	1	0	–	0
	Non-binary (FT)	–	20	13	25	19
	Female PT	–	658	504	695	521
	Female FT	–	4,676	2,624	4,769	2,566
	Male PT	–	716	719	761	771
	Male FT	–	13,447	8,837	13,474	8,381
S1-9	Women in leadership positions E0-E3 (%)	–	13	16.4	–	16
	Employees younger than 30	–	4,264	3,026	4,693	2,733
	... in %	–	22	23.9	–	22.3
	Employees 30 to 49	–	10,325	6,613	10,342	6,499
	... in %	–	53	52.2	–	53
	Employees older than 50	–	4,929	3,041	4,677	3,026
	... in %	–	25	24	–	24.7
S1-12	Number of employees with disabilities	–	305	312	446	172
	Proportion of employees with disabilities (%)	–	3.2	5.4	–	3.3
	Average number of hours for further training in classroom or live online training per employee worldwide: overall average	–	3.5	7.5	–	5.5
S1-13	see above : younger than 30	–	2	9.5	–	5
	see above: 30 to 49	–	3.4	8	–	6.1
	see above: older than 50	–	1.9	5.3	–	0.4

## 12 Key figures

ESRS	KPI	2021		2022		2023
		IND	AU & IND	IND	AU & IND	IND
S1-13	Number of trained employees	–	10,520	8,518	–	4,617
	Number of projects carried out worldwide e-learning courses	–	15,838	17,626	27,019	18,787
	Proportion of women in the GROW development programme (%)	–	42	30	–	32
	Number of men in the IGP (International Graduate Programme, formerly International Trainee Programme)	–	3	2	3	2
	Number of women in the IGP	–	3	3	–	3
	Number of nationalities in the IGP	–	4	4	5	4
	Number of participants in the MDP programme	–	16	19	24	19
	Number of nationalities in the MDP programme	–	8	9	12	7
	Number of participants in the GROW programme	–	23	20	25	19
	Number of nationalities in the GROW programme	–	6	9	12	9
	Number of women in the LEAD programme	–	1	no programme in 2022	no programme in 2023	
	Number of men in the LEAD programme	–	11	no programme in 2022	no programme in 2023	
	Number of nationalities in the LEAD programme	–	7	no programme in 2022	no programme in 2023	
S1-14	Proportion of factories with ISO 45001 certification (%)	–	–	100	–	21
	Employees covered by management system for HSE (%)	–	–	77.7	–	73.8
	Accidents with >3 lost days per 1 million. working hours – actual state (factories worldwide)	–	6.83	7.02	–	6.28
	Accidents with >3 lost days per 1 million. working hours – target state (factories worldwide)	–	6.64	–	6.64	6

## 12 Key figures

ESRS	KPI	2021		2022		2023
		IND	AU & IND	IND	AU & IND	IND
S1-17	Reports of human rights violations (cases) (Violation of the prohibition of forced labour and child labour as well as cases of discrimination based on origin, skin colour or gender)	–	0	–	0	0
<b>ESRS S3: Affected communities</b>						
S3-2	Sponsoring (€)	–	61,087	–	52,195	33,535
<b>ESRS G1: Governance</b>						
G1-3	Share of the topic of corruption in recorded compliance risks (%)	–	50	–	32	0
	Number of employees who have completed compliance courses (Ref. = Refresher Course Bas. = basic course)	–	4,129	–	2,464	–
	... in compliance and CoC	–	Ref: 2,131 Base: 653	Ref: – Base: 791	–	539
	... Antitrust Law Refresher Course	–	Ref: 335 Base: 0	Ref: – Base: 553	–	758
	... Anti-corruption	–	Ref: 743 Base: 267	Ref: 375 Base: 233	–	2,896
	... in cybersecurity	–	–	4,698	6,518	10,231
G1-4	Confirmed cases of corruption (cases)	–	0	–	0	0

## Base emissions 2018

ESRS	KPI	
E1-6	Base emissions 2018 scope 1 (t CO <sub>2</sub> e)	9,160
	Base emissions 2018 scope 2 market-based (t CO <sub>2</sub> e)	127,691
	Base emissions 2018 scope 2 location-based (t CO <sub>2</sub> e)	137,377



### **Legal notice**

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