



Engineering progress
Enhancing lives

REHAU
Sustainability
Report
2020



Contents

03	→	Preface
07	→	Our company
21	→	Ethics and compliance
25	→	Stakeholders
29	→	Supply chain
33	→	Economic impact
38	→	Environmental impact
50	→	Employees
68	→	Social involvement
69	→	Report profile
73	→	UN Global Compact
74	→	Legal notice

How to use this report

This sustainability report is being published as a navigable PDF file. As a result, all of the information in the report can be located quickly and easily. You can reach any chapter by clicking on its title in the table of contents and by means of cross-navigation on all the following pages.

Further online information, for example on the REHAU website, can be accessed via the links in the PDF. The following symbols will help you navigate:

- 🌐 Link to an external page
e.g. www.rehau.com/sustainability
- Reference to another page of the report

Page references in the tables on pages 34, 40, 62 and 71 are also linked.

You can find the relevant targets for each of our areas of activity under the corresponding management approach. In addition, topics that cover the United Nations' SDGs that are relevant to REHAU are marked with the corresponding icons in the report.



In 2020, REHAU made a commitment to the UN Global Compact initiative for corporate responsibility and its ten principles in the areas of human rights, work, environment and combating corruption. The GRI standards that correspond to the principles of the UN Global Compact are marked in the report. You can find a tabular overview of these principles on page 73.

Preface

(GRI 102-14)

Dear readers,

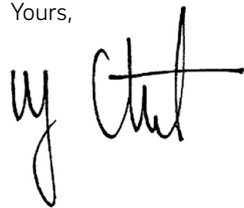
The year 2020 showed us the fragility of our living environments in drastic terms. The effects of the COVID-19 pandemic, its social and economic dimensions, demonstrate how necessary it is for us as a society to make our activities sustainable. In order to safeguard our vital resources and those of future generations, we have to improve the way we do things. Including how we safeguard the future of our ecosystems.

At REHAU we are systematically working to play our part in this effort. As this report documents, our efforts to expand the circular economy are having an effect. We are increasing the proportions of recycled materials and implementing climate-neutral production concepts.

In 2020, the motto that had the strongest impact on us as a corporate community was #peoplefirst. From the effective measures to protect the employees in our factories and administrative locations to innovative communication solutions, it expresses how we aimed to work together with one another and with our customers worldwide. We resolutely struck out in new directions with these activities. The boldness and individual initiative that have always characterised our activities as a family-owned company are pointing the way forward.

Innovative thinking will continue to guide our sustainability-related activities in the future. In 2020, we set a clear example by signing the UN Global Compact and participating in the "50 Sustainability & Climate Leaders" initiative. These actions confirm how seriously we take our determination to improve our performance.

Yours,



William Christensen
CEO of REHAU



#peoplefirst.

Responsibility first and foremost.

Protecting our employees and maintaining our ability to act – we have been mastering these challenges together with our employees since the beginning of the pandemic. For example, we were able to organise masks, rapid testing and accommodation for commuters almost from scratch, and to make mobile work possible for many of our employees.

- 🌐 More about this on our website
- Mobile work at REHAU, p. 51

40,000

We were already able to distribute 40,000 masks to our employees at the beginning of the pandemic.

A word with REHAU COO

Uwe H. Böhlke



The modern circular economy.

Sustainable success for generations.

The old made new – at the Window Solutions division we've been using high-quality recycling granulate from the PVC components of old windows for the production of new window profiles for windows for a long time now. We aim to increase the current 54% proportion of recyclates to 65% by 2025. Thanks to our sustainable circular economy approach, we are saving valuable raw materials while also avoiding thousands of tonnes of CO₂ emissions.

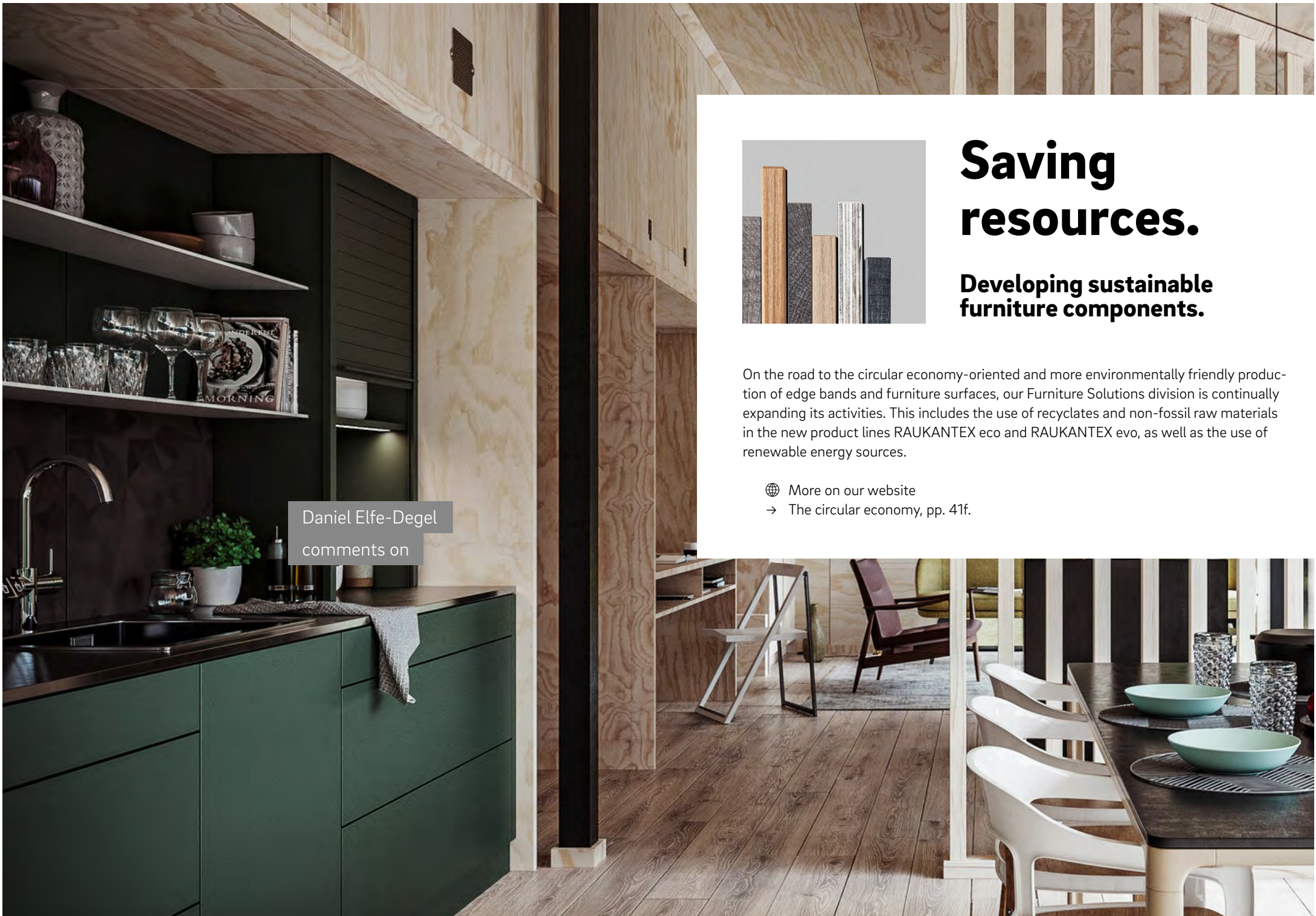
- 🌐 Read more on our website
- Use of recyclates, pp. 41f.

97,000 t

of CO₂ emissions per year are avoided through the use of recyclates.



Statement by
Carsten Heuer



Daniel Elfe-Degel
comments on



Saving resources.

Developing sustainable furniture components.

On the road to the circular economy-oriented and more environmentally friendly production of edge bands and furniture surfaces, our Furniture Solutions division is continually expanding its activities. This includes the use of recyclates and non-fossil raw materials in the new product lines RAUKANTEX eco and RAUKANTEX evo, as well as the use of renewable energy sources.

- 🌐 More on our website
- The circular economy, pp. 41f.

Our company



Company profile

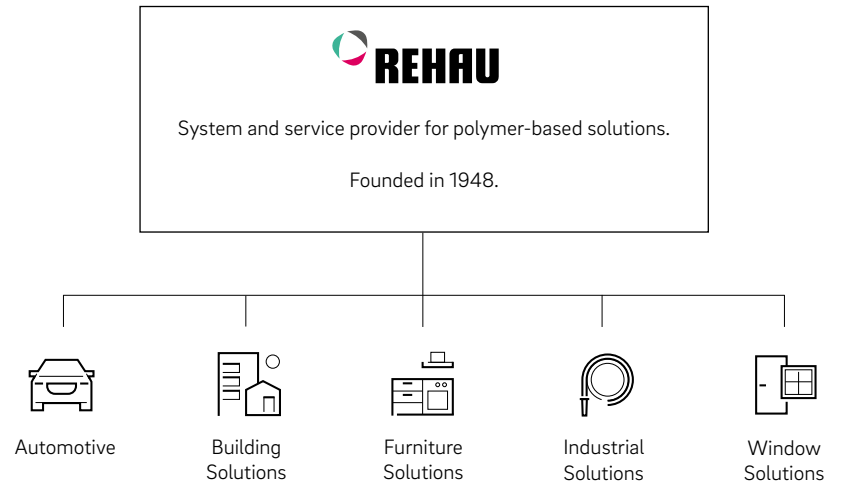
GRI 102-1: Name of the organisation

In this report covering the year 2020, REHAU (referred to in last year's report as "REHAU Group") comprises the five divisions: Automotive, Building Solutions, Furniture Solutions, Industrial Solutions and Window Solutions. In 2021, it was divided into the two units REHAU Automotive and REHAU Industries, which encompasses the remaining divisions.

GRI 102-2: Activities, brands, products and services

REHAU is a leading system and service provider for polymer-based solutions in the construction, automotive and industrial sectors. REHAU is a premium brand synonymous with high performance, quality, innovation strength and design expertise for its customers, suppliers and employees. Our corporate culture is based on the values of trust, reliability and innovation. With expertise and a passion for innovation, we are facing up to the environmental and economic challenges related to energy-efficient construction, the use of renewable energies, water management, the mobility of tomorrow and future living, and we are developing optimally sustainable solutions in these areas.

01 _ REHAU divisions

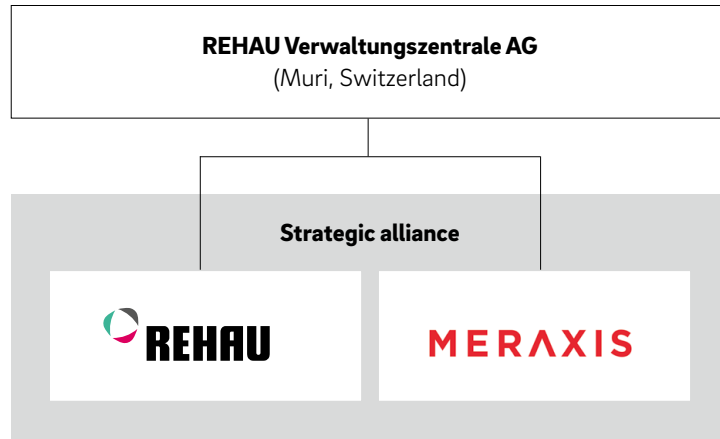


REHAU is a part of REHAU Verwaltungszentrale AG.

REHAU has maintained a strategic alliance with its sister company, MERAXIS, since mid-2019. In the initial phase, parts of the two companies' procurement process and of the associated supply chain management were merged. The cooperation with MERAXIS was further intensified in 2020. It now also includes areas such as recycling and research & development. In addition, MERAXIS and REHAU regularly discuss sustainability issues, because topics such as the circular economy play an important role in both companies.

Sustainability at MERAXIS

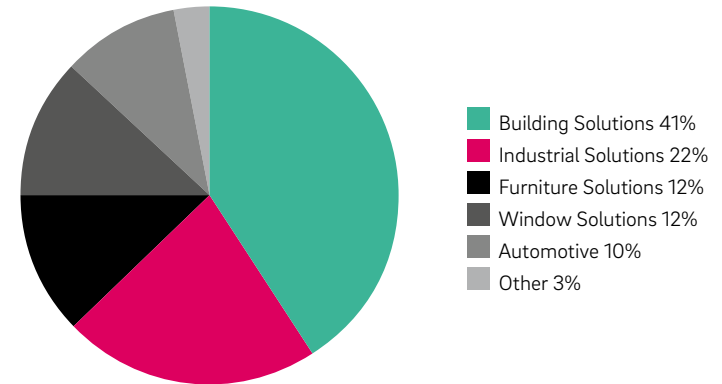
02 _ Strategic alliance REHAU/MERAXIS



Patents

As an innovative leader in the field of technology, we further develop our products across divisions and internationally and work on new solutions. This is reflected in the large number of patent and utility model applications we submit each year. In total, the number of patents and utility models granted across all divisions and specialist departments during the reporting year was 347 worldwide (2019: 292).

03 _ Distribution of patent applications in 2020 by division



GRI 102-3: Location of headquarters

The headquarters of REHAU Verwaltungszentrale AG and of the units are located in Muri bei Bern, Switzerland.

GRI 102-4: Location of operations



REHAU has around 170 locations in more than 50 countries worldwide. Its international activities are focused in Europe and the EMEA economic region, which comprises Europe, the Middle East and Africa. REHAU is represented or is active in sales in more than 40 countries in EMEA. In Africa these are the Maghreb states and South Africa in particular.

REHAU AG + Co in Germany is the biggest company. It employs around 8,000 members of staff in 16 sales offices, eleven factories, three logistics centres and two administration offices. In the Americas we operate twelve factories in Canada,

04 _ Locations worldwide



the USA, Mexico, Colombia, Argentina, Brazil and Chile. In the Asia/Pacific region we have 30 sales offices, factories and logistics centres in countries including China, Malaysia, Thailand and Australia.

-  Find out more about our locations in Germany (in German)
-  Find out more about our worldwide locations

GRI 102-5: Ownership and legal form

REHAU is family-owned and the holding company takes the legal form of an "Aktiengesellschaft" (public limited company). The company's main administrative headquarters are located in Rehau (Germany), along with the three divisions Automotive, Furniture Solutions and Industrial Solutions. The administrative headquarters of the Window Solutions and Building Solutions divisions are located in Erlangen (Germany).

GRI 102-6: Markets served

REHAU is a leading processor of polymer materials, with locations on every continent. The focus of our wide range of products is on technically advanced, high-quality and complex solutions. Finishing processes such as varnishing and lamination round off the range.

- The focus of the Automotive division is on diverse products in the areas of exterior, air and water management, and sealing for many major national and international automakers.
- The Building and Infrastructure Solutions division offers integrated, innovative and technically high-quality programmes and complete solutions in the strategic areas "Energy-efficient construction" and "Water management".
- As an idea generator and development partner of the furniture industry, the Furniture Solutions division primarily implements customised and high-quality system solutions for edging, roller blind, wall connection and surface finishing programmes.
- As a leading systems manufacturer of polymer-based solutions, the Industrial Solutions division is a partner for industrial performance and service packages of every kind. It offers mass production and volume deliveries as well as customised system developments to customers from diverse sectors.
- The Window Solutions division develops and produces functional, energy-efficient window and facade systems for private and public buildings.

With more than 120 sales offices worldwide, REHAU and all of its divisions are close to their customers and to the markets they supply.

GRI 102-7: Scale of the organisation

REHAU with around 19,000 employees, achieved a turnover of EUR 2.9 billion in the 2020 financial year (2019: EUR 3.3 billion).

05 _ Share of turnover by division

Division	2018	2019	2020
Automotive	45%	41%	38%
Building Solutions	18%	20%	21%
Furniture Solutions	13%	14%	14%
Industrial Solutions	8%	8%	9%
Window Solutions	16%	17%	18%

- GRI 102-2: Activities, brands, products and services, pp. 07f.
- GRI 102-4: Location of operations, pp. 08f.

The COVID-19 pandemic, especially the first lockdown in Germany, had a strong impact on the turnover for 2020, especially in the second quarter of the year. REHAU promptly and successfully implemented countermeasures in order to safeguard its earnings and its cash flow situation. All in all, the difficult situation in the first half of the year and the recovery during the third and fourth quarters will delay REHAU's budget development by about a year.

**GRI 102-8: Information on employees and other workers**

At the end of 2020, REHAU employed a total of 19,008 members of staff (2019: 19,928), of whom 7,497 (2019: 7,935) worked in administrative roles. This represents a decrease of 4.6% (2018: -3.9%).

This was due primarily to the reduction in the automotive sector, which was subject to sector-wide effects resulting from the pandemic and the structural change underway in this sector.

- For further figures, see the Employees chapter, pp. 52ff., 64

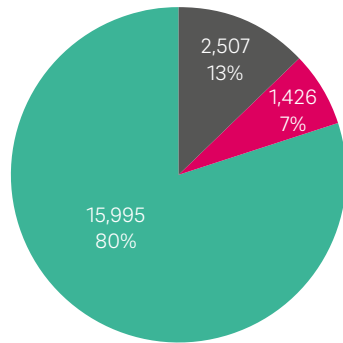
The majority of REHAU employees have permanent contracts. At the end of the reporting period, around 991 employees were working part-time (2019: 972).

The proportion of external employees is not significant, as REHAU only employs temporary workers in exceptional cases.

06 _ Employees by region and employment status*

Total employees in 2019

By region



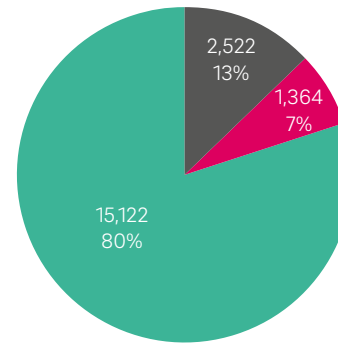
	Country	Employees
1.	DE	9,524
2.	CZ	1,182
3.	FR	918
4.	US	852
5.	HU	719
6.	MX	715
7.	RU	619
8.	CN	604
9.	PL	582
10.	ZA	549

■ AM = Americas ■ AP = Asia Pacific ■ EMEA = Europe, Middle East, Africa

Region	AM	AP	EMEA	Total
Employees	2,507	1,426	15,995	19,928
Full-time*	2,505	1,424	14,816	18,745
Part-time*	2	2	968	972

Total employees in 2020

By region



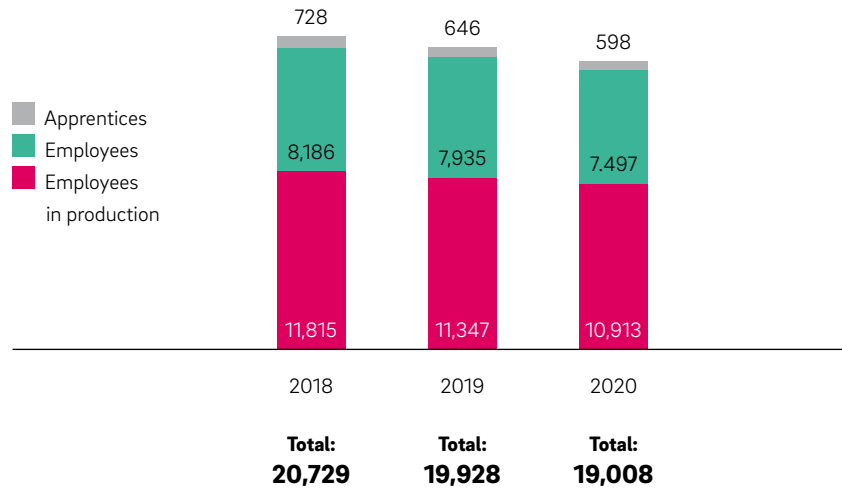
	Country	Employees
1.	DE	9,037
2.	CZ	1,138
3.	US	906
4.	FR	718
5.	HU	703
6.	MX	674
7.	CN	632
8.	RU	615
9.	PL	595
10.	BR	478

■ AM = Americas ■ AP = Asia Pacific ■ EMEA = Europe, Middle East, Africa

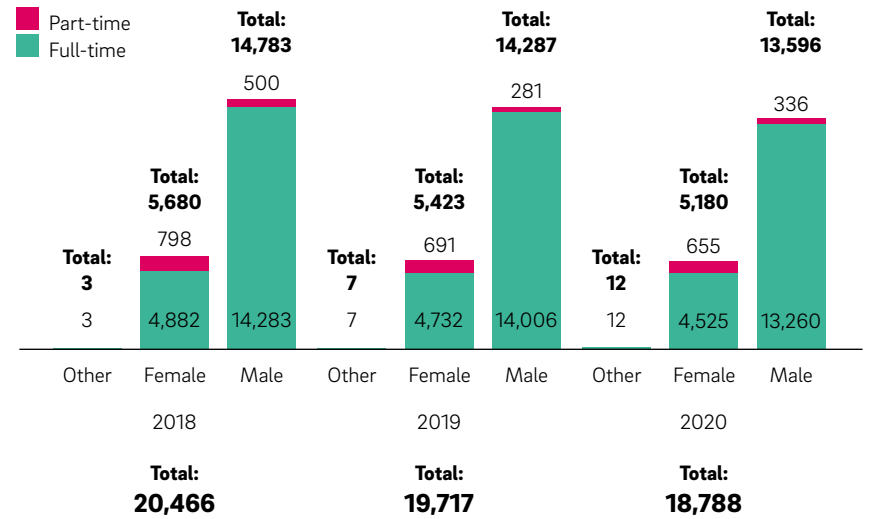
Region	AM	AP	EMEA	Total
Employees	2,522	1,364	15,122	19,008
Full-time*	2,522	1,362	13,913	17,797
Part-time*	0	2	989	991

* Number of active employees excluding contractors, temporary staff, interns, and mergers and acquisitions

07 _ Number of employees by employment status

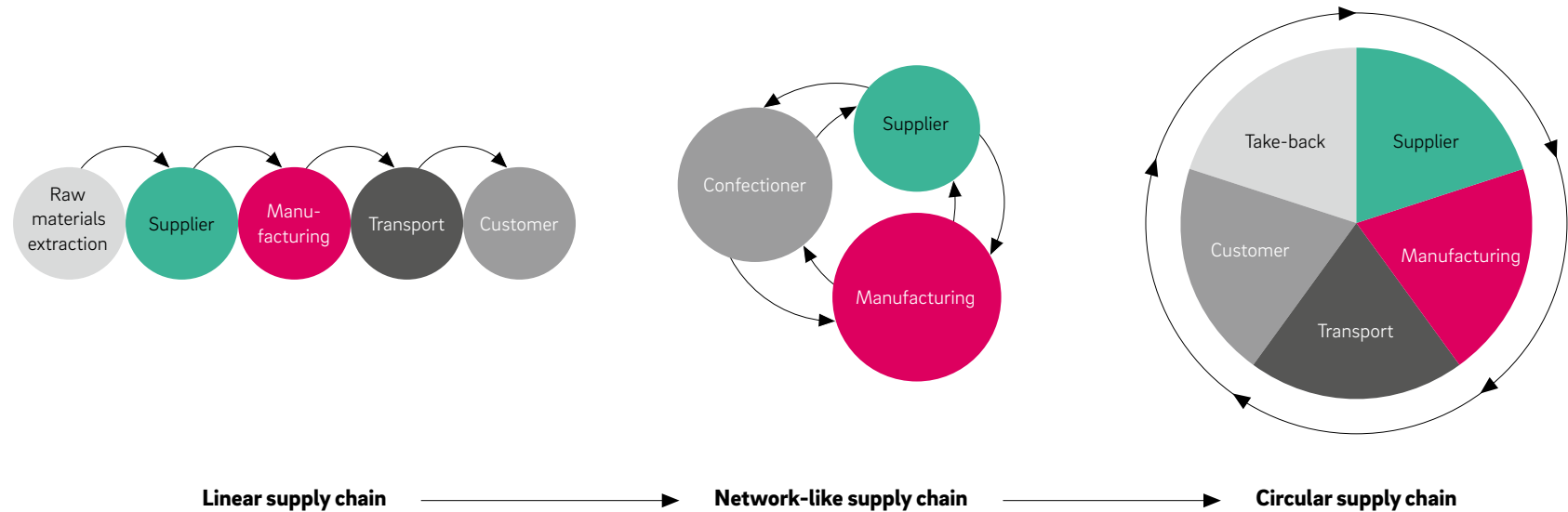


08 _ Number of employees by working hours and gender*



*Excluding mergers and acquisitions, as we do not have detailed information about gender and working hours (employees 2018: 263; employees 2019: 211; employees 2020: 220)

09 _ Step-by-step transformation from linear to network-like to circular supply chains



GRI 102-9: Supply chain

We define the supply chain as the planning, implementation and monitoring of all activities related to the flow of materials and information. Depending on the sector, this also includes sub-suppliers, in raw materials extraction and the take-back or recycling of materials, for example. The main elements of this process are purchasing of the plastic pellets or assembled goods, order processing and final delivery of the semi-finished goods or products to our consumers.

Depending on the sector or division, this multi-stage process, with upstream and downstream connections between various companies, tends to be linear (Industrial Solutions), network-like (Automotive) or circular (Window Solutions). The companies participating in value creation come from the areas of raw material extraction, finishing and assembly stages, production or take-back, reprocessing and new production.



To ensure consistently sustainable business practices, we take care to work with companies that can demonstrate that they act sustainably and take responsibility for the environmental and social impact of their business. We work with around 30,000 suppliers, the majority of which are based in member states of the Organisation for Economic Co-operation and Development (OECD).

Global collaboration with suppliers can entail certain risks. For this reason, REHAU has introduced its own Supplier Code of Conduct, which our suppliers must accept as part of our terms of delivery. We developed this further in 2018 with the aim of improving the environmental and social standards upheld by our suppliers and referring more specifically to the relevant global standards in this area, such as the requirements of the UN Global Compact and the ILO, for example.

- 🌐 Supplier Code of Conduct
- 🌐 Supplier management at REHAU

GRI 102-10: Significant changes to the organisation and its supply chain

There were no personnel changes to top management in 2020.

During the 2020 financial year, REHAU sold off the Cable Management business area to the family-owned company OBO Bettermann and the French business area Water & Telecommunication to Dyka.

GRI 102-11: Precautionary principle or approach

UN Global Compact: Principles 1, 7

Risk management is integrated into business processes via defined information and escalation systems. It forms part of both strategic and operational management. According to the company structure, risk assessments are carried out at the divisional and service-area level and, if necessary, at the individual company level, and reported to Executive Board. Risk assessments are based on the probability of occurrence and the extent of the potential damages.

We have defined a process by which to recognise and manage environmental and social risks at an early stage. They are incorporated into the company's overall risk strategy and management via sustainability management and environmental management. As part of this reputational risk management we monitor products, production processes, locations and customer groups for which sustainability is a particular factor. The focus is on topics that are ethically, socially or environmentally sensitive – for example, projects that may lead to increased air, water or soil pollution or be associated with the overuse of natural resources. This approach also covers human rights throughout our supply chain.

→ Supply chain, pp. 29ff.

GRI 102-12: External initiatives

UN Global Compact: Principles 1 to 10

REHAU is a member of several renowned associations, underlining its role as an economically, environmentally and socially responsible industrial company. One important signal was its signing up to the UN Global Compact in 2020. REHAU was also welcomed into the ranks of the "50 Sustainability & Climate Leaders". This campaign is supported by the United Nations and showcases companies that treat natural resources especially responsibly.

 50 Sustainability & Climate Leaders

Our memberships include the following:

- CDP (previously known as the Carbon Disclosure Project), international leader in carbon and water sustainability ratings (since 2014)
- Charta der Vielfalt, international initiative promoting diversity within companies (since 2018)
- EcoVadis, international leader in business sustainability ratings (since 2012)
- Responsible Minerals Initiative, initiative for the responsible procurement of minerals from conflict-affected regions (since 2014)
- UN Global Compact (since 2020)
- 50 Sustainability & Climate Leaders (since 2020)

We also play an active role in the following organisations:

- German Sustainable Building Council (DGNB; since 2013)
- La feuille de route économie circulaire (circular economy association; since 2018)
- kununu, open company (since 2015)
- Rewindo – German plastic profile manufacturers' recycling initiative (since 2011)

We are also members of various working groups actively involved in developing sustainability standards:

- VinylPlus – sustainable development commitment by the European PVC industry (since 2011)
- The European Plastic Pipes and Fittings Association (since 2016)
- The German Association of the Automotive Industry (VDA), working group on sustainability in the supply chain (since 2018)

GRI 102-13: Membership of associations

In accordance with our principles of conduct, we are rather reserved in our membership of associations and interest groups. Fundamentally, we strive to act responsibly and with integrity – including with regard to political and non-governmental organisations. We support the transition to renewable energy and heat in accordance with the Paris Agreement on climate change, in particular the expansion of solar power and wind energy and the environmentally friendly use of co-generation power plants within local heat networks.

As a globally active company with a high energy demand, we require internationally competitive energy prices and a secure energy supply. For this reason, we espouse free and fair trade.

REHAU is a member of a selected number of both national and international industry associations and interest groups.

These include the following organisations:

- European Plastics Converters (since 2018)
- Verband Fenster + Fassade e.V. DIN (window and facade association; since 2006)
- Gesamtverband Kunststoffverarbeitende Industrie (general association of the plastics processing industry; since 2001)
- German Association of the Automotive Industry (VDA; since 2004)
- Zentralverband Sanitär Heizung Klima (sanitary, heating and climate association; since 1999)

Strategy

GRI 102-14: Statement from senior decision maker

→ Preface, p. 03

GRI 102-15: Key impacts, risks and opportunities

In order to flesh out the guiding theme of sustainability, we worked through a comprehensive strategy process in 2019. This process was reviewed by the Executive Board in 2020 and the progress made at the company level and the divisional level was evaluated. The risks and opportunities are diverse, depending on the respective business area and sector. For validation purposes, a further force-field analysis was carried out in 2020. Its focus was on the “Green Deal” that was adopted by the European Union in March. The “Circular Economy Action Plan” it contains has shown that over the long term, two of the four defined areas of activity in particular – “Accelerating climate protection” and “Driving forward the circular economy” – will be especially important for the company as a whole and for each of its divisions.

This was also clearly indicated by the wide-ranging dialogue that was conducted with employees, customers and suppliers of all divisions during the reporting year. Information about the CO₂ footprint of a product, recycling possibilities and detailed data about the materials used are becoming increasingly decisive factors for our customers. However, there is still wide variation between the importance ascribed to different topics, depending on the sector and the customer.

→ Stakeholder dialogue, pp. 25ff.

The year 2020, with all of its challenges, has revealed how important it is to regularly continue the internal and external dialogues that were begun in 2019. The dynamic effect of these dialogues was especially visible with regard to the goals set for 2025 in the areas of activity “Accelerating climate protection” and “Driving forward the circular economy”. For reasons including the effects related to COVID-19 and the procurement of green electricity for all of the European plants of the Furniture Solutions division, these goals were already achieved in the reporting year.

10 _ Strategic sustainability pillars

	Family business	Climate action	Circular economy	Diversity
UN SDG				
Area of activity	Sustainable growth	Accelerating climate protection	Driving forward the circular economy	Promoting diversity
Top KPI	Turnover growth of REHAU in %	CO ₂ reduction scope 1, 2 worldwide in %	Increase recycling rate in %	More women in management roles E0–E3 in %
Status quo 2020	3	34	15	13
Targets 2025	1–3	> 30	> 15	> 15
Targets 2030	1–3	TBD	TBD	> 20

- Targets for “Sustainable growth”, p. 34
- Targets for “Accelerating climate protection”, p. 40
- Targets for “Driving forward the circular economy”, p. 40
- Targets for “Promoting diversity”, p. 62

Consequently, the position paper that was developed in 2019 still applies. The targets set for 2025 will probably be revised in 2021:

1 Sustainable growth. This area of activity has been anchored in the DNA of REHAU as a family-owned company for decades. This also means that we formulate a "basic circular economy strategy" in all divisions and develop an implementation strategy that specifies concrete measures. On this basis, we want to grow over the long term, sustainably and in a value-oriented manner with products, services and new business models in different industries.

2 Accelerating climate protection. Our approach to climate protection is that the goals of the Paris Agreement (COP 21) are also our goals. By 2023, we want to have a science-based target created for REHAU for the first time so that we can objectively document our progress and that of our partners towards the goals of the Paris Agreement. As a prerequisite to this plan, we started to analyse our Scope 3 emissions in 2020.

3 Driving forward the circular economy. The concept of a circular economy is associated with procurement and cost risks, but above all with great opportunities. In order to internally create the preconditions for products that can be part of a circular economy, in 2020 we started to develop our own Circular Design Guide. We have also started to approach major customers more proactively and to develop sector-specific campaigns promoting the circular economy in specific divisions. We expect these measures to help us develop even more ambitious and longer-term targets in the future.

4 Promoting diversity. Since 2018, we have publicly set an example to promote diversity by signing the Diversity Charter and implementing annual days of action. The promotion of gender diversity is particularly important to us, as we believe it presents development potential and opportunities for the company. Diversity is to become the standard in recruiting, in training and educational programmes, in personnel development and in the staffing of project teams. Steps taken include

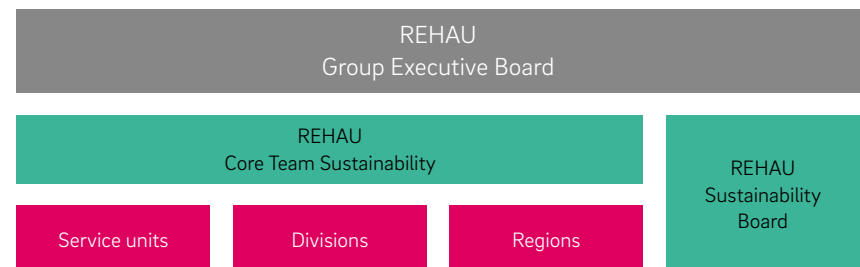
the development of the "Global Mindset" programme during the reporting year in order to also support these targets. Plans call for it to be gradually implemented next year and to actively drive the cultural transformation at REHAU.

→ Company values, pp. 18f.

The Executive Board updated the sustainability strategy that had been formulated in 2019 and read and confirmed the status for the reporting year. The main task is now to support the implementations at the company level and in the divisions.

In 2020, we incorporated the TOP KPIs and goals related to the areas of activity into the business strategies of the five divisions for the first time. The details will be published in the next Sustainability Report.

11 _ Sustainability organisation



As a result of the new structure, it was possible to integrate sustainability management much more closely into the organisation. The Core Team Sustainability, which consists of members of the Communication, Strategy, Purchasing and Legal departments, met once a month in order to further develop the sustainability strategy and manage the company's progress. The Chair of the team is the Head of Sustainability of REHAU. At least once a year, the Chair reports to the Executive Board on all key sustainability management topics and reporting.

The Sustainability Board meets at least twice a year. Depending on the topic, it includes members from the specialist departments and divisions. It is thus the interface, coordinator and initiator for subject-specific and interdisciplinary sustainability topics, projects and processes.

The entire board met for the first time at the end of 2020 in order to present the Sustainability Report, report to the Executive Board and determine the progress made toward achieving the sustainability goals. The Head of Sustainability is also responsible for managing and coordinating the Sustainability Board.

In the long term, the core team and the board will ideally develop into a working body with full-time and part-time sustainability officers. In 2020, as an initial step, these were appointed for the five divisions. In 2021, Window Solutions will be the first division to create its own sustainability department. Coordinators for the recycling process in the divisions and for climate management are also to be appointed. The overall structure and the functions within it are purposely being structured dynamically in order to optimally depict the needs of the various divisions and locations. The structure will be expanded step by step in line with the requirements of the various sectors and their customers.

Company values

GRI 102-16: Values, principles, standards and norms of behaviour

UN Global Compact: Principles 1 to 10

We believe that sustainable company management is based on values and principles of conduct that must be manifested by all employees. We have defined these values and principles and made them available to our workforce via the intranet under the heading "YOUR REHAU". As a responsible and sustainable family-owned company, we place our employees and our values at the heart of our corporate culture. REHAU drives people. People drive REHAU.

Our corporate culture is based on the values of trust, reliability and innovation. These values guide our management principles and how we interact with our stakeholders. We want to be a reliable partner, and our actions are driven by these values. We undertake to comply with laws, guidelines and market standards, as well as voluntary commitments and our internal principles.

In addition, REHAU is working to optimally integrate the transformation that is taking place at every level into our corporate culture. We want topics such as virtual leadership, new and mobile work and digital communication to create a new mindset for the necessary transformation. One important component of this process is the Change Pilots – interested employees who support their local projects and measures on-site all over the world. In the aforementioned "Global Mindset" project, their role will be further enhanced and reinforced with additional projects and targets in 2021.

In addition, binding global principles of behaviour such as the Code of Conduct provide our employees with orientation for correct, ethical behaviour in their day-to-day work. These clarify what REHAU expects of its employees, i.e. not just that they conform to laws, rules and internal regulations, but that their behaviour reflects our value system.

Our corporate responsibility guidelines, as laid down in the REHAU Employee Code of Conduct, also form an important basis for responsible conduct.

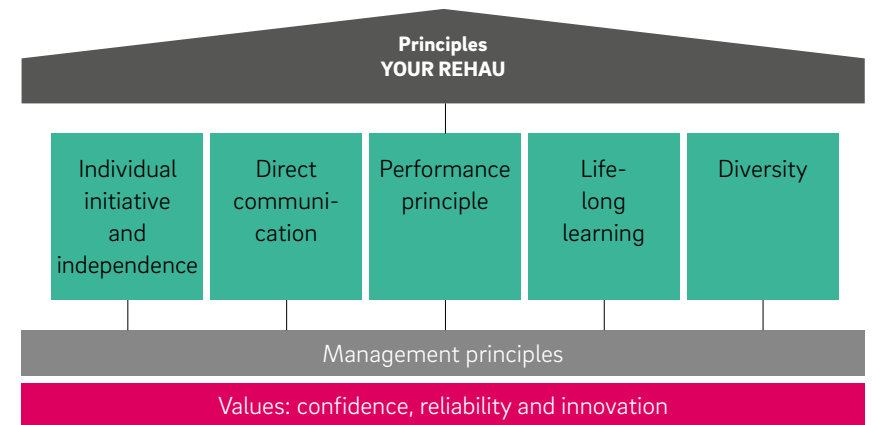
- These include:
 - Responsibility towards our fellow humans and society
 - Legal conformity and compliance
 - Integrity and independence in business transactions
 - Dealing with business partners and decision makers
 - Donations and sponsorships
 - Conflicts of interest, etc.
- Our commitment to an open dialogue with our stakeholders
- Our commitment to the UN Global Compact
- The sustainability strategy as further developed during the reporting year and the four guiding principles derived from the Sustainable Development Goals (SDGs) of the United Nations:
 - Sustainable growth
 - Accelerating climate protection
 - Driving forward the circular economy
 - Promoting diversity
- Guidelines and principles of our environmental and energy management strategy.
- Our purchasing guidelines and Supplier Code of Conduct, which set the standard for sustainable procurement.

→ Ethics and compliance, pp. 21ff.

🌐 Employee Code of Conduct

🌐 Supplier Code of Conduct

12 _ YOUR REHAU – values and principles

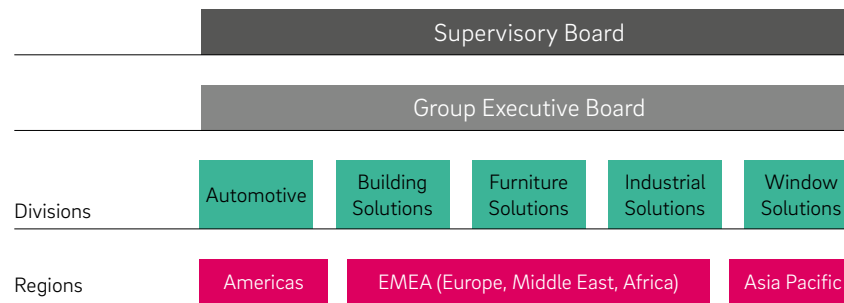


Company management

GRI 102-18: Governance structure

The Group Executive Board (GEB) is the uppermost management body within REHAU. It is comprised of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Head of the CEO Office, the Chief Operation Officer (COO) and the CEOs of the five divisions. The GEB has an obligation towards REHAU's investors, customers, employees and other company stakeholders, with the goal of pursuing sustainable value creation (stakeholder value). The GEB is responsible for managing the company in the interests of the company, developing the company's strategic direction and ensuring its implementation.

13 _ Company structure



The Executive Board meets at least once a year to read reports on the sustainability strategy, the associated KPIs of the four areas of activity and the status quo of the implementation at the company and division levels. The Executive Board takes into account the proposals submitted by the sustainability management or the supporting specialist departments and decides on any necessary changes regarding the economic, environmental and social focal topics and targets after the presentation of these reports.

The sustainability strategy as part of the company strategy, and its implementation, are discussed and finally adopted by the Supervisory Board. The Supervisory Board establishes the overall strategy and monitors the GEB. It appoints and dismisses the members of the GEB and, in coordination with the existing GEB, ensures long-term succession planning.

At REHAU, corporate responsibility issues are managed by three departments.

1. Risk management includes production and procurement risks, environmental risks (including climate risks), cyber risks, customer relationships, technological and market developments and product risks, as well as their implications for, and consistency with, the corporate and sustainability principles of REHAU.

→ GRI 102-11: Precautionary principle or approach, p. 14

2. Sustainability management works closely with risk management. It is responsible for the strategic direction and coordination of all economic, environmental and social sustainability topics. When it comes to stakeholder dialogue, sustainability management works closely with the REHAU Communications department, which is responsible, among other things, for internal and external communication regarding corporate responsibility. Sustainability management supports the Human Resources department in the area of human rights.

→ Stakeholder dialogue, pp. 25ff.

→ Human rights, pp. 61ff.

3. At REHAU, the global Compliance Management team is responsible for planning, managing and monitoring the company's compliance activities.

→ Ethics and compliance, pp. 21ff.

Ethics and compliance

GRI 103: Management approach (including 103-1, 103-2, 103-3)

UN Global Compact: Principle 10

GRI 205: Anti-corruption

GRI 206: Anti-competitive behaviour

GRI 419: Socioeconomic compliance

Working in accordance with the law has been a basic principle for which REHAU and its employees have stood since the company was founded. We are aware that non-compliance can lead to high financial losses and considerable damage to our reputation. Compliance organisation is therefore an important element of good and sustainable corporate management. Our compliance efforts are particularly focused on combating corruption, violation of competition law, money laundering and violation of environmental regulations. We follow the OECD's guiding principles for multinational companies and the UN Convention against Corruption of 31 October 2003. In addition, REHAU signed the UN Global Compact in 2020. We publicly acknowledge and support the ten principles of the Global Compact, including Principle 10, "Businesses should work against corruption in all its forms, including extortion and bribery." We will publish our first progress report in September 2021.

→ Overview of the UN Global Compact Principles, p. 73

Our fundamental values and behavioural code are set out in our internal Code of Conduct and more specific anti-corruption guidelines. These rules are binding for all REHAU employees, regardless of role and hierarchical level, and form the basis of all business activities. The Code of Conduct covers the following topics:



- Corporate culture
- Responsibility towards fellow humans and society
- Observing the law/compliance
- Integrity and independence in business transactions
- Dealing with business partners and decision makers
- Donations and sponsoring
- Conflicts of interest

🌐 Employee Code of Conduct

We expect the partners in our supply chain to share these values and principles, and to accept our Supplier Code of Conduct.

→ Management approach for the supply chain, pp. 29ff.

🌐 Supplier Code of Conduct

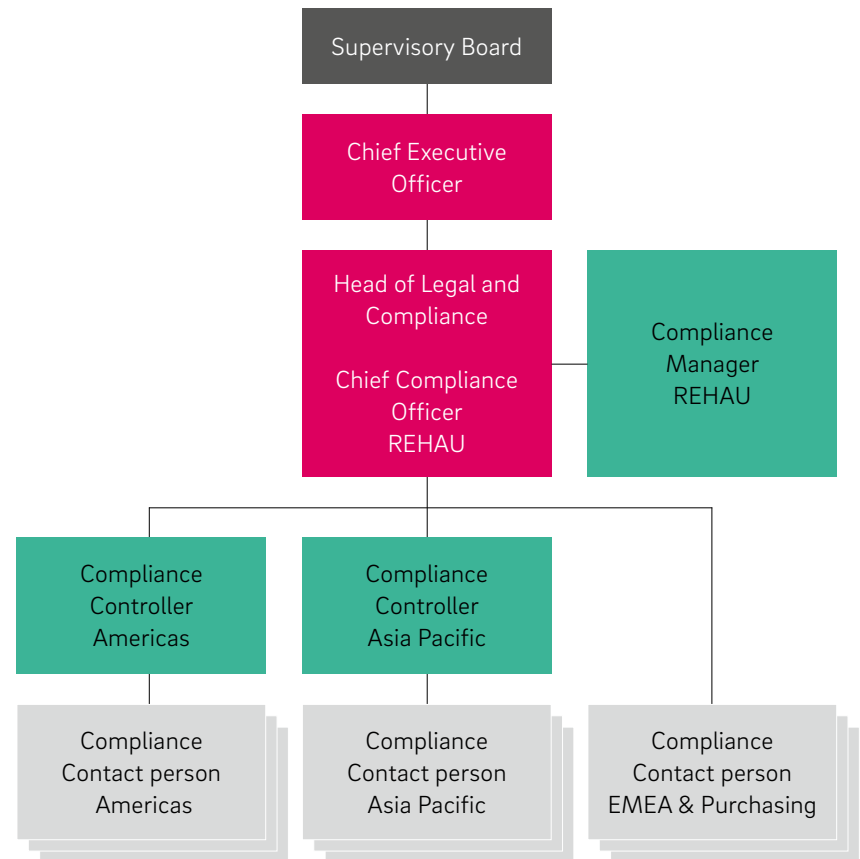
REHAU has implemented a global compliance management system (CMS) with the aim of planning, managing and assessing all of the company's compliance activities. All REHAU employees receive regular training on these topics. A culture of open discussion, trust, transparency and compliance awareness means that queries or issues are usually speedily resolved on a case-by-case basis. Our goal is to foster a culture of compliance according to the principle "Compliance at REHAU: comply – commit – trust".

Employees and external parties such as suppliers can use the REHAU Compliance Communication System (CoCoS) to contribute to fighting corruption and complying with the law by reporting compliance violations – anonymously, if desired. CoCoS is a web-based system and fulfils all the requirements relating to data protection and data security. The information sent through the system goes directly to the compliance officer of the Legal and Compliance department. It is handled as a top priority and is, of course, strictly confidential.

🌐 CoCoS whistleblower system

The compliance function is integrated into the Group Legal and Compliance department at REHAU. The Head of Legal and Compliance, who is also the Chief Compliance Officer of REHAU, bears the ultimate responsibility for the CMS. He reports directly to the corporate management and the Supervisory Board. The Legal and Compliance department regularly reviews the effectiveness of the compliance management system in order to implement appropriate measures for further development if necessary. The corporate management and the Supervisory Board of REHAU are informed once a year about the current status of these activities as part of the compliance reporting system.

14 _ The REHAU compliance management system



GRI 205: Anti-corruption

UN Global Compact: Principle 10

→ GRI 103: Management approach, pp. 21f.

GRI 205-1: Operations assessed for risks related to corruption

As part of the annual compliance risk assessment, corruption risks are assessed worldwide and registered or updated in the risk management database. About 35% of the compliance risks that were registered or updated in 2020 are in the category of corruption. For each risk, appropriate measures and responsible individuals are defined. The main areas of corruption risks include gifts, customer events, hospitality activities and cooperation with state-owned enterprises. Some risks cannot be directly influenced, especially in countries in which systemic corruption already exists. No significant corruption risks were reported during the reporting period.

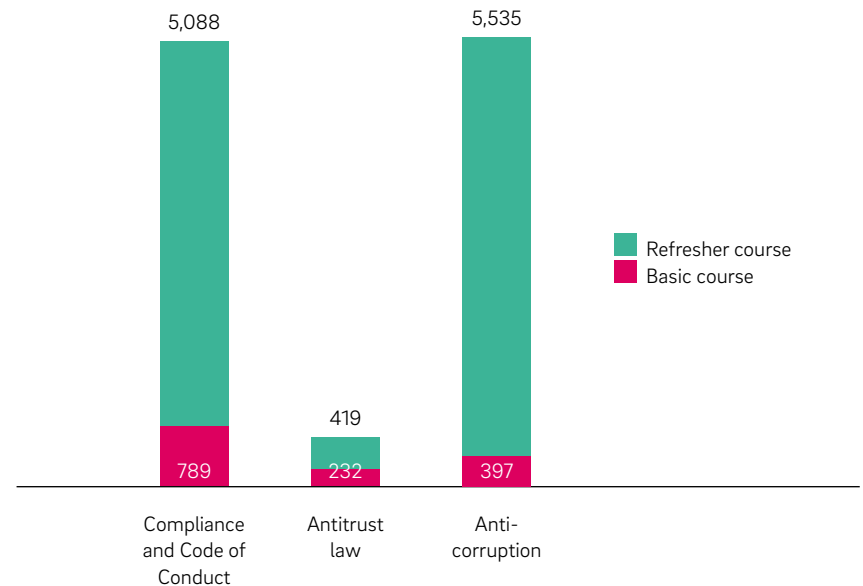
GRI 205-2: Communication and training about anti-corruption policies and procedures

Combating corruption is the focus of the REHAU compliance management system. A variety of anti-corruption measures have been implemented in order to continuously raise awareness among employees. For example, REHAU has drawn up anti-corruption guidelines that are binding for all employees around the world, independently of their position, and can be found on the REHAU intranet.

The anti-corruption e-learning module is compulsory for all new employees with third-party contact. An anti-corruption refresher course is also compulsory for all employees. Other regular compliance communication measures include general compliance information, articles on the intranet and training courses.

All employees around the world have access to the Code of Conduct – in most cases in the national language. Like the anti-corruption guidelines, this can be found on the REHAU intranet by all employees. The e-learning modules on compliance are compulsory for all employees, including employees with third-party contact. Employees without access to computers are given on-site training. During the reporting period, 12,460 employees successfully completed the following e-learning courses on compliance-related issues.

15 _ E-learning courses on compliance-related issues 2020





In 2020 we launched the internal project “Business Partner Review”, which focuses on possible corruption risks. In the first step, the business partner target group “Suppliers” is being reviewed in 2021.

In addition, combating corruption is one of the focus points of the REHAU Supplier Code of Conduct.

GRI 205-3: Confirmed incidents of corruption and actions taken

REHAU does not tolerate any form of corruption or other criminal actions by its employees. REHAU has a zero-tolerance approach to violations. There was a small number of suspected cases of corruption during the reporting period. Following comprehensive investigation, these were not confirmed. During 2020, no public legal action relating to corruption was taken against REHAU or any of its employees. There are currently no known instances of corruption at REHAU.

GRI 206: Anti-competitive behaviour

→ GRI 103: Management approach, pp. 21f.

GRI 206-1: Legal actions for anti-competitive behaviour, antitrust and monopoly practices

REHAU does not tolerate anti-competitive behaviour or other dealings that prevent unrestricted competition in an improper manner. In the interest of unrestricted competition, we require that our suppliers:

- completely refrain from anti-competitive behaviour, such as price agreements, division of market segments, price fixing, etc.
- implement a zero-tolerance policy regarding competitive agreements and
- provide their employees with the corresponding training.

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

As indicated in GRI 205-2, during the reporting period 651 employees participated in e-learning courses on antitrust law. Of these, 232 completed the basic course “Antitrust Law” and 419 completed the refresher course “Antitrust Law”.

GRI 419: Socioeconomic compliance

UN Global Compact: Principle 10

→ GRI 103: Management approach, pp. 21f.

GRI 419-1: Non-compliance with laws and regulations in the social and economic area

No significant fines or non-monetary sanctions were imposed on REHAU in 2020.

Stakeholders

GRI 102-40: List of stakeholder groups

Embodying corporate responsibility also means seeking regular dialogue with external and internal stakeholders. We want to meet the diverse expectations and needs of our stakeholder groups through active, transparent dialogue locally and in the company. We are in contact with the following stakeholder groups:

- Customers
- Employees
- Suppliers
- Investors
- Universities and research institutions
- Media and the general public
- Business partners and competitors
- The young generation, local residents and communities
- Non-governmental organisations (NGOs)

GRI 102-42: Identifying and selecting stakeholders

REHAU maintains relationships with organisations and groups that communicate requirements, wishes or suggestions to the company. In doing so, we give priority to dialogue with stakeholders who significantly influence the economic, environmental or social achievements of the company or are strongly affected by them. Additional noteworthy indirect stakeholders include local media and the general public at our approximately 170 global locations, with whom we seek active dialogue.

GRI 102-43: Approach to stakeholder engagement

GRI 102-44: Key topics and concerns raised

In our densely networked world, the overarching discussion of social, economic and industrial policy issues with internal and external stakeholders is becoming an increasingly important element of corporate management and strategic direction. These dialogues are becoming increasingly significant for REHAU as well. On the one hand, they help us to identify the interests and needs of our stakeholders and to receive fresh impetus for our strategic direction. On the other, they also enable

us to present our own perspectives. To this end, we use a variety of communication formats for strategic communication with our stakeholder groups. These include:

- Participation in multi-stakeholder dialogues such as the NAP sector dialogue for the automotive industry and the Volkswagen Group Stakeholder Dialog
- Participation in committees and associations, e.g. the German Sustainable Building Council (DGNB), European Plastics Converters (EuPC), and the European Plastic Pipes and Fittings Association (TEPPFA)
- Supplier days, supplier audits, events for managers
- Our own events, e.g. open days, customer roadshows, the REHAU ACADEMY
- Publications such as the Management Report, the Sustainability Report, the REHAU website, press releases and the employee magazine
- Trade fairs and conferences such as the Sustainability Leaders Conference
- Surveys and participation in studies on topics such as occupational health and safety, sustainability, the circular economy, etc.

The discussions with our stakeholder groups have once again clearly shown us how important it is to precisely and continuously observe and integrate these various topics so that we can react promptly and appropriately to changing requirements and new focus points.

Examples of relevant topics in 2020 include:

- Employee involvement and trust, continuous internal and external dialogue
- Responsible management, partnership-based procurement
- Partnerships in a circular economy, new business models and attention to circular design principles in product development
- CO₂ management, Scope 3 monitoring and integral risk management

In spite of – or precisely because of – the restrictions due to the coronavirus pandemic, we have continued to deepen our discussions during the reporting year. Many rounds of talks were conducted successfully and constructively online.

In the process, the areas of activity we defined in 2019 were confirmed. In particular, “Accelerating climate protection” and “Driving forward the circular economy” were classified as essential by REHAU as well as by our stakeholders in 2020. For REHAU and its divisions, this is a clear mandate to continue working on the systematic pursuit of these goals.

→ Sustainability strategy, pp. 16ff.

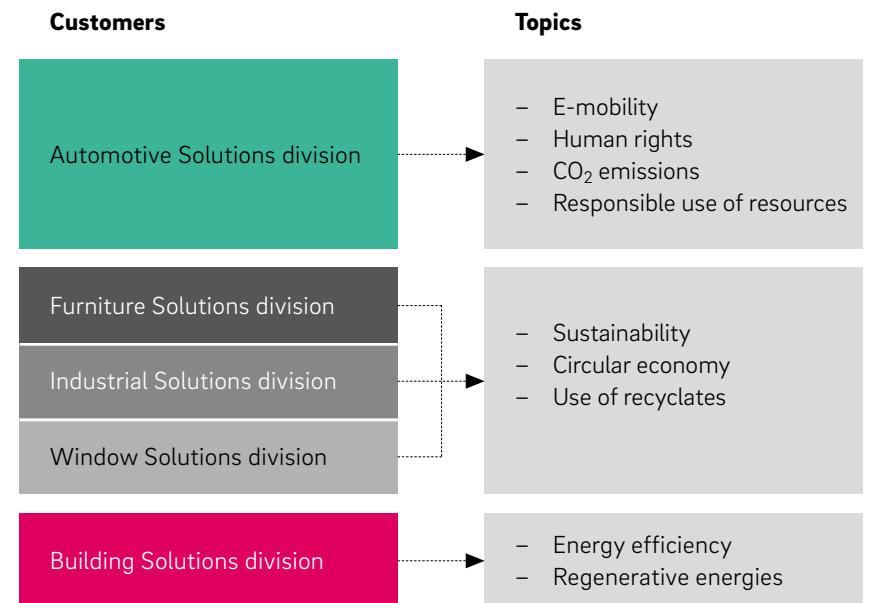
In 2020, REHAU actively participated in the multi-stakeholder dialogue to which the German Federal Ministry of Labour and Social Affairs had invited the automotive sector as part of the National Action Plan for Business and Human Rights (NAP). This dialogue also demonstrated the importance and the effects of the forthcoming due diligence legislation for our company. On this basis, we developed initial measures for raising awareness and intensifying the dialogue with external stakeholders. We will define a corresponding control process as well as additional measures in the next two years.

→ Measures in the area of human rights, pp. 66f.

Customers

As part of our customers' regular sustainability audits and sustainability dialogues, we conduct detailed discussions about various aspects of sustainability management. This testifies to the diversity of our various focus areas.

16 _ Our customers' focus areas in 2020

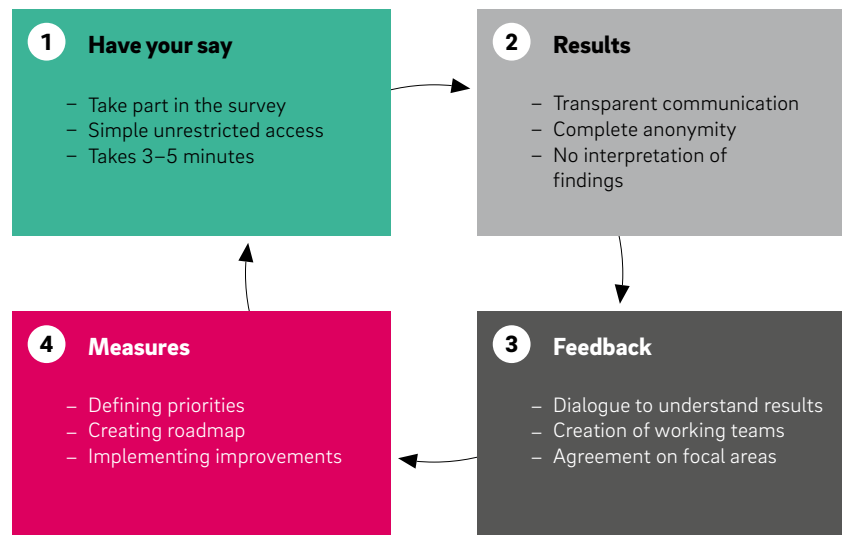


Employees

We involve our employees in company activities. We use various tools to provide transparent information, such as global live calls, town hall meetings, regular round-table discussions and annual consultation days (social audits) at all of our global locations with representatives from senior management and the Human Resources department. Our interactive platform known as the REHAU Daily app enables all employees to participate in the dialogue on a wide variety of topics using their personal devices.

In 2020 we began to conduct short employee surveys called Pulse Surveys. These surveys continuously give us a good picture of our employees' current mood and enable us to take up suggestions and initiate any necessary measures. The survey consists of 13 standard questions derived from our corporate values "trust, reliability and innovation".

17_Pulse Survey procedure



Suppliers

The dialogue with our suppliers is strongly in the interest of our customers, investors and society. As a system provider in a variety of industrial sectors, we can only achieve the high sustainability standards we are pursuing if we collaborate with our suppliers. We consider an open exchange with our suppliers – for example, on the regular supplier days – to be the basis of a trusting business relationship. In response to the announced national and European legislation on due diligence in the supply chain, we will intensify this dialogue and restructure it in 2021.

→ Supply chain, pp. 29ff.

Investors

Investor interest in the consideration of sustainability aspects is growing. Its focus is on integrating our sustainability strategy into REHAU's core business. The influence of the topic of sustainability on the company's economic planning and development is becoming more and more significant internally as well. The importance of the ESG criteria (environmental, social, governance) and a long-term corporate and sustainability strategy in the financial sector increased significantly during the reporting year. One main reason for this was the Sustainable Finance Initiative of the EU.

Rating agencies

REHAU maintains an active exchange with the most important agencies and consulting firms. For example, we have taken part in the CDP (previously known as the Carbon Disclosure Project) since 2014, and in 2020 we received a B rating in the Climate Change survey for the first time, as well as a B– rating in the Water Security survey. In order to improve our management approach, we conducted an external analysis with a response check and a gap analysis by the consultancy

Swiss Climate in the reporting year. In addition, we conducted a two-day workshop with our external partner sphera and our specialist departments to identify the relevant Scope 3 emissions and define our first roadmap for further investigation in 2021. On this basis, we want to improve our Scope 3 reporting in particular in 2021.

An extensive dialogue with the international rating agency EcoVadis has also been taking place since 2018. As a premium member, we receive detailed analyses and can thus review our sustainability activities in all key areas. In the reporting year we were able to improve our silver status again in all four areas – environment, labour and human rights, ethics and sustainable procurement – and we continue to be among the top 3% of the companies assessed in our industry.

Civil society

Our local contacts include cities, educational institutions, cultural organisations, associations and societies, among many others. At our main administrative location in Rehau, we work closely with the Hof University of Applied Sciences, which places particular emphasis on sustainability as a green tech university. At many of our locations, we also cooperate closely with the Chamber of Industry and Commerce.

In June 2017, REHAU signed a voluntary agreement at our administrative location in Erlangen to make voluntary and proactive contributions to climate protection, the energy transition and sustainability in Erlangen. In this connection, 2020 marked the start of planning for the construction of a large photovoltaic system at our location. In addition, during the reporting year we once again participated selectively in multi-stakeholder dialogues, e.g. the steering group FairTrade/SDGs in Erlangen.

→ Environmental impact, pp. 38ff.



Non-governmental organisations (NGOs)

We sometimes take the opportunity to discuss the possible effects of our business activities on people and the environment with non-governmental organisations. As part of our voluntary agreement, we also support international initiatives by NGOs to highlight key areas of activity in our sustainability strategy, such as resource scarcity, climate change and inequalities. In 2020 we once again participated in "World Cleanup Day" and "Diversity Day". As part of our local partnerships, we also regularly engage in dialogue with a variety of regional initiatives.

Supply chain

GRI 103: Management approach (including 103-1, 103-2, 103-3)

GRI 308: Supplier environmental assessment

UN Global Compact: Principles 7, 8

GRI 414: Supplier social assessment

UN Global Compact: Principles 1, 2, 3, 4, 5, 6, 10

We strive to maintain long-term partnerships with our suppliers. Our entrepreneurial responsibility extends along the entire value chain. In addition to quality and price, environmental and social criteria are especially crucial concerns for us when it comes to engaging external suppliers and service providers.

→ GRI 102-9: Supply chain, pp. 13f.

The procurement of worldwide non-production materials and logistics services, as well as defined volumes of production material, is organised in REHAU Purchasing. The Executive Director Purchasing reports directly to the REHAU Executive Board. The broad procurement portfolio encompasses a wide variety of purchasing categories that our supplier pools are divided into. We also distinguish between material groups, which form the lowest level for the shaping of our purchasing strategy. They are organised by importance and value contribution. The various purchasing departments are arranged according to the material groups and each one has a strategic buyer. There are additional strategic buyers in some regions and at the divisions.

The main task of REHAU Purchasing is to make sure that our plants are supplied with materials. Through a strategic alliance, MERAXIS is responsible for the global procurement and corresponding supply chain management of defined production materials, purchased parts/trade goods and capital goods in the form of machines, systems and tools.

→ Alliance with MERAXIS, p. 07



Purchasing is a key component of the REHAU sustainability strategy and its four main areas of activity. It is responsible for the long-term achievement of the sustainability targets in the supply chain. Our supplier and material management forms the basis for all of our activities and decisions in this regard.

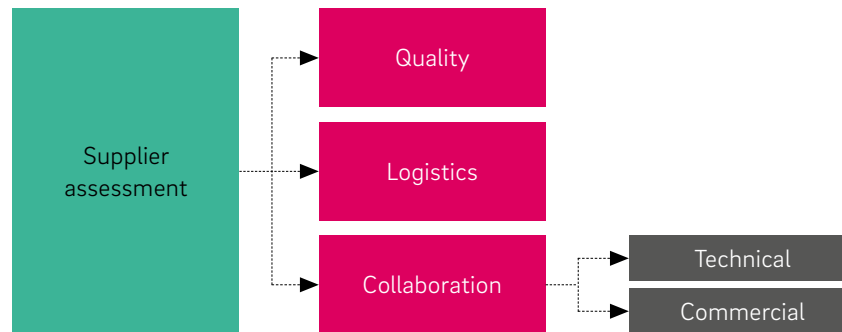
At REHAU, supplier management proceeds according to the following steps:

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

New suppliers are chosen in a multi-stage process. After registration or invitation by REHAU Purchasing, suppliers are evaluated on the basis of a self-disclosure. An initial audit is carried out, if necessary. The nature and scope of these measures depend on the respective procurement item.

Our partners are classified on the basis of the result of the supplier assessment. This classification forms the basis for possible further development steps for the respective supplier, e.g. the upgrade to a strategic supplier.

18 _ Supplier assessment at REHAU



- 🌐 Further information about the supplier assessment
- 🌐 Supplier management at REHAU

We use a variety of policies and processes to ensure our suppliers and service providers meet basic standards. Besides in-house process instructions for supplier management and the supplier development process, the main basis for all supplier agreements is the Supplier Code of Conduct (SCC).

The SCC specifies in binding terms that REHAU also expects its business partners to respect human and personal rights, comply with environmental and occupational health and safety standards and conduct their business ethically. Signing the code or a comparable set of rules is a mandatory step for our strategic suppliers. Violations of the SCC can lead to the termination of the business relationship. The contents of the SCC and any measures that would be taken in the event of an escalation are integrated into our supplier auditing process. The basis for the assessments and audits is regularly updated and supplemented.

🌐 Supplier Code of Conduct

Suppliers' compliance with social criteria is also an integral component of our sustainable procurement standard. We use on-site audits to verify whether our suppliers meet our social and environmental requirements. Audits can be triggered by supplier selection processes, product and process qualifications or customer requests, among other things. In the event of failure to comply with our standards, we reserve the right to end the business relationship.

REHAU operates the CoCoS (Compliance Communication System) whistleblower system, which employees and suppliers can use to anonymously report unethical or illegal behaviour.

- Ethics and compliance, pp. 21ff.
- GRI 308-2: Negative environmental impacts in the supply chain and actions taken, p. 32
- GRI 414-2: Negative social impacts in the supply chain and actions taken, p. 32

As part of our certified environmental management system and the certified labour and health management system, our purchasing and supplier selection processes are subject to audits in-house as well as by an external service provider (TÜV Rheinland) for the certification. In addition, our suppliers of production material commit to maintaining a quality management system in accordance with ISO 9001 or a comparable standard.

The REHAU quality management system meets the requirements of ISO 9001 and ISO 14001 as well as other sector-specific quality standards, such as those of the automobile industry (IATF 16949). The quality management system encompasses all areas of the company. Targets are defined every year for meeting those standards and norms. These targets serve as the basis for audits by in-house quality officers and independent external experts. Compliance is also checked by some of our customers. All of the auditors have to regularly receive further training and prove their qualifications. Next year, the focus will be especially on providing auditors with additional qualifications for HSE (health, safety and environment) management as well as for quality management.

The certification audits will be carried out for environmental, quality and energy management every year. Each process is considered on the basis of the respective standard in the three-year certification period.

 TÜV Rheinland certificates

In 2020, the quality management team cooperated with those responsible for the areas of environment, energy and occupational health and safety to implement audit software specifically for REHAU. Among other things, this software enables audit deviations and focal areas to be more systematically evaluated. The basis for the audits will be expanded in future in order to depict the suppliers in a more holistic manner. We aim to pay even closer attention to sustainability standards, for example. The sustainability management team should carry out analyses as needed, e.g. for new suppliers of hazardous substances, for recycling companies and for outsourced processes that are relevant from an HSE standpoint.

Systematic risk monitoring of our suppliers is also an important tool for REHAU. It allows us to accurately evaluate our supplier relationships and adapt our procurement strategies accordingly. Our departments regularly coordinate the supplier-related risks as part of our purchasing strategy and audit planning. The selection is made on the basis of an initial evaluation of the respective supplier.

Key criteria that we assess across all procurement segments include quality, the risk of supply disruptions, availability and dependence, environmental protection, working conditions, protection of know-how and the economic stability of the suppliers. As part of the risk assessment, the process for the selection of new suppliers and the planning of audit measures also takes into account obvious risk factors such as geographic location, salary levels and the possible environmental impacts of business operations.

We will also greatly expand the due diligence for our supply chain in the course of the development of a human rights concept in 2021. For this purpose, we are currently also preparing the introduction of a third-party due diligence system for suppliers. It will be based on REHAU's HR Quality Check & Social Audit Plants, the REHAU Supplier Code of Conduct and the requirements of Germany's upcoming supply chain act.

- Sustainable growth targets, p. 34
- Management approach for diversity and human rights, pp. 61ff.
- REHAU HSE management system, pp. 54ff.

Because of COVID-19, we are closely monitoring the global supply chains in order to detect possible infections early on and track them back to their source where appropriate.

The travel restrictions have made it harder to conduct supplier audits. We have continuously prioritised which on-site measures are absolutely essential and which measures can also be done online. This has shown that videoconferences require a clear focus and a different approach to offline meetings. As a result, we carried out several measures as quality meetings instead of audits. However, only full audits are included in the statistics.

Because of COVID-19, we also had to develop new individual approaches for the assessment of new suppliers. With the help of a risk assessment, we determine which information from the existing audit questionnaire is needed in order to approve a supplier.

During the consultations with our suppliers, it became clear how seriously they take the health protection of their employees. Many companies only allow their employees to enter the company premises, for example.

GRI 308: Supplier environmental assessment

UN Global Compact: Principles 7, 8

→ GRI 103: Management approach, pp. 29ff.

GRI 308-1: New suppliers that were screened using environmental criteria

GRI 308-2: Negative environmental impacts in the supply chain and actions taken

We review possible environmental impacts caused by our suppliers by means of local audits. A total of 31 audit measures were conducted during the reporting year: 16 in the Automotive division for the current projects and 15 in other divisions. In 2020 these audits did not reveal any violations of our guidelines (2019: 2).

GRI 414: Supplier social assessment

UN Global Compact: Principles 1, 2, 3, 4, 5, 6, 10

→ GRI 103: Management approach, pp. 29ff.

GRI 414-1: New suppliers that were screened using social criteria

GRI 414-2: Negative social impacts in the supply chain and actions taken

REHAU has a zero-tolerance policy when it comes to unethical business conduct, such as discrimination, child or forced labour, corrupt business practices and cartel agreements. Signing our SCC is a mandatory step for our strategic suppliers.

→ Ethics and compliance, pp. 21ff.

We pay attention to compliance with the SCC with regard to social criteria and reserve the right to take appropriate measures to verify this compliance. No significant negative social impact in the supply chain was detected in 2020.

Economic impact

GRI 103 Management approach (including 103-1, 103-2, 103-3)

GRI 201: Economic performance

GRI 203: Indirect economic impacts

REHAU is a system supplier and service provider for polymer-based solutions. Our international operations in the automotive, construction and industrial sectors encompass five divisions: Automotive, Building Solutions, Furniture Solutions, Industrial Solutions and Window Solutions.

→ GRI 102-2: Activities, brands, products and services, pp. 07f.

Ever since the company was founded, we have been consistently tapping into new areas of application with our individual polymer formulations. Our approach is to replace conventional materials with more efficient polymers and offer added value to our customers in the form of creative system solutions. These measures are supplemented by our ongoing efforts to save resources and reduce emissions. To this end, we use high-quality recyclates. As early as the 1950s, we used recovered materials in our first products for the automobile industry. The first external material cycles were created in the 1970s, when we took back profile sections from our window customers. In the 1990s, we became one of the first companies to take back used underground pipes.

Our new sustainability strategy is a consistent continuation of this development. We want to take a targeted approach to further expand the use of recyclates within our broad product range at all divisions. In this way, we want to greatly reduce our CO₂ footprint and minimise our dependence on finite resources. The continuous increase of the proportion of recyclates in our products also makes us more flexible with respect to the choice of materials. At the same time, we are working with partners to create decentralised recycling material cycles, so as to become more independent of volatile global supply chains as well as of extremely fluctuating and generally increasing raw material prices, increasingly scarce resources and the new carbon pricing. Another aim is to improve the sustainability assessment of our products.

It is REHAU's avowed goal to optimally combine high quality, technical sophistication and the use of recyclates in our diverse product range.

With around 170 locations in 54 countries, we employ approximately 19,000 people who contribute to the growth and success of our company. REHAU is continuously developing its network on five continents in order to be an active local partner. Our family-owned business wants to remain independent in the future and focus on its medium-term and long-term goals, instead of on short-term profit. We therefore orient our activities according to the issues of the future, i.e. digitalisation, individualisation, mobility, sustainability and the new world of work. In terms of all of these topics, the future transformation from a linear to a circular economy is increasingly shaping our focus and, in particular, the development of our products. During the reporting year, we began to develop our own Circular Design Guide, which will provide key support for the creation of innovative products. In this way, we can ensure at a very early stage that our products are recyclable.

- Company, p. 17
- GRI 102-14: Statement from senior decision maker, p. 03
- GRI 102-44: Key topics and concerns raised, pp. 25ff.

At the heart of our vision and strategic targets are profitable growth and the aim to become competitive market leaders in the majority of our business areas. In this regard, we think and act with foresight and in accordance with sustainability requirements. We consider our responsibility towards people and the environment to be a key pillar of our corporate culture and a basis for long-term growth.

At the same time, we want to play an active role in society and be a positive influence on the world around us. This is reflected in our diverse range of products and services, such as those enabling energy-efficient construction, the use of renewable energy and water management. We are also involved in the communities around our locations.

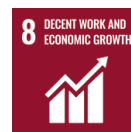
→ Our social involvement, p. 68

The expertise we have been building for decades and our innovative spirit when it comes to circular production systems, as well as our impressive achievements in the field of polymer technology, are the basis upon which we want to approach the issues of the future relating to sustainable business and social development.

Within the company we have also allocated topic areas such as supply chain and occupational health and safety to the "Sustainable growth" area of activity. As a result, their targets are here incorporated into those of the area of activity.

→ Supply chain, pp. 29ff.

→ Occupational health and safety, pp. 54ff.



Targets for "Sustainable growth"

Targets	Deadline	Status	Achieved	Page
Sustainable growth of between 1% and 3% across all divisions	By 2030	The target range of 1% to 3% was met between 2016 and 2020.* In 2020, turnover declined by 10% compared to the prior year due to the suspension of production in the automobile industry for several months.	●	07ff.
Gradual transition from a linear to a circular economy	Ongoing	The circular economy was confirmed as one of the key areas of activity. During the reporting year, two of the five divisions developed concrete implementation strategies for a circular economy.	◐	41ff.
Supplier management – embedding sustainability requirements into relationships with business partners	Ongoing	All strategic suppliers and selected new suppliers have signed REHAU's Supplier Code of Conduct. Plans are underway to integrate the agreement into quality and environmental supplier audits. Initial practical tests had to be postponed because of COVID-19.	◐	29ff.
Occupational health and safety – continual reduction of workplace accidents (vision: zero)	Ongoing	The number of accidents resulting in absences longer than three days rose slightly in 2020. ISO 45001 was introduced at additional locations.	◐	54ff.

* The figures for the Automotive division were not taken into account due to the especially volatile situation in the automotive sector during the reporting year.

● Target achieved ◐ Target partially achieved ○ Target not achieved



GRI 201: Economic performance

(Area of activity: "Sustainable growth")

→ GRI 103: Management approach, pp. 33f.

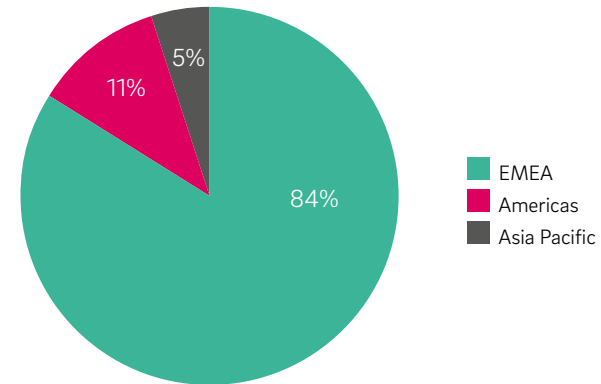
GRI 201-1: Direct economic value generated and distributed

19 _ Turnover figures

	2018	2019	2020
REHAU	EUR 3.5 billion	EUR 3.3 billion	EUR 2.9 billion

🌐 For information concerning the biggest single company, see the REHAU AG + Co Management Report (published at www.bundesanzeiger.de, in German)

20 _ Turnover distribution by region



GRI 201-2: Financial implications and other risks and opportunities due to climate change

UN Global Compact: Principles 7, 8

The Paris Agreement of 2015 (COP 21) and the efforts of the Fridays for Future movement have also increasingly made the public and the business/financial sector aware of the financial consequences of the climate crisis. The planned introduction of the European Union Green Bond Standard (EU-GBS) will, for the first time, take into account a legally binding taxonomy regulation (Regulation (EU) 2020/852), which defines the conditions under which an economic activity is considered sustainable. The trend towards the development of more sustainable products and the expansion of renewable energy production will grow sharply worldwide, while the use of primary resources will generally continue to decline. Due to increased prices for CO₂e emissions and further rises in the associated taxes and fees, many companies will intensify their efforts to reduce their dependence on fossil fuels.

To offset fluctuations and volatile developments and to achieve our ambitious CO₂e goals, we have been using more than 100 gigawatt hours of TÜV-certified green electricity a year since 2015. In the future, we want to focus even more on the direct use of renewable energies and thus reduce the financial risks described above, save costs by using our own electricity and continuously reduce our CO₂e emissions.

→ GRI 305: Emissions, pp. 45ff.

The climate crisis will affect all areas of REHAU's industrial production and the regional climate conditions. To date, these changes have not substantially influenced our thinking about the sourcing of raw materials, our supply chains, our development and production processes, and new business models, nor have they been taken into account sufficiently in our risk management. That is why we wanted to begin to draw up a climate-adjustment concept in 2020. It was to have analysed the predicted effects of the climate crisis and defined the necessary centralised measures, including new insulation standards for buildings, rainwater utilisation concepts, etc. However, COVID-19 and the associated change in priorities at the HSE department in particular caused the project's launch to be postponed to 2022.

Ensuring that development and market activities revolve around the main topic of sustainability, with an emphasis on circular products and production, will open up substantial opportunities for continuous, moderate growth, as well as myriad innovations and business models within the circular economy. Our expertise in the preparation and use of recyclates forms a solid basis for implementing our underlying "circular economy" strategy, which we need if we are to continue reducing our dependence on primary energy and resources, and achieve our objectives in these key areas of activity.

→ GRI 102-14: Statement from senior decision maker, p. 03



As an independent, family-owned company, REHAU also has its sights on the future and the needs of future generations. Sustainability and environmentally conscious behaviour have been a core part of our corporate culture since the beginning. We aim to successfully tackle the challenges of the future – including those posed by the climate crisis and the circular economy – through creative ideas, innovative solutions and long-term partnerships with our customers, suppliers and employees.



GRI 203: Indirect economic impacts

(Area of activity: "Sustainable growth")

→ GRI 103: Management approach, pp. 33f.

GRI 203-1: Infrastructure investments and services supported

REHAU considers itself a corporate citizen. Corporate citizenship begins with establishing a good relationship with local residents and communities. In advance of investment decisions, we investigate what effect our business activities will have on their surroundings. This includes analysing the expected 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 worldwide. Local residents who come to us with their concerns receive fast, comprehensible answers. This assistance is provided by central contact partners from a variety of departments, including that for sustainability management. We invite the public to open days at regular intervals. However, such events could not be held during the reporting year because of COVID-19.

→ Stakeholders, pp. 25ff.

REHAU also supports its local regions significantly by procuring products and services from domestic suppliers. We purchase the vast majority of our technical products and services in the country in which they are needed. For example, in 2020 the German REHAU AG + Co made purchases amounting to more than EUR 250 million from local suppliers.

Our activities for the implementation of our sustainability strategy at our approximately 170 locations also promote the sustainable development of the respective regions in a variety of ways. Our ambitious climate protection and circular economy targets in particular are already having a positive impact on the local areas:

- Less waste thanks to the ongoing or improved reuse of production materials (example: Rehau plants)
- Less strain on the drinking water system and less wastewater pollution through the use of closed circuits for process water (example: Viechtach 5 plant)
- Less strain on local power grids through the temporary switching off of machines for the systematic reduction of peak loads (example: Wittmund plant)
- Contribution to a local energy transition through the construction of hybrid power plants that use renewable sources of energy (example: administration in Erlangen in 2021)

→ Our social involvement, p. 68

Environmental impact

GRI 103: Management approach (including 103-1, 103-2, 103-3)

UN Global Compact: Principles 7, 8, 9

GRI 301: Materials

GRI 302: Energy

GRI 303: Water and effluents

GRI 305: Emissions

GRI 306: Waste

GRI 307: Environmental compliance

Operational environmental protection and the systematic reduction of our resource consumption are essential components of our sustainability concept. For REHAU, polymers have always been a recyclable material. The three-pronged environmental strategy of “reduce – reuse – recycle” has been in place in our factories for decades. The topics of recycling, energy efficiency and renewable energy sources are important pillars of our activity in the areas of “Accelerating climate protection” and “Driving forward the circular economy”.

To further reduce our company’s environmental footprint, we have refined various measures to implement our sustainability strategy and continually improve our ISO-certified HSE (health, safety and environment) and energy management systems during the reporting period. This concerns the topics of materials, energy, water, emissions and waste. The expansion of our energy monitoring system was another focal point.

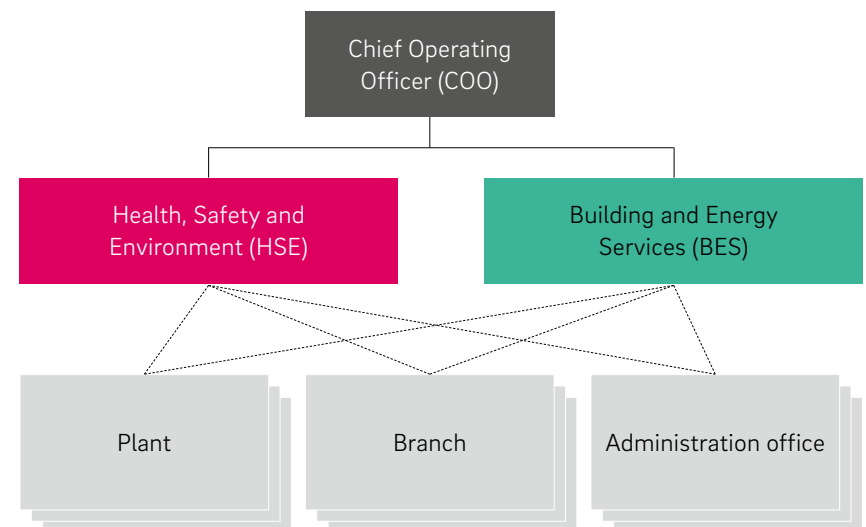
→ GRI 302: Energy, pp. 43f.

Concrete major environmental projects could not be implemented during the reporting year because a freeze was imposed on investments on account of COVID-19.

At REHAU, we consider environmental protection to be a management responsibility. All of our managers – starting with the Group Executive Board (GEB) – are therefore responsible for the implementation of the agreed environmental targets. As of 2019, the company’s environmental and energy management has

been the responsibility of the Chief Operating Officer (COO), who reports directly to the Chief Executive Officer (CEO). It is spread across the departments of Health, Safety and Environment (HSE) and Building and Energy Services (BES). Both departments are connected with all of our factories, branches and administrative locations around the world through local representatives. This allows us to manage the implementation of our environmental guidelines and influence the day-to-day environmental practices within REHAU. Decisions regarding environmental and energy measures are made up the line all the way to the GEB. The environmental and energy management system provides the GEB with regular reports, which give the latter additional information on which to base its decisions.

21 _ REHAU Organisation – production, sustainability and resource protection



Since 2019, our CEO has been emphasising the importance of environmental protection and environmentally friendly business activities in the following principles of sustainability.

- 🌐 REHAU principles – sustainability, environmental protection, occupational health and safety protection, security
- 🌐 REHAU principles – energy management

REHAU's HSE and energy management systems are certified according to the ISO 14001, ISO 45001 and ISO 50001 standards. The HSE and BES departments safeguard the continuous processing and elaboration of the ISO requirements. We are currently working primarily on the certification of all REHAU factories according to the ISO 14001 standard, as well as the expansion of certification according to ISO 50001 and ISO 45001.

- 🌐 ISO certifications 14001 / 45001 / 50001

Various different sources were consulted when it came to acquiring environmental information. Information on the consumption of gas and heating oil, CO₂e emissions and water consumption is collected at all factories worldwide on a monthly basis. Electricity consumption is measured in detail using various measuring points and sensors at the factories. Reporting globally on our emissions according to Scope 1 and Scope 2 is possible. The determination of our Scope 3 emissions requires improvement of the underlying data. The basics of this improvement are to be developed using screening by the end of 2021. The goal is to structure the reporting and the management of the 15 Scope 3 categories according to the materiality principle. The step-by-step selection process will be based on the following criteria: the possibility of influencing the emissions, their degree of impact and their amount.

- GRI 305: Emissions, pp. 45ff.

We are also continuing to work on improving the data quality of our international branches and factories in the area of energy and water monitoring. Among other



things, in 2019 we included the two main administration sites in Rehau and Erlangen in our automated reporting system. In 2020 we concluded the expansion of the system in two other factories, Ujhartyan (Hungary) and Srem (Poland), and designed comprehensive monitoring systems for the new factories in Klaipeda (Lithuania) and Buenos Aires (Argentina).

Furthermore, we have been participating in the CDP (previously known as Carbon Disclosure Project) since 2014.

- Our rating results, pp. 27f.
- GRI 303: Water and effluents, p. 44

Information on our global waste is collected at least at six-monthly intervals, and is broken down into hazardous and non-hazardous materials.

- GRI 306: Waste, pp. 48f.



Targets for “Driving forward the circular economy”

Targets	Deadline	Status	Achieved	Page
Increase the average proportion of recyclates in our products to 15% in the EMEA region by 2025	2025	The average proportion of recyclates used in all REHAU products was increased from 13.9% to 15.2% during the reporting period.	●	41ff.
Keep the reuse of production material consistently above 90% globally	Ongoing	The proportion of reused production material remained far in excess of 90% across all divisions.	●	41ff.
Implement at least one sustainable flagship project in each division	2025	In 2020, Furniture Solutions was the second division to develop its own green product line. It will launch these products on the market in 2021.	◐	06

● Target achieved ◐ Target partially achieved ○ Target not achieved

We have implemented a number of measures to achieve the goals set out in our sustainability strategy, including in the areas of energy usage and efficiency. We promote technical discussion between representatives of REHAU’s technical departments by means of two internal workshops per year on the topic of energy management. In 2020 the workshops addressed updates of the ISO 50001 standard and the use of the energy monitoring software WiriTec.



Targets for “Accelerating climate protection”

Targets	Deadline	Status	Achieved	Page
Reduce CO ₂ emissions due to energy consumption (Scope 1 + 2 – market-based) by 30% relative to 2018 figures	2025	CO ₂ emissions were reduced by 33.9% by 2020 (the positive development was reinforced by 8% compared to an average year because of measures taken against COVID-19).	●	45ff.
Reduce primary energy consumption per tonne of output by 30% relative to 2009	By 2020	Primary energy consumption decreased by 25.7% by 2020 (2019: –20.3%).	◐	43f.
Reduce water consumption per tonne of output by 40% relative to 2009	By 2020	Water consumption was reduced by 15.2% by 2020. Because of the effects of the lockdown measures on production processes, 14% more water than planned was consumed on average (2019: –26.8%).	◐	44
Reduce production waste by 2% relative to the previous year (factories worldwide)	Ongoing	The target for hazardous waste was clearly missed. This was due to new systems and significantly reduced output, with an almost unchanged volume of hazardous waste. A significant reduction is to be achieved through a variety of measures in 2021. In the case of non-hazardous waste, the reduction target was achieved through process improvements and a changed product mix.	◐	48f.

● Target achieved ◐ Target partially achieved ○ Target not achieved



GRI 301: Materials

(Area of activity: "Driving forward the circular economy")

UN Global Compact: Principles 7, 8, 9

→ GRI 103: Management approach, pp. 38ff.

GRI 301-1: Materials used by weight or volume

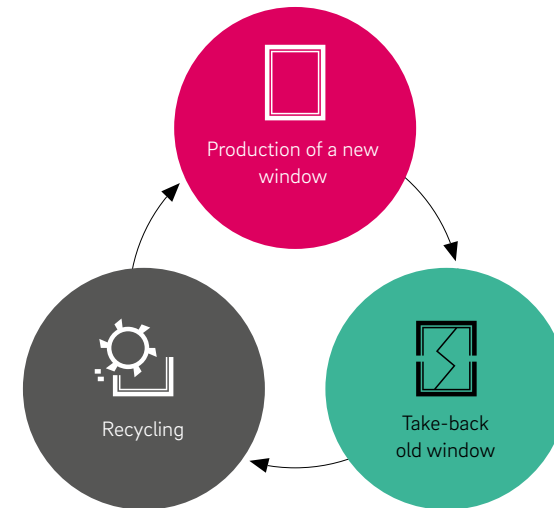
The product ranges of the individual divisions did not change overall during the reporting period. We manufacture products according to specific customer requirements, as well as producing standard products for a range of B2B applications. REHAU is an international producer of polymer-based solutions with comprehensive expertise in the manufacturing of materials such as polyolefins, technical polymers, silicones and thermoplastic elastomers.

The total output of all of REHAU's factories amounted to 461,675 tonnes in 2020. Material usage decreased by approximately 9% compared with 2019. The significantly lower output was due to a decrease in demand due to COVID-19 and the production stop in the automotive sector. Only the business unit of our Building Solutions division was able to increase its output.

GRI 301-2: Recycled input materials used

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

22 _ Closed-loop concept exemplified by windows

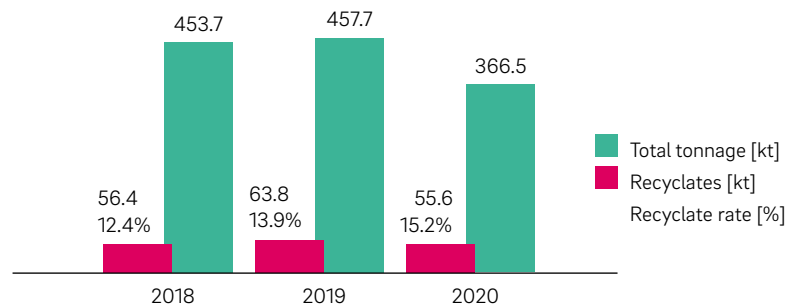


During this process, REHAU makes a distinction between different material flows. These are categorised based on EN ISO 14021 as follows:

- Internal reusable material:
 - Recovered material A: material that can be fed back into the same process without restrictions
 - Recovered material B: material that can be fed back into the same or a different process after processing
- External material: externally procured processed material – known as post-consumer or post-industrial material

Of the listed material flows, only recovered material B and the externally procured reusable material are deemed recyclates at REHAU. This is why our recyclate figures are based solely on these flows. Recovered material A or production material is fed back into production directly and thus does not count as a recyclate.

23 _ Recycled input materials used (EMEA region)



The total tonnage observed during the reporting period was significantly smaller than in the previous years. This was to some extent due to COVID-19, but the main reason is a change in the composition of the figures. In previous years some divisions reported their global figures. We now consider the pure EMEA volumes. The only exception is the Automotive division, which continues to report its global figures.

GRI 301-3: Reclaimed products and their packaging materials

Whether windows, pipes used in civil engineering or edge bands for the furniture industry, many of our products contain recycled polymers. We aim to continually increase our use of secondary raw materials by consistently recycling production waste and processing post-industrial and post-consumer waste in our own or external recycling facilities. Currently, the average rate across all divisions and

products within the surveyed EMEA region is more than 15%. As a result, in 2020 we already reached the target rate that had been set for 2025 of more than 15% for the EMEA region.

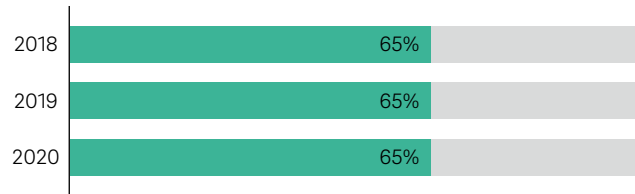
As far back as the early 1950s, REHAU was already consistently processing waste from production and reusing it for manufacturing (production material) in order to establish a functioning internal circular economy. With the increasing variety of products, we have also implemented this principle across the various company divisions. In the 1970s, customers were also included in the circular economy for the first time.

Our packaging processes, like our production processes, are based on the three-pronged “reduce – reuse – recycle” approach. When it comes to packaging, we believe less is more. This is also underlined for our suppliers in this area in our Supplier Code of Conduct.

🌐 Supplier Code of Conduct

We have been continually increasing the proportion of packaging made from sustainable materials since 2016. This includes packaging made of paper, corrugated cardboard, and cardboard and wooden spools. We require our suppliers to provide us with the maximum possible proportion of recyclates in polymer-based packaging such as industrial films (stretch film, tube film and caps) and strapping so that this essential packaging is sustainable as well. In the reporting year, we were only able to maintain and not increase the proportion of sustainable packaging compared with 2019 through revenue shifts within the individual divisions.

24 _ Proportion of packaging made of sustainable materials



We have been using the ReCup system in the canteens and cafeterias at our main sites since 2018 to raise our employees' awareness of the importance of recycling. So far, we have saved more than 30,000 disposable cups. In 2020 we also introduced REBOWL, a deposit system with reusable bowls, in the canteens at our administrative locations in Rehau and Erlangen.



GRI 302: Energy
 (Area of activity: "Accelerating climate protection")
 UN Global Compact: Principles 7, 8, 9

→ GRI 103: Management approach, pp. 38ff.

GRI 302-1: Energy consumption within the organisation

GRI 302-4: Reduction of energy consumption

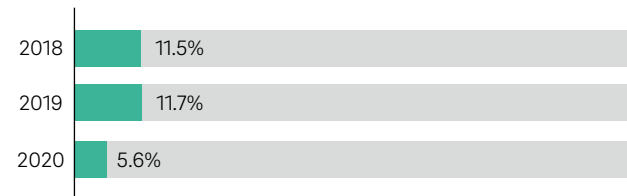
GRI 302-5: Reductions in energy requirements of products and services

In the base year 2009, the company's total electricity, gas and heating oil consumption amounted to 547 gigawatt hours. Thanks to an ongoing energy efficiency programme, our carbon footprint (measured in kWh/euro) was continually reduced until 2019, despite consistent company growth.

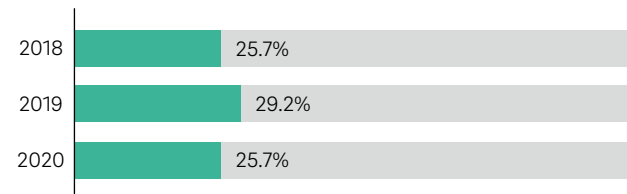
In 2020 the capacity utilisation of our factories was reduced because of COVID-19. Lower capacity utilisation also means that static consumers play a larger role. As a result, energy efficiency decreased during the reporting year in comparison with the previous figure. It can be assumed that the reduced capacity utilisation will be compensated for during 2021 and 2022.

The energy efficiency programmes continued to run in parallel with this development. Accordingly, the effect of our energy management measures will only become visible in the next reports. To keep our many years of data collection consistent internally, we have purposely not changed our calculations by means of a "COVID-19 factor" or the like.

25 _ Percentage improvement in fuels compared with 2009 (kWh/euro factory revenue)



26 _ Percentage improvement in electricity compared with 2009 (kWh/euro factory revenue)



Because of the measures taken worldwide against COVID-19, the special budget for energy management that was previously available has been significantly reduced. As a result of the capital investment freeze in April 2020, major energy efficiency projects could not be implemented.

The focus of our energy management was on retaining ISO certification, receiving ISO 50001 recertification and expanding the energy monitoring system. These measures affect the factories in Ujhartyan (Hungary), Srem (Poland) and Triptis and the administration building in Eltersdorf. We also have sustainable energy production projects in the planning stage – specifically, photovoltaic systems at the administrative locations in Rehau and Eltersdorf and a wood chip heating system in Viechtach.

GRI 303: Water and effluents

UN Global Compact: Principles 7, 8, 9

→ GRI 103: Management approach, pp. 38ff.

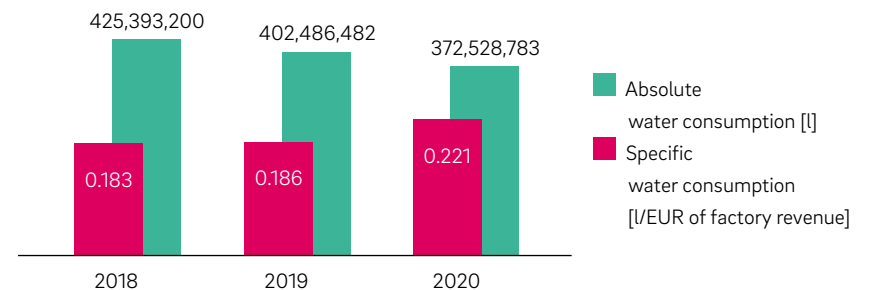
GRI 303-5: Water consumption

Water consumption is measured as it is supplied to each factory. We change the process water in our factories completely up to twice a year, depending on the location. As a result, the water footprint of our products (l/kg of factory output) varies depending on the production process and the product, e.g. between 0.19 l/kg (window lineal, extrusion) and 3.6 l/kg (external automotive fittings, injection moulding).

We are continually working on reducing water loss, e.g. through more efficient tool-changing and conversion to closed or semi-open systems. These measures reduce evaporation and the frequency of filter backflushing, for example. We also sometimes deliberately drain water (approximately 2–3 m³ per week) to achieve a certain level of water exchange (thickening).

During the reporting period, neither water quality nor water availability was significantly impacted by water extraction at our factory sites or administrative locations. However, in 2020 the water efficiency ratio increased significantly in comparison with the previous year because of two effects. Firstly, the capacity utilisation of our factories was reduced (cf. GRI 302-5). Secondly, after the longer lockdowns almost all the water recycling systems of the factory sites had to be completely replaced repeatedly at intervals of several weeks. This was the only way to completely remove all of the residue deposited during the production shutdowns. It can be assumed that this special effect will also not recur in the years ahead.

27 _ Specific and absolute water consumption





GRI 305: Emissions

(Area of activity: "Accelerating climate protection")

UN Global Compact: Principles 7, 8, 9

→ GRI 103: Management approach, pp. 38ff.

GRI 305-1: Direct (Scope 1) GHG emissions

GRI 305-2: Energy indirect (Scope 2) GHG emissions

GRI 305-3: Other indirect (Scope 3) GHG emissions

GRI 305-5: Reduction of GHG emissions

When monitoring GHG emissions, REHAU bases its measurements on international environmental and climate reporting guidelines, such as the Greenhouse Gas (GHG) Protocol, CDP (previously known as Carbon Disclosure Project) and the Global Reporting Initiative (GRI). Emissions are calculated as CO₂ equivalents (CO₂e). This means that, in addition to CO₂, other greenhouse gases such as methane (CH₄) and nitrogen oxide (NO_x) are also taken into account when calculating emissions, and their climate impact is converted into CO₂ reference values. We currently only report on CO₂e emissions according to GHG Scope 1 (all direct emissions caused by combustion at our own sites) and Scope 2 (indirect emissions from purchased energy). In order to improve the availability of data for our Scope 3 emissions (all other indirect emissions from services provided by third parties as well as upstream and downstream processes), a relevance analysis of all 15 categories was started in 2019. The aim of this analysis is to determine the emission focus areas. In addition, the underlying data should be clarified so that we can determine the basis for calculating emissions. The relevance analysis was divided into five process steps:

1. Clarification of motivation and objectives
2. Determining system limits
3. Clear definition of the categories
4. Establishing the relevant categories by impact
5. First inspection/identification of emission sources

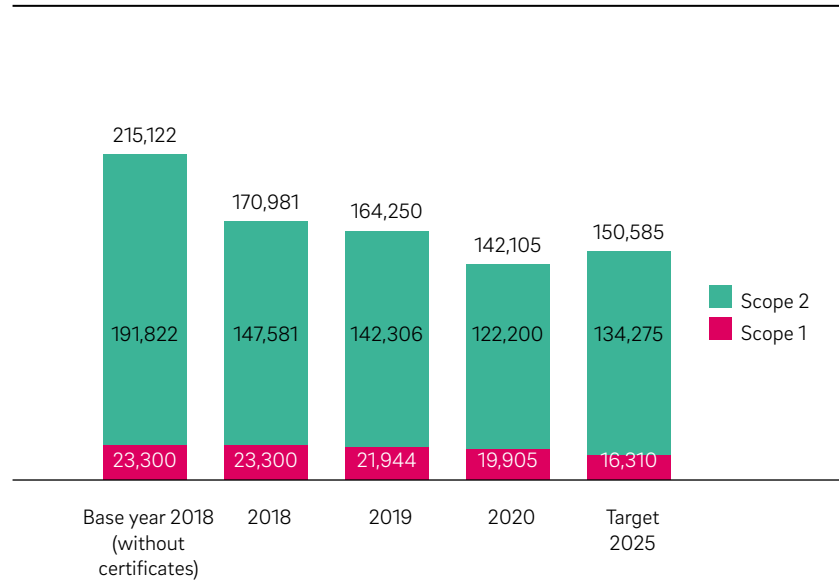
The first three process steps were completed by the end of the reporting period. Further steps and the first analyses were planned for 2020. These steps and analyses were delayed because of the effects of COVID-19 and thus can only be completed in 2021.

Some 28.4% of the electricity for our factories comes from renewable energy sources. The guarantees of origin for our green energy are properly cancelled by our energy suppliers in the register of guarantees of origin to avoid double counting. With regard to the CO₂e emissions, the previous sustainability goal was the reduction of the revenue-related CO₂e footprint by 25% from the base year 2009 to 2020. We achieved this goal by 2016 and exceeded it by 34.8% in the reporting year 2020, which is also the target year.

A revision of objectives within the scope of the sustainability strategy 2030 was announced in the Sustainability Report for the years 2017/2018. This revision has been completed, and the new objective now moves away from a revenue-based target and towards an absolute target. The base is the total emission volume in 2018 – 215,122 tonnes of CO₂e based on the market from Scope 1 and 2 before purchasing green electricity certificates.

Our aim for 2025 is to reduce CO₂e by 30% in comparison with the total 2018 emissions specified above. Emissions were reduced by 33.9% in 2020. This was partly due to the ongoing strategy of supplying more and more locations with CO₂e-neutral electricity. The main reason for the large difference between this figure and the 23.6% achieved in 2019 is the reduced production volume and the resulting decrease in energy consumption due to COVID-19. The reduction was about 8% greater than the planned amount. We expect this one-off effect to be compensated for in the years ahead.

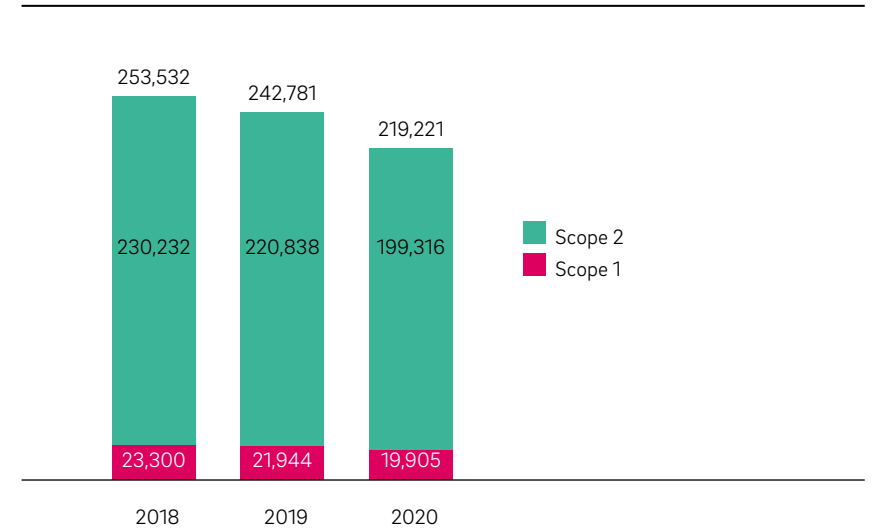
28 _ Market-based greenhouse gas emissions (tCO₂e)



"Market-based" = all agreements with energy suppliers and their individual emission factors are included.

Data excluding Cullman (Alabama, USA) production location

29 _ Location-based greenhouse gas emissions (tCO₂e)*



* Location-based details are only available from 2018 onwards.

"Location-based" = the average emission factors of the respective countries where REHAU has production sites are used to calculate emissions.

Data excluding Cullman (Alabama, USA) production location

The base emissions for 2018 were reduced by 33.9% in 2020 through the purchase of green electricity certificates and the decrease in production volume due to COVID-19. The target for 2025 is an absolute 150,585 tonnes of CO₂e, regardless of the company's growth. This target was already achieved once in 2020. In our long-term strategy, the agreed roadmap remains unchanged. As a result, the absolute amount will be achieved permanently by 2025 at the latest. To reach this goal, we will successively convert other locations to the use of climate-neutral electricity. In addition, we are planning to expand our own electricity generation from renewable energies (photovoltaic systems, woodchip heating systems and wind turbines) in cooperation with external investors. For example, in the near future a photovoltaic system will be set up at our administrative location in Erlangen by means of a PPA (power purchase agreement) model.

In addition to the use of green electricity, another aspect of our strategy is our approach to concluding CO₂e-friendly electricity supply contracts. Such contracts achieve a significantly lower level of emissions over large areas compared with a location-based approach. In order to reach the REHAU CO₂e sustainability target, we are planning to make the purchase of green electricity certificates a content-related element of our material group strategy for energy/electricity.

🌐 Supplier management at REHAU

The ongoing digitalisation within REHAU is another tool we can use to reduce emissions by making greater use of videoconferencing and teleconferencing to reduce the number of business trips. When it comes to mobility, we have therefore revised our business travel guidelines and expanded our negative list for certain company vehicles based on the higher CO₂e emissions. We intend to avoid domestic flights and rely more on public transport in the future.

Our company vehicle guidelines also provide incentives for choosing more environmentally friendly vehicles when leasing company cars. We aim to reduce the average CO₂e emissions for business trips to less than 100 g/km in the medium



term. In addition, we provide employees at our headquarters in Rehau with access to company bikes and company bike leasing offers as an environmentally friendly alternative to cars and public transport.

Internal workshops on energy management with the responsible officers from the REHAU specialist departments are held twice a year. The topics presented in 2020 included various measures for reducing CO₂e emissions. For example, switching to LED strip lighting with motion-dependent control in a high-bay warehouse resulted in a CO₂e reduction of up to 75%. We achieved a CO₂e reduction of up to 80% by using 3D printing of air circulation nozzles to lower the consumption of compressed air. In the area of logistics and supply chain management, shipments are optimised with regard to size and delivery route. We are also paying increased attention to an optimised use of transport vehicle capacity and we strive, whenever possible, to use trucks that comply with the highest environmental standards.



GRI 306: Waste

(Area of activity: "Driving forward the circular economy")

UN Global Compact: Principles 7, 8, 9

→ GRI 103: Management approach, pp. 38ff.

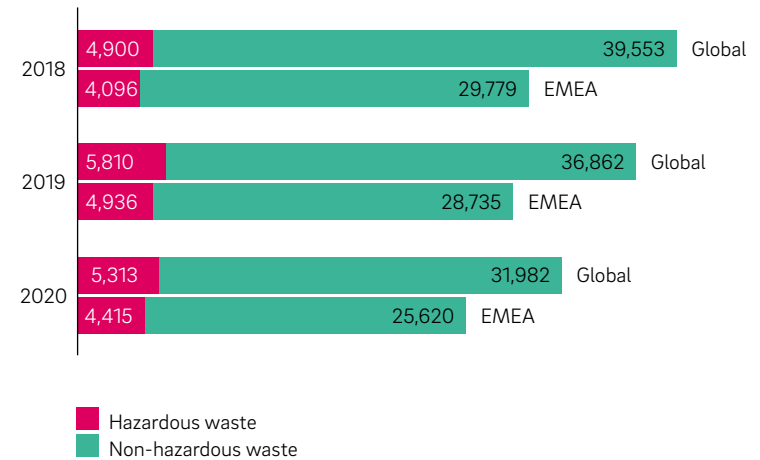
GRI 306-3: Waste generated

REHAU strives to avoid waste throughout the life cycle of its products. Throughout the company, we record the amount of waste generated and categorise it as "hazardous" or "non-hazardous". In the future we will also add the criteria "recycled" and "eliminated".

30 _ Total global material output (in tonnes)



31 _ Waste (in tonnes)



The environmentally friendly and legally secure recycling, treatment and elimination of waste is a top priority at REHAU. We periodically monitor the waste-disposal providers with whom we work on recycling and waste elimination, and assess them using criteria such as the legally secure documentation and plausibility of the methods used, the amount of material disposed of and the cost of the waste disposal.

The waste volumes from REHAU factories worldwide have been recorded and presented since 2017. We will use 2018 as a reference year for future reductions. Based on this data, each factory defines its own specific targets in order to meet the needs of its factory-specific and production-related dependencies.

Owing to legal and process-related changes, we carried out reclassifications of non-hazardous waste into hazardous waste in 2020. In addition, many restarts of production caused unexpectedly high volumes of hazardous waste. As a result, the planned reduction of hazardous waste could not be achieved. We are developing technical solutions for 2021 that are expected to significantly reduce the total amount of hazardous waste.

In the case of non-hazardous waste, the reduction target was achieved through process improvements, particularly for coating systems. Here too, we have planned to make further reductions in 2021.

GRI 306-4: Waste diverted from disposal

At REHAU we work on the basis that polymers are always recyclable. For decades we have been consistently feeding recovered material back into the production cycle or making it available to other factory areas or production sites. For example, we use residual materials from our roller-blind production for producing our sewage pipe AWADUKT PP EQ. The average rate for the recycling of recovered material remains constant at more than 90%. The Industrial Solutions division has achieved the highest recycling rate of more than 97%.

→ GRI 301-2: Recycled input materials used, pp. 41f.

The use or recycling of post-consumer material also has a long history. As far back as the 1990s, we already had an extensive take-back programme for “used” underground construction tubing that would then be reprocessed as cable conduits, for example. The relevant material was collected, cleaned, shredded, sorted, sometimes refined and then fed back into production.

We consider it an ongoing duty to continually identify new options for appropriate material (or raw material) recycling or other types of recycling, both within our factories and beyond. Among other things, the interdisciplinary Corporate Recycling project team is working on the external material recycling of plastic waste. In 2020, we promoted a variety of customer projects and implemented the first pilot projects in the area of home appliances.



GRI 307: Environmental compliance

(Area of activity: “Accelerating climate protection”)

UN Global Compact: Principles 7, 8, 9

→ GRI 103: Management approach, pp. 38ff.

GRI 307-1: Non-compliance with environmental laws and regulations

During the reporting period, REHAU received no significant fines or non-monetary sanctions for non-compliance with environmental laws or regulations.

Employees

GRI 103 Management approach for employees (including 103-1, 103-2, 103-3)

GRI 401: Employment

GRI 404: Training and education

The values of confidence, reliability and innovation are the foundation of our corporate culture. At the same time, they form the basis of our management principles and the way we treat our employees. We want to be a reliable partner of our workforce, and our actions are correspondingly driven by internally defined, communicated and documented values.

Strategically, the Human Resources unit has always been directly anchored in Executive Board. The Global Head of Human Resources is responsible for operational implementation. The HR functional strategy that is annually coordinated with our corporate goals forms the basis of our personnel work. During the reporting year, this strategy focused on the following areas in particular:

- The monitoring and design of the transformation process (restructure and invest)
- The further development of the corporate culture (feedback and leadership, values)
- The modernisation of the global remuneration system (performance management)
- Personnel development and talent management

Our human resources policy aims to foster the development of individual employees, as well as collegial cooperation within the Group – even in an economically challenging environment. At the same time, in order to remain fit for the future, the company needs to address such things as the demands of digitalisation and new mobility trends, and contend with an increasingly volatile economy overall. Currently, one of the key tasks in terms of personnel work at the company is to implement the necessary restructuring within individual subdivisions in a way that is consistent and fair. At the same time, we seek to retain employees in a competitive employee market and attract young, able talent, in particular for the digital transformation.



In order to optimally respond to the different requirements, we want to know our employees' needs as well as possible. We have developed a variety of formats for this purpose:

- Regular consultation days at all locations worldwide
- "Round tables" with members of the Executive Board and top-level HR managers at alternating locations
- Interactive virtual and global all-employee calls (German/English)
With this format, which was introduced in 2018, the Executive Board can inform all employees about current developments quickly and simultaneously. Needs, problems and questions can also be discussed and directly clarified during these sessions, using a special online tool. In 2020, four of these calls were held in which CEO William Christensen provided all employees with a first-hand account of recent business developments and results.
- Unit-specific town hall meetings

REHAU uses a variety of personnel management tools. These ensure, among other things, that employees act in accordance with the company's strategic goals.

→ Our personnel management tools, p. 60

The findings we gather through a variety of formats and tools inform our considerations regarding the company's development.

The identification and continuous development of special potential among employees in our own company is a key success factor for REHAU. To accomplish this we implemented a holistic process for all management levels worldwide, covering performance management, individual development and succession planning until the end of 2020. It has been designed both to improve leadership behaviour at REHAU and consistently drive forward the cultural transformation we are seeking. A structured self-assessment also enables employees to actively shape their own development within the company.

We strive to maintain long-term employment relationships. We offer a range of programmes to help our employees develop their skills and qualifications. That is why the talent management programme pursues a holistic approach. It starts with the recruitment and development of trainees, guiding the next generation of employees from academia into their first target roles, and personnel development programmes for technical employees, managers and project managers.

We have also been steadily expanding our activities around work-life balance for several years. Depending on each country's conditions and resources, we offer our employees worldwide a variety of different programmes for their respective stage of life. Part-time working models enable employees to effectively reconcile work and family life. In addition, we offer childcare services at our administrative location in Erlangen. There are twelve places permanently available at the St. Kunigund nursery, which is very close to the company building.

Our employees also have the option of taking sabbaticals.

For us as an employer, making work as flexible as possible with respect to time and place, for example, is an important factor for our future. Because of COVID-19, we further increased our employees' flexibility with regard to their choice of working location and hours during the reporting year. On 17 September 2020, on the basis of REHAU's culture of trust, the Executive Board officially resolved that for all appropriate jobs at administrative locations, sales offices and plants, "Every employee whose range of tasks makes mobile work possible can do mobile work at his or her own discretion in order to increase his or her efficiency as well as that of the team."

REHAU AG + Co was certified in Germany as a Top Employer for its personnel work during the reporting year.

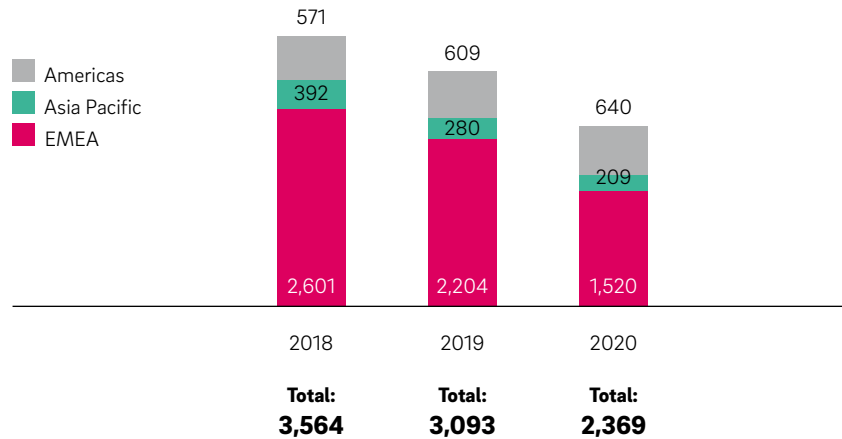


GRI 401: Employment

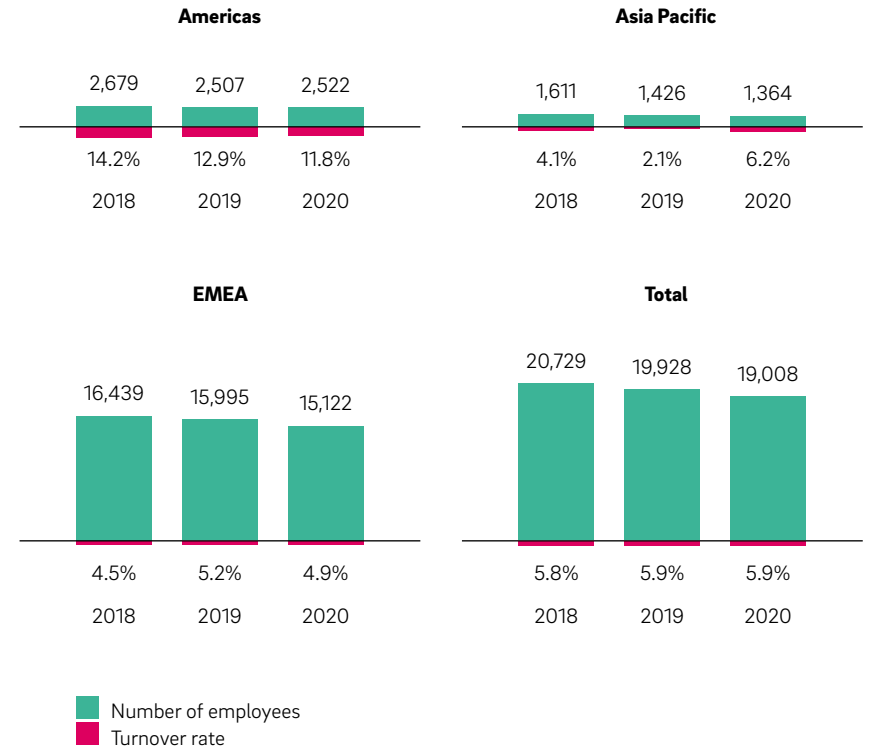
→ GRI 103: Management approach, pp. 50f.

GRI 401-1: New employee hires and employee turnover

32 _ New hires



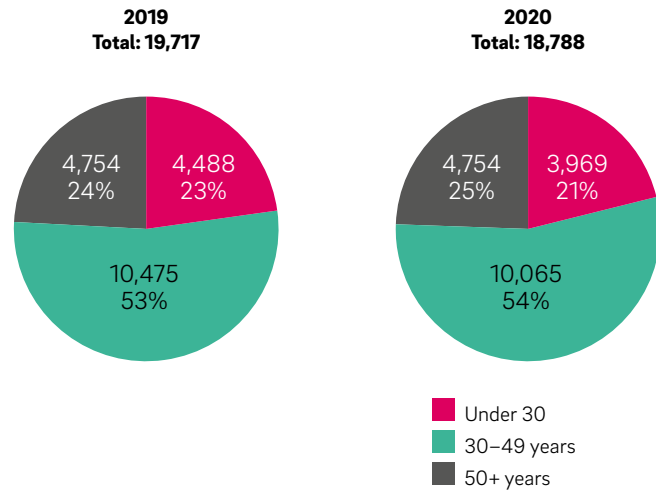
33 _ Number of employees and turnover rate



As in the previous year, the global turnover rate was 5.9% in 2020.

→ GRI 102-8: Information on employees and other workers, pp. 10ff.

34 _ Number of employees by age group*



* Excluding mergers and acquisitions, as we do not have detailed information about gender and working hours (employees 2019: 211; employees 2020: 220)

GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees

All company benefits are provided to full-time and part-time employees alike. Both can take advantage of the wide range of mobile working options, for example. The precise conditions vary from country to country.

In Germany, REHAU offers, for example, the following precautionary measures:

- Offers for the company-organised pension scheme (contributions to capital formation)
- Financing for early retirement, as well as exemption phases via working time accounts
- Additional accident and overseas health insurance for work-related accidents during business trips
- Support in the event of bereavement
- Various health service options

Moreover, employees can purchase REHAU products via our in-house retail service and receive special terms from our partners for the following:

- Building services (windows, furniture)
- Insurance (life, disability and supplementary health insurance)
- Bank loans
- Bicycle leasing via deferred compensation
- PC/mobile device leasing via deferred compensation
- Shopping at various external suppliers via corporate benefits

GRI 403: Occupational health and safety

GRI 103 Management approach for occupational health and safety (including 103-1, 103-2, 103-3)

GRI 403-1*: Occupational health and safety management system

GRI 403-2*: Hazard identification, risk assessment and incident investigation

GRI 403-3*: Occupational health services

GRI 403-4*: Worker participation, consultation and communication on occupational health and safety

GRI 403-5*: Worker training on occupational health and safety

GRI 403-6*: Promotion of worker health

GRI 403-7*: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

(* According to the current GRI standard, the marked indicators are considered as part of the management approach.)

The REHAU occupational health and safety policy is an important matter for our company. It is based on the principle that all work-related accidents and illnesses are preventable. The health and safety of our employees is paramount, which is why we deliberately exceed the minimum standards. For us, it is an expression of our responsible interaction with one another. At the same time, it has a positive effect on the satisfaction and motivation of our employees. The aim is to better protect not only our own workforce but also our suppliers and service providers, as well as the employees of subcontractors. To achieve our "Mission Zero" vision of zero work-related accidents, we are involving our employees in all aspects of the occupational health and safety management system.

We are gradually introducing an HSE (Health, safety, and environment) management system at all our production sites around the world, in accordance with the ISO 14001 and ISO 45001 standards. This process was continued in 2020. Almost all locations worldwide have already been externally certified according to the ISO 14001 standard. The DIN standard ISO 45001 that was published in 2018 is gradually being implemented. In 2020, six locations were externally certified according to ISO 45001. As a result, a total of twelve locations have been certified



in this way to date. They will be followed in 2021 by five additional plants: Fort Jackson and Port Elizabeth (South Africa), Győr (Hungary), Poix (France) and Celaya (Mexico).

The HSE management system is managed, continuously updated and globally coordinated by the HSE department. The HSE department and local HSE coordinators, who are found at every plant, support the respective executive managers in the assessment of possible hazards for employees in production and administration.

→ GRI 403-8: Workers covered by an occupational health and safety management system, p. 56

We would like to improve safety in the workplace further and are thus implementing numerous measures in addition to the annual employee training. For example, the COMET analyses (REHAU system for globally standardised accident analysis) should aid in determining the fundamental causes of work-related accidents.

→ GRI 403-9: Work-related injuries, p. 56

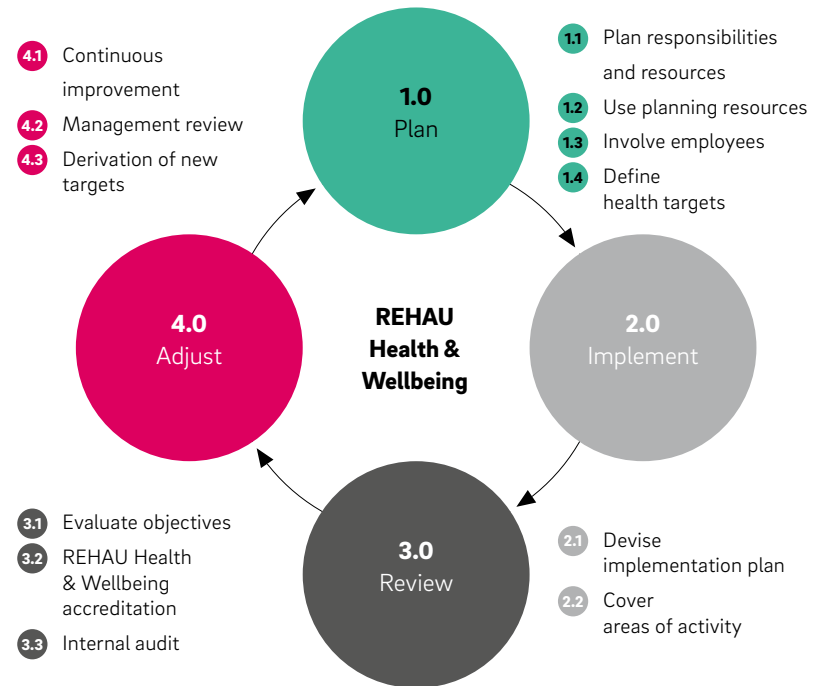
In order to keep all employees up to date about relevant HSE operations at all locations worldwide, the HSE management committee meets once every quarter at each plant. This committee consists of the HSE coordinators, health officers, company doctors/medical personnel, plant director, members of the management team and safety officers. Among other things, the participants at these meetings discuss relevant changes, incidents and KPIs/targets and receive information about important new developments. At the various locations, the participants then forward the information and resolutions to the entire workforce as part of their activities.

Another element of our HSE management system is the necessary qualification of all employees with regard to general and work-specific hazards. In this way, we ensure that all of the legally stipulated requirements are met at the locations and that the HSE qualification measures that are required for the respective task are identified and implemented. A local HSE coordinator determines the minimum qualification requirement of employees with HSE tasks using a target-actual comparison and reports to the global head of HSE at least once a year.

Our company health management system (BGM) is part of the HSE management system. REHAU Health & Wellbeing globally manages the BGM and oversees its integration into all company processes. The BGM's task is to increase the competitiveness of the company and to create a long-term health culture through higher levels of motivation and a reduction in illness-related costs.

Every year, our BGM goes through a four-stage process, the PDCA (plan-do-check-act) cycle. This process is used globally as well as at the individual locations.

35 _ Company health management system (BGM)



We involve external medical specialists in accordance with the respective country laws from the very beginning of this process. At a later stage of the BGM, an in-house REHAU contact partner ensures the optimal integration of all participants.

Furthermore, we encourage our employees and managers to establish their own resources independently in order to better meet the requirements of everyday work. We help them do this worldwide by means of a variety of programmes for the promotion of mental and physical health, such as resilience workshops. The form and variety of the offers differ depending on the region and on local resources. In addition to regular drop-in sessions with our company doctor, every location holds a health day at least once a year.

Moreover, all of our locations host a variety of employee sports activities, which we support at the local level. For example, we contribute to local gym memberships, sponsor regional company runs and support our employees' sports groups.

During the reporting period, COVID-19 prevented us from conducting in-house events for preventive health (e.g. the health days) as usual at our locations. Instead, we offered short online seminars and exercises as well as in-depth information on the intranet. These offers were well received by the employees.

- GRI 403-10: Work-related ill health, p. 57
- Target occupational health and safety, p. 34
- 🌐 Principles – sustainability, environmental protection, occupational health and safety, security
- 🌐 Occupational health and safety at REHAU

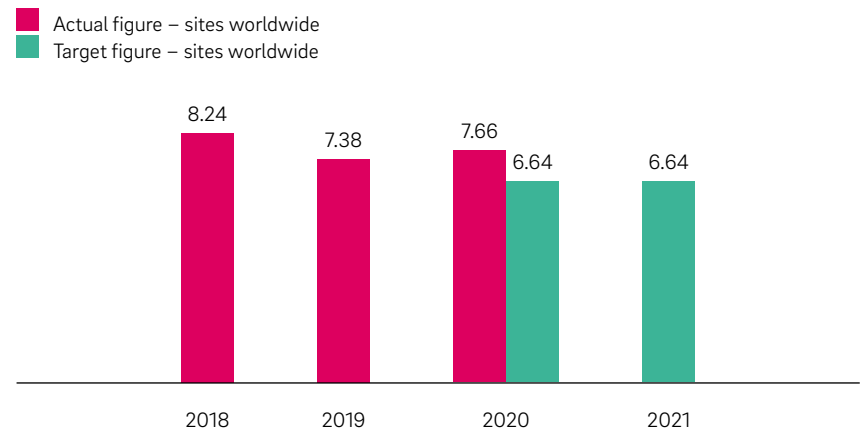
GRI 403-8: Workers covered by an occupational health and safety management system

The REHAU HSE management system involves all of the employees in occupational health and safety measures and regularly provides them with information in this regard. If needed, the employees also receive training.

GRI 403-9: Work-related injuries

The number of accidents resulting in absences of longer than three days rose again slightly in 2020. It was not possible to find any clear global reason why this occurred. In order to counteract this trend, the affected locations are implementing targeted measures that are tailored to the specific causes of the accidents.

36 _ Accidents resulting in > 3 days of absence per million working hours



GRI 403-10: Work-related ill health

There is currently no indication that employees at REHAU experience a high rate of illness or greater health risks due to their occupational activities.

→ GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes, pp. 58ff.

GRI 404: Training and education

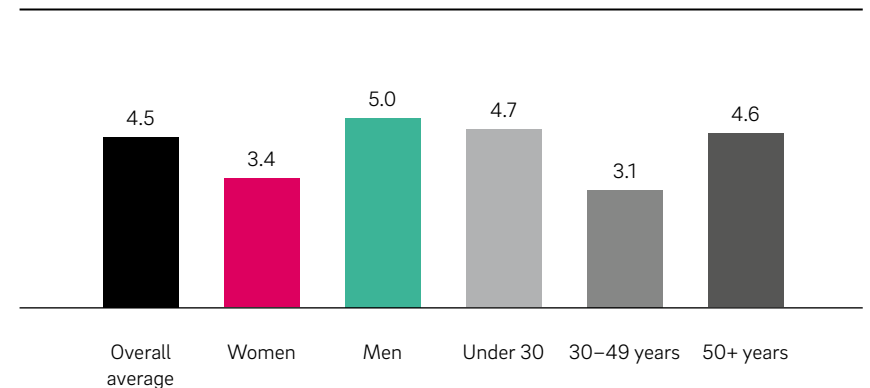
→ GRI 103: Management approach, pp. 50f.

GRI 404-1: Average hours of training per year per employee

REHAU offers a comprehensive range of skill development and qualification measures that employees, managers and, if needed, trainees can use. The measures can also be attended by employees of RAUMEDIC and MERAXIS.

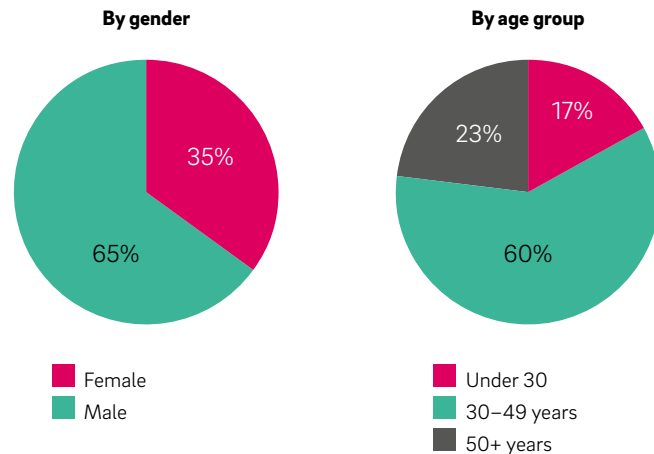
In 2020, more employees took part in our training measures than in 2019. However, the programme's implementation had to be adjusted in many areas due to the COVID-19-related contact and hygiene regulations. As a result, most of the planned classroom courses were held online. A total of 9,361 employees from all over the world received in-class or live online training, including 4,900 in EMEA.

37 _ Average number of hours of in-class or live online training per employed person in the EMEA region according to gender and age group



During the reporting period, a total of 22,700 participants also took part in worldwide e-learning courses concerning topics such as compliance, REHAU Rules and Procedures, the safekeeping of documents and the handling of e-mails. Compliance training accounted for the largest share of participants: 12,460.

38 _ Completed e-learning courses



We are currently providing training for 14 career pathways. Of the 19,008 members of staff employed on 31 December 2020 (2019: 19,928), 598 (2019: 646) were undergoing professional training (including combined study).

The number of trainees at REHAU fell from 643 in 2019 to 595 in 2020. As in the previous year, around 22% of the trainees were women. In 2020, of the 158 (2019: 174) trainees who completed their training at REHAU AG + Co, 74% (2019: 79%) were hired by the company.

In 2020, trainee intake at locations in Germany was 5.6% (2019: 5.8%).

GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes

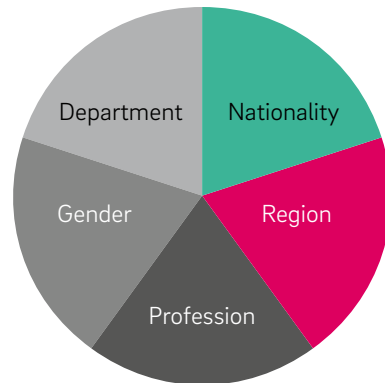
REHAU enables lifelong work-related learning. A wide range of training courses, e-learning programmes, as well as a variety of qualification modules such as coaching, are available for employees and managers on an internal portal. In 2020 the focus was on supporting the employees as well as possible in addressing the challenges of COVID-19. For example, the company offered the supplemental e-learning courses "Virtual Teams – Building Motivation and Trust" and "Virtual Teams – Communication" as well as live online training programmes such as "Resilience – How to Be Robust" and "Remote Selling".

We provide regular onboarding seminars for new employees. Due to COVID-19, these have also been held online beginning in mid-2020. The "Fit for Leadership" seminar was offered for employees who had to take on leadership responsibilities for the first time.

During the reporting period, the new format "Virtual Leadership Impulses" for the international networking of managers was introduced as a series of live three-hour online training courses in English. The aim of this course is to instil the REHAU values of trust, reliability and innovation. The first element of this format to be introduced was the training course "TRUST: We empower and recognise".

In general, we want to offer our employees a diverse, productive working environment, promote talent and help everyone reach their career goals. We also invest in targeted special development programmes, such as those for (prospective) managers. In 2020 we began to use "diversity dimensions" in these programmes. These five dimensions represent overall minimum requirements for the mix of programme participants. Following a test phase, these elements will be firmly integrated into the programmes in 2021.

39 _ “Diversity dimensions” for our development programmes



Our programmes at a glance:

International trainee programme

The international REHAU trainee programme is a key pillar of REHAU's integrated personnel development system. The main goal is to systematically promote the next generation of employees and create an international, cross-divisional pool of experts and potential future managers. It is an investment in REHAU's future and long-term success. In addition to addressing an employee's area of speciality, the programme provides insights into related departments. Participants are given social, methodological and intercultural training in an off-the-job context. A total of eight bachelor's and master's graduates from four different countries (Germany, South Africa, China, USA) took part in our trainee programme during the reporting period.

Management Development Programme

The Management Development Programme (MDP) takes place every two years. It consists of several off-the-job modules that are held at various REHAU locations worldwide. The MDP aims to strengthen the participants' leadership, strategy and change management skills. The modules combine various educational approaches and methods, including classroom instruction, peer coaching, case studies, feedback, virtual training units and project work. They also involve customer and factory visits. The participants transfer the lessons they've learned to their workplace. This makes them disseminators of cross-topic and cross-divisional thinking. The MDP trains managers around the world from within the company, thus providing the next generation of talent to fill key positions. The programme fosters international cross-divisional networks and knowledge exchange throughout the company. In line with the regular cycle, the programme was not held in 2020. It will take place again in 2021.

The GROW development programme

The GROW programme is targeted at prospective managers and specialists in EMEA. Junior staff members from a range of different disciplines and cultures work as a team to develop their individual strengths and improve their leadership, change management and social skills. Apart from that, the main concern of GROW is to promote the international networking of the employees across divisions. A GROW programme is launched every year. A total of five modules are held over a period of 15 months. Due to COVID-19, most of the modules that were planned as in-class events were conducted online in 2020.

During the reporting period, 14 employees successfully completed the GROW programme. Another group of 28 employees have started the programme and will complete it in 2021. The participants came from six different nations. In addition to employees from Germany, it was attended by colleagues from Russia, the Czech Republic, Poland, Austria and the UK. We apply diversity criteria for the composition of the groups in order to support the goal of the area of activity "Promoting diversity". This means that we aim to create a good mixture with

respect to professional background, division, plant, sales, administration, gender and internationality. Almost half of the participants of the group launched in 2020 were women (6 of 14 people).

→ GRI 405: Diversity and equal opportunity, pp. 63ff.

LEAD – executive leadership programme

LEAD is meant for experienced managers who already hold a management position at the director level (E2). This programme was newly introduced in the reporting year and individually prepares the participants for higher management tasks below the level of the Executive Board (E1). In addition, LEAD is intended to contribute to the sustained cultural transformation of the entire organisation. The programme focuses on selected aspects of personnel management and, in particular, on business management topics. The three multi-day classroom modules Leadership & Transformation, Strategy for Entrepreneurs and Steering Business Operations are held within a period of twelve months. This instruction is supplemented by online workshops, peer sparring, coaching, a 360° feedback process and project work. In addition to topic-related input, the focus is on sharing experiences and on international networking within REHAU. The first group consists of twelve participants – eleven men and one woman – who come from seven different countries. Besides employees from Germany, managers from Serbia, Romania, Ukraine, Brazil, China and the USA are also represented.

Development programme for area sales managers

Our sales programme was not implemented during the reporting period, as we did not have a sufficiently large group of participants.

GRI 404-3: Percentage of employees receiving regular performance and career development reviews

REHAU wants to be an attractive employer and foster a culture of constructive feedback. We use various personnel management tools for this purpose, including:

- The annual performance review (APR) and the target agreements for middle and upper management
- The 360° feedback for personal position determination and personnel development
- Various management tools of our Feedback2Managers modular system within the departments
- The integrated talent and performance management process
- Regular feedback via semi-annual Pulse Surveys, in addition to the more time-consuming, large-scale employee surveys (workplace culture surveys with Great Place to Work)

These measures aim to improve communication and mutual feedback. In 2020, 40 managers took part in a 360° feedback, for example.

All employees receive an annual performance assessment. During the reporting period, a more performance, results and potential-oriented remuneration system was introduced for the lowest management level (E3). For levels E0 to E2, this was already incorporated into the contractual agreements in previous years. In addition to clearly results-oriented KPIs, the respective target agreements also contain individual objectives for fostering value-oriented leadership behaviour. In this multi-stage process, the decision-making bodies also assess the potential and development opportunities in an integrated performance and talent management system and stipulate further steps.

Diversity and human rights

GRI 103 Management approach for diversity and human rights (including 103-1, 103-2, 103-3)

UN Global Compact: Principles 1, 2, 3, 4, 5, 6

GRI 405: Diversity and equal opportunity

GRI 406: Non-discrimination

GRI 407: Freedom of association and collective bargaining

GRI 408: Child labour

GRI 409: Forced or compulsory labour

GRI 411: Rights of indigenous peoples

GRI 412: Human rights assessment

Due to the company's many years of global business operations, diversity is very important at REHAU and the internal rules and procedures of "YOUR REHAU" explicitly defined it as one of the pillars of our corporate culture as early as 2017. Promoting diversity is one of the four key areas of activity for our revised sustainability strategy. We believe that a culture of mutual tolerance and respect is essential to achieving our goals as a company.

The key topics for us in this area of activity include:

- Work-life balance
- Equal opportunities and gender diversity
- Cultural diversity

REHAU conforms to the core labour standards of the International Labour Organisation (ILO). The overwhelming majority of employees work in EU member states, where the ILO standards are enshrined in law. It goes without saying that REHAU also complies with the applicable national legal regulations for the respective location. As a company headquartered in Germany, REHAU also abides by the Guidelines for multinational enterprises of the Organisation for Economic Co-operation and Development (OECD).

In 2019, the Executive Board agreed to sign the Global Compact of the United Nations. It was signed and thus officially came into effect in spring 2020. However, we had already recognised the ten principles of the Global Compact independently much earlier and integrated them into our Code of Conduct. In doing so, we commit to, among other things, upholding freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced labour and the abolition of child labour, and the elimination of discrimination with respect to employment and occupation.

- Overview of the principles of the UN Global Compact, p. 73
- Supply chain, pp. 29ff.

We have set out a binding behavioural code for our staff in our Employee Code of Conduct, which is available to all REHAU employees around the world. 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.

 [Employee Code of Conduct](#)



Targets for “Promoting diversity”

Targets	Deadline	Status	Achieved	Page
Minimum proportion of 15% women in management positions	2025	There was a slight increase to 12.5% during the reporting period.	●	63
Provision of a wide range of education and training options for all employees	Ongoing	The range of education and training options was further extended during the reporting period with the addition of new e-learning programmes.	●	57ff.
Regular consultations and dialogue arrangements to increase employee satisfaction and involvement	Ongoing	Regular all-employee calls were introduced in 2020; further development of the intranet into an interactive platform for all employees.	●	60
Mixed teams as standard in project teams, as well as training and education programmes	Ongoing	The defined diversity criteria for mixed teams were implemented for the first time in the GROW programme and in the trainee programme during the reporting period.	●	58ff.

● Target achieved ● Target partially achieved ○ Target not achieved

REHAU respects human rights as a matter of course and this respect is firmly embedded in our Code of Conduct. The human rights officer who was appointed in 2019 is part of Human Resources. In recent years, the personnel department and sustainability management have together developed a basic human rights concept for REHAU so that it can implement the stipulations of the National Action Plan for Business and Human Rights (NAP). The main element of this concept is the risk assessment of plants outside Europe and the in-house HR Quality Check & Social Audit Plants. In this process, sustainability management uses the publicly available MVO CSR Risk Check to select the locations that are to be audited. This risk assessment is updated annually for countries outside Europe.

MVO CSR Risk Check

The in-house HR Quality Check & Social Audit Plants is used to check and monitor human rights risks at our locations worldwide. It consists of clearly defined requirements and checklists regarding human rights. The personnel department checks the indicators during factory inspections at selected locations. This is supplemented by an inspection catalogue that is used during consultation days at all plants, logistics centres, sales offices and administrative units.

As part of the NAP, the REHAU human rights officer and two representatives of sustainability management took part in a multi-stakeholder sector dialogue for the automotive industry in 2020. In this dialogue, a total of three working groups developed five core elements for the respect of human rights along the supply chain and value chain. These elements are sector-related and practice-oriented. The main focus was on the development of management approaches to the implementation of human rights due diligence, respect for human rights in raw materials value chains and supply chain networks, and the creation of a company-wide complaint mechanism. The dialogue is scheduled to be completed in 2021, when the working groups are expected to finish their tasks. On the basis of their results, REHAU will develop a detailed human rights concept by 2022 so that the inspection and monitoring

of potential human rights risks can be covered effectively. The concept is to be implemented along the value chain in stages.

→ GRI 412: Human rights assessment, pp. 66f.



GRI 405: Diversity and equal opportunity

(Area of activity: "Promoting diversity")

UN Global Compact: Principles 1, 2, 6

→ GRI 103: Management approach, pp. 61ff.

GRI 405-1: Diversity of governance bodies and employees

We want to create a culture of mutual tolerance and respect at all locations, and we explicitly oppose any kind of discrimination. We promote diversity within our company and consider it a matter of course that different genders be treated equally.

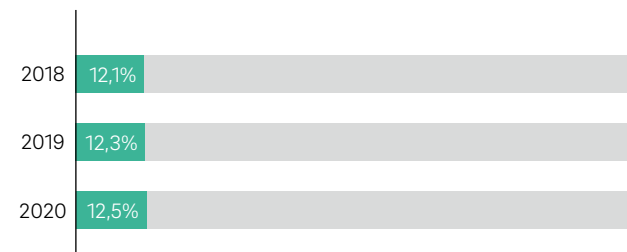
In the reporting period, REHAU employed 5,180 women (2019: 5,423), of whom 655 worked part-time (2019: 691). During the reporting year, 12 employees stated their gender as "other" (2019: 7).

→ GRI 102-8: Information on employees and other workers, pp. 10ff.

The proportion of women in management roles increased slightly from 12.3% in 2019 to 12.5% at present.



40 _ Women in management roles



41 _ Number of employees by age group and gender*

	2018	2019	2020
Under 30	4,895	4,488	3,969
Other	2	3	3
Female	1,347	1,226	1,102
Male	3,546	3,259	2,864
30–49 years	10,856	10,475	10,065
Other	–	2	9
Female	3,164	3,005	2,888
Male	7,692	7,468	7,168
50+	4,715	4,754	4,754
Other	1	2	–
Female	1,169	1,192	1,190
Male	3,545	3,560	3,564
Total	20,466	19,717	18,788

42 _ Age structure by number of employees and region*

	2018	2019	2020
Under 30	4,895	4,488	3,969
Americas	23%	25%	24%
Asia Pacific	36%	32%	28%
EMEA	23%	22%	20%
30–49 years	10,856	10,475	10,065
Americas	54%	54%	54%
Asia Pacific	59%	62%	66%
EMEA	54%	52%	52%
50+	4,715	4,754	4,754
Americas	23%	22%	22%
Asia Pacific	4%	5%	6%
EMEA	25%	26%	28%
Total	20,466	19,717	18,788

* Excluding mergers and acquisitions, as we do not have detailed information about gender and working hours (employees 2019: 211; employees 2020: 220)

Given the relevance of diversity as a topic, since 2018 we have been actively supporting the Diversity Charter, the Companies Integrate Refugees network, as well as the German Development Aid for Housing and Settlements.

Our administrative sites and factories have been collaborating with workshops for the disabled for decades. We are working together with 13 facilities in Germany alone.



GRI 406: Non-discrimination

(Area of activity: "Promoting diversity")

UN Global Compact: Principles 1, 2, 6

→ GRI 103: Management approach, pp. 61ff.

GRI 406-1: Incidents of discrimination and corrective actions taken

For us, discrimination includes any type of verbal or physical harassment, as well as sexual misconduct. The threat of harassment or the creation of an intimidating environment are also unacceptable. Employees have the right to use the existing complaints processes without reprisal. In 2019, a project was launched to achieve better transparency when handling sexual harassment. In 2020 a policy was introduced in order:

- to formalise the rules of conduct at REHAU in a clear and transparent manner,
- to improve awareness about this topic among our employees and
- to support those affected via easily accessible complaints processes.

No cases of discrimination were reported during the period under review.

→ Ethics and compliance, pp. 21ff.



GRI 407: Freedom of association and collective bargaining

UN Global Compact: Principle 3

→ GRI 103: Management approach, pp. 61ff.

GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

We are committed to ensuring fair working conditions across all of our locations worldwide. We also expect our suppliers to comply with the relevant laws and collective agreements. No cases of violation of, or threat to, freedom of association and collective bargaining were reported in 2020.

GRI 102-41: Collective bargaining agreements

We offer our employees attractive remuneration packages comprising a basic salary or wage based on their role and variable performance-based payments, as well as a variety of additional benefits based on the relevant labour market, including appropriate and related collective agreements (for example, for the polymer processing industry, chemicals and metal in Germany). Market developments in terms of salaries are monitored on a regular basis (generally once a year). In doing so, we also consult relevant guidelines such as the core labour standards of the ILO. Throughout the world, REHAU meets the legal requirements in terms of minimum wage and additional benefits.

GRI 408: Child labour

UN Global Compact: Principles 1, 2, 5, 6

GRI 409: Forced or compulsory labour

UN Global Compact: Principles 1, 2, 4, 6

→ GRI 103: Management approach, pp. 61ff.

GRI 408-1: Operations and suppliers at significant risk for incidents of child labour**GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour**

We reject all forms of child labour and forced labour and have a zero-tolerance policy on this topic when it comes to our suppliers. We are not aware of any sites or suppliers that have or have had a significant risk of child labour or forced labour. None of our audits during the reporting period revealed any indications of child labour or forced labour.

GRI 411: Rights of indigenous peoples

UN Global Compact: Principles 1, 2, 6

→ GRI 103: Management approach, pp. 61ff.

GRI 411-1: Incidents of violations involving rights of indigenous peoples

REHAU expects its employees and business partners worldwide to treat the various regionally shaped mentalities with respect. There were no reports or cases during the reporting period.

→ Supply chain, p. 29 ff.

GRI 412: Human rights assessment

UN Global Compact: Principles 1, 2, 3, 4, 5, 6

→ GRI 103: Management approach, pp. 61ff.

GRI 412-1: Operations that have been subject to human rights reviews or impact assessments

After three locations in India that we had assessed as high risk were audited in 2019, an in-house HR Quality Check & Social Audit Plants was performed at a plant location in the USA in 2020.

Additional factory inspections could only be carried out to a limited extent, due to COVID-19. For this reason, annual audits are planned to be conducted beginning in 2021 at plants that our analysis has determined to have a high risk. All other plants are scheduled to be assessed every two years beginning in 2022.

In general, the plastics industry in India and China continues to have the highest risks with respect to the environment, followed by risks for labour rights and human rights. The situation is similar for our locations in South Africa and South America. The risk assessment that was made for our plants in 2019 continues to apply without any major changes.

GRI 412-2: Training courses for employees regarding the human rights policy and processes

We will draw up a declaration of principles regarding REHAU's human rights policy and the associated training after the NAP multi-stakeholder dialogue is completed. Operational implementation will occur in stages, beginning in 2022.

As part of the introduction of the HR Quality Check & Social Audit Plants for consultation days and factory inspections at selected locations with an increased risk of human rights issues, the employees who conduct these inspections were provided with targeted awareness-boosting measures. The sustainability officer and the REHAU ethics and human rights officer have already received external training.

The topic of human rights was also addressed during the "Sustainable Fridays". The "Sustainable Fridays" are an international format on the REHAU intranet that enables all employees to obtain information about sustainability-related topics.



Social involvement

GRI 413: Local communities

GRI 103: Management approach (including 103-1, 103-2, 103-3)

As a globally active company, we are aware of our responsibility to society. This is why our social involvement extends beyond our actual business activities. We aim to actively implement our corporate principle “think global, act local” beyond our factory walls in the form of small projects. That’s why we promote environmental, economic, social and cultural interests at our 170 or so locations around the world. In doing so, we aim to take on long-term social responsibility instead of focusing on ad hoc activities without a sustainable impact. In 2020, we reviewed our involvement in local projects to date and clustered the projects according to the seventeen Sustainable Development Goals (SDGs). In the future, the SDGs we have selected will be the focal points of our social and cultural involvement at our international locations.



In the years ahead, we want to reinforce our role as a good corporate citizen and link it even more closely with the areas of activity of our sustainability strategy. One aspect of this effort will be the refinement of our internally defined donation and sponsorship guidelines.

43 _ Donations and sponsorship expenditure (Germany)

	2018	2019	2020
Donations	EUR 24,169	EUR 29,111	EUR 58,151
Sponsorship	EUR 340,638	EUR 240,821	EUR 124,620

Corporate volunteering is an important component of our social involvement. We help our employees volunteer – for example, in fire brigades, in schools, in workshops for the disabled or in chambers of commerce – by giving them time off or providing them with resources. This personal involvement by employees contributes to social and personal development and fosters mutual understanding.

GRI 413-1: Operations with local community engagement, impact assessments and development programmes

In accordance with our guidelines for donations and sponsorships to date, we predominantly support projects with a direct link to REHAU, for example because of their proximity to our locations or because REHAU employees are active within the organisation in question. During the reporting period, we once again supported a variety of projects in the areas of education, health, the environment, social issues, sport and culture. We publish information about our current projects on our website under the heading Sustainability.

[🌐 Projects at REHAU](#)

GRI 413-2: Operations with significant actual and potential negative impacts on local communities

We are not aware of any REHAU operations with significant actual and potential negative impacts on local communities. We support social projects around the world as part of our sustainability initiatives. In doing so, we aim to improve conditions in the local area and actively support the achievement of the Sustainable Development Goals.

Report profile

This Sustainability Report evaluates the activities of the REHAU Group in 2020 and provides an overview of our values, goals and sustainability activities. In this report covering the year 2020, REHAU (referred to in last year's report as "REHAU Group") comprises the five divisions: Automotive, Building Solutions, Furniture Solutions, Industrial Solutions and Window Solutions. In 2021, it was divided into the two units REHAU Automotive and REHAU Industries, which encompasses the remaining divisions.

After we developed our sustainability strategy in 2019, our focus in 2020 was on the implementation and the first steps of the strategy's introduction in our business operations. We want to continuously increase the topic's importance within the company. In doing so, our four main areas of activity ("Sustainable growth", "Accelerating climate protection", "Driving forward the circular economy" and "Promoting diversity") form the basis for our implementation strategy. This Sustainability Report is also based on these areas of activity.

→ Strategy, pp. 16ff.

All environmental key figures refer to REHAU production sites, unless otherwise indicated.

REHAU conserves resources across its production, sales and administration functions. Starting in 2011, all of our production sites have gradually been certified according to the ISO 14001 environmental management systems standard. Currently, approximately 98% of our production volume is manufactured in factories that are certified according to the 14001:2015 standard.

→ Environmental impact, pp. 38ff.

The content of this Sustainability Report follows the GRI standards of the Global Reporting Initiative (GRI) in accordance with the "Core" option. We want to offer our stakeholders transparent information about our main areas of activity, our measures, targets and key figures.

All of the GRI standards that are relevant for this report and their placement within the report are listed under GRI 102-47.

- GRI 102-47: List of material topics, p. 71
- GRI 102-54: Claims of reporting in accordance with the GRI standards, p. 72

In addition to numerous internal guidelines and policies, we have, since 2015, adhered to the ten principles of the UN Global Compact, which we joined in April 2020. Our 2030 sustainability strategy and the four areas of activity mentioned above are based on the United Nations' Sustainable Development Goals (SDGs). REHAU considers itself responsible for contributing to the SDGs. This report once again documents the relevant SDGs for each area and demonstrates how REHAU is contributing to sustainable development.

- Company values, pp. 18f.
- Overview of the principles of the UN Global Compact, p. 73
- 🌐 UN Global Compact
- 🌐 The UN's Sustainable Development Goals

In the areas of occupational safety, health, energy consumption and emissions, external auditors from TÜV Rheinland have confirmed the accuracy of the data. The content of the report has also been verified by the responsible technical employees.

- 🌐 ISO certifications

The report is available in English and German. Further information about our company and our sustainability activities can be found on our website.

- 🌐 REHAU sustainability

Our previous Sustainability Report was published in October 2020 and was entitled “Sustainability Report 2019”. The current Sustainability Report was published on July 12, 2021 with the title “Sustainability Report 2020”. The editorial deadline for this report was June 30, 2021. Our next report will be published in 2022.

Editor’s note:

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

Reporting method

GRI 102-45: Entities included in the consolidated financial statements

The entities included in the annual financial statement are described in detail in the Financial Report for the 2020 financial year. This report is not published.

GRI 102-46: Defining report content and topic boundaries

In 2019, the main areas of activity of our sustainability strategy were defined in a systematic process that incorporated the United Nations’ seventeen Sustainable Development Goals (SDGs):

1. Sustainable growth (SDG 8: Sustainable economic growth and decent work)
2. Accelerating climate protection (SDG 13: Climate action)
3. Driving forward the circular economy (SDG 12: Responsible consumption and production)
4. Promoting diversity (SDG 10: Reduced inequalities).

In 2020, we once again reviewed these topics in close consultation with internal and external stakeholders and by means of targeted desktop analyses, media inquiries and participation in conferences and panel discussions, for example.

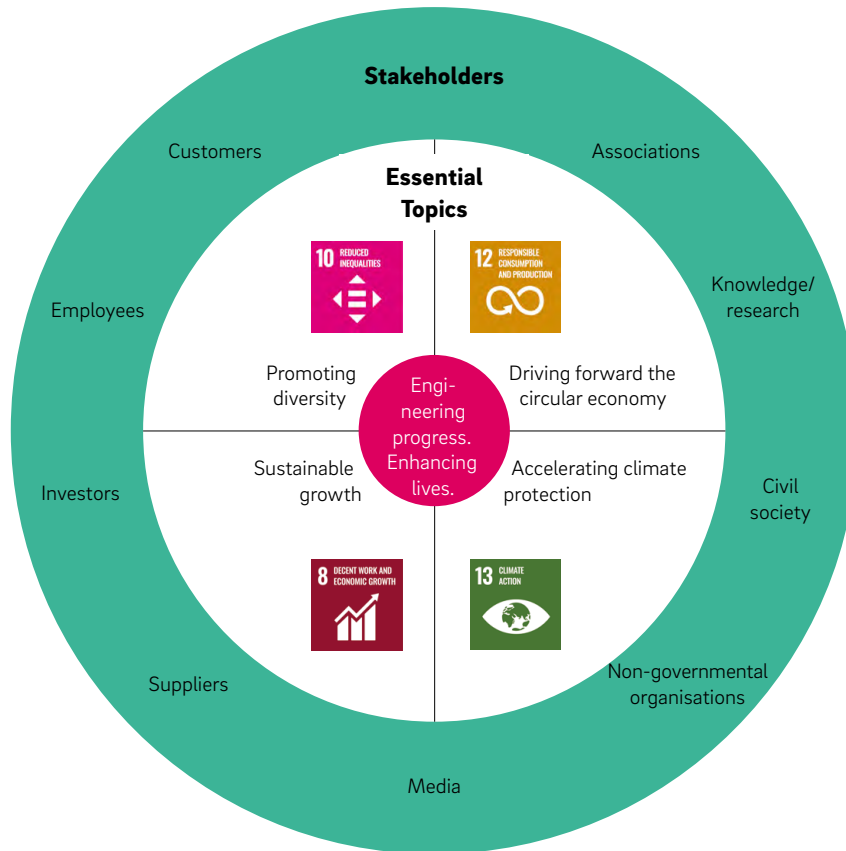
In this process, we were particularly interested in the following issues:

- Are the four defined areas of activity the right focal topics or are there other areas or topics where we should explicitly make a contribution?
- Should our social involvement focus on the defined areas of activity or should we determine other material SDGs for this purpose?
- How is the current situation of our supply chains assessed, especially with regard to the aspects of Germany’s National Action Plan for Business and Human Rights (NAP)?
- What risks and opportunities arise from the sustainability strategy for the company, the specialist departments and the divisions, as well as for our direct stakeholders?

→ Strategy, pp. 16ff.

→ Stakeholders, pp. 25ff.

44 _ REHAU materiality analysis



GRI 102-47: List of material topics

Areas of activity	Topic-specific standards	Page
Sustainable growth	GRI 201: Economic performance	35f.
	GRI 203: Indirect economic impacts	37
	GRI 205: Anti-corruption	23f.
	GRI 206: Anti-competitive behaviour	24
Driving forward the circular economy	GRI 301: Materials	41ff.
	GRI 306: Waste	48f.
	GRI 307: Environmental compliance	49
	GRI 308: Supplier environmental assessment	32
Accelerating climate protection	GRI 302: Energy	43f.
	GRI 305: Emissions	45ff.
Promoting diversity	GRI 401: Employment	52f.
	GRI 403: Occupational health and safety	54ff.
	GRI 404: Training and education	57ff.
	GRI 405: Diversity and equal opportunity	63ff.
	GRI 406: Non-discrimination	65
	GRI 412: Human rights assessment	66f.
	GRI 414: Supplier social assessment	32

To meet the transparency requirements for relevant ratings, we have expanded the report to include the following topic-specific standards:

- GRI 303: Water and effluents
- GRI 407: Freedom of association and collective bargaining
- GRI 408: Child labour
- GRI 409: Forced or compulsory labour
- GRI 411: Rights of indigenous peoples
- GRI 413: Local communities
- GRI 419: Socioeconomic compliance

Further information

GRI 102-48: Restatements of information

Resource conservation: In 2020, we began to standardise and automate the process for determining the key recycling figures. All figures now relate to the production volume of the factories in EMEA and are categorised based on EN ISO 14021. This project is not yet completed. As an interim result we had to raise the figures of our Furniture Solutions division. These figures were adjusted for 2020 and are therefore not comparable with those from previous years.

→ GRI 301-2: Recycled input materials used, pp. 41f.

Emissions: We have been collecting location-based information regarding Scope 2 since 2019. Due to the rudimentary data situation, no information can be provided for 2018.

→ GRI 305: Emissions, pp. 45ff.

GRI 102-49: Changes in reporting

Our report's general structure and methodology were retained, except for the changes described under GRI 102-48. This Sustainability Report has been created according to GRI standards for the third time. The chapters of this report are structured according to the divisions of the GRI standards into general disclosures and topic-specific standards.

GRI 102-50: Reporting period

1/1/2020 to 31/12/2020.

GRI 102-51: Date of most recent report

The last report was published in October 2020.

GRI 102-52: Reporting cycle

The Sustainability Report is published every year.

GRI 102-53: Contact point for questions regarding the report

Andreas Jenne
Head of Sustainability REHAU
andreas.jenne@rehau.com

Andreas Pinkernelle
Transformation & Strategy Automotive – Sustainability
andreas.pinkernelle@rehau.com

Miriam Steinmüller
REHAU Communications
miriam.steinmueller@rehau.com

→ Legal notice, p. 74

GRI 102-54: Claims of reporting in accordance with the GRI standards

The topics and key figures presented in this report have been compiled in accordance with the Global Reporting Initiative (GRI) standards "Core" option.

The listed GRI standards were published in 2016, with a few exceptions. The standards GRI 303: Water and effluents and GRI 403: Occupational health and safety were revised in 2018 and the standard GRI 306: Waste was revised in 2020.

GRI 102-55: GRI Content Index

This report, which takes the form of a sustainability assessment, states the GRI standards used.

GRI 102-56: External assurance

In the areas of occupational safety, health, energy consumption and emissions, external auditors from TÜV Rheinland have confirmed the accuracy of the data.

 ISO certifications

UN Global Compact

Principles		Commitment and measures	Page within this report
Principle 1	Support and respect the protection of human rights	<ul style="list-style-type: none"> Company-wide Code of Conduct containing for example an explicit commitment to the principles of the UN Global Compact, including human rights 	19, 61f.
Principle 2	Avoid complicity in human rights violations	<ul style="list-style-type: none"> The core labour standards of the ILO (International Labour Organisation) and the OECD Guidelines for Multinational Enterprises, which are incorporated into the company guidelines and the Supplier Code of Conduct 	61, 66
Principle 3	Uphold the freedom of association	<ul style="list-style-type: none"> REHAU Supplier Code of Conduct for business partners 	14, 29ff.
Principle 4	The elimination of all forms of forced labour	<ul style="list-style-type: none"> REHAU corporate culture 	18f.
Principle 5	The abolition of child labour	<ul style="list-style-type: none"> Member of the "Business and Human Rights" multi-stakeholder dialogue 	25f., 62
Principle 6	The elimination of discrimination		
Principle 7	Preventative environmental protection	<ul style="list-style-type: none"> REHAU principles regarding sustainability and environmental protection 	39
Principle 8	Initiatives for a greater sense of responsibility for the environment	<ul style="list-style-type: none"> Energy management systems according to ISO 50001 Environmental management systems according to ISO 14001 	39, 44 31, 39
Principle 9	Development and distribution of environmentally friendly technologies	<ul style="list-style-type: none"> REHAU climate protection target: by 2025, reduction of Scope 1 and 2 absolute greenhouse gas emissions by 30% compared to 2018 REHAU company car guideline includes a negative list for vehicles that have high fuel consumption Signatory and supporter of the Circular Plastic Alliance 	40 47
Principle 10	Measures against corruption	<ul style="list-style-type: none"> Company-wide Code of Conduct REHAU Supplier Code of Conduct Anti-corruption guideline 	19, 21ff. 21ff., 24, 29ff. 21, 23



Legal notice

Publisher

REHAU AG + Co
Otto-Hahn-Strasse 2
95111 Rehau, Germany

Project management

Andreas Jenne

Project team

Miriam Steinmüller, Andreas Pinkernelle

Consulting and concept

SLau Konzepte & Kommunikation

Design

TEAMKOM Kommunikation+Design

Photography

Thomas Leichsenring, Alain Bucher Werbefotografie (p. 3), Hypershade (p. 6), Paula Bartels (p. 7), Käthy Braun (p. 21, 50), Markus Thoma (p. 54)

Getty Images:

Thomas Barwick (p. 24), Westend61 (p. 63), Luis Alvarez (p. 65)

AV0700 EN 07.2021

This document is protected by copyright. The rights conferred therein, in particular those relating to the translation, reproduction, extraction of pictures, electronic transmissions, reproduction by photo-mechanical or similar means and storage on data processing equipment, remain reserved.