

Röchling

Sustain- ability Report 2018



Imprint

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For reasons of legibility,
the text may not distinguish
between genders. All genders
are addressed equally
in all formulations – unless
the context clearly implies
a different interpretation.

Dear Sir or Madam:

This year the Röchling Group presents a sustainability report for the first time. Naturally, this does not imply that we have only recently begun to engage in the issues of occupational health and safety as well as environmental protection. On the contrary, these have been top priorities at our worldwide locations for decades. We apply numerous individual measures to reduce our environmental footprint, increase safety standards, and protect the health of our employees. For this purpose, we have defined binding rules for all. We continuously evaluate without compromise how we can become even better in these areas. For our family-owned company, which will celebrate its bicentennial in 2022, sustainability is a core value.

However, reporting on this field is complicated by the fact that Röchling has yet to complete the establishment of a consistent Group-wide reporting procedure for key sustainability factors. Despite this, we want to take the opportunity this year to present some of our varied activities and measures that we are using to secure and promote sustainability in our company. Transparent reporting is a matter of immense importance to us. After all, the material at the heart of our corporate activities is increasingly becoming a focus of publicity and criticism. Plastic is being condensed into a single issue, which is waste.

The Röchling Group processes high-performance plastics in its Industrial, Automotive and Medical divisions. These are not the sorts of plastic products that are discharged into our environment in an uncontrolled manner as waste – from the plastic bag to the soft drink bottle. Our expertise lies in a material that makes an important contribution to environmental protection and the conservation of resources thanks to its low weight, long service life, and its many recycling possibilities. As a processor of technical plastics, we can minimize our ecological footprint in an efficient and sustainable manner by conserving the natural resources in our production processes. Our highest priority at Röchling is to produce resource-efficiently. This is why we analyze our material and energy flows and develop measures to reduce energy consumption, emissions, waste materials, and wastewater. You will find several interesting examples of these measures in this report.

However, the major ecological problems caused by plastic waste in our oceans, for example, are matters of extreme concern to us. As a company that is aware of its social and ecological responsibility, we want to make our contribution to preserving the natural foundations of life. The Röchling Group therefore also feels responsible for the packaging waste in our environment. Especially given our status as a family-owned company, our focus is not on short-term success but rather on adopting a long-term perspective. This is also an incentive to us to deal responsibly with resources for the sake of future generations. Sustainable economic activities are a fundamental principle of our company.

We feel an equal responsibility to our employees. Their safety and their health are guiding priorities for us. We are committed to the ideals of diversity and equality, to reconciling work and family life and to the training and further qualification of our employees. They are the most important asset for the long-term success of our company.

We passionately believe that we can only be truly successful by achieving our economic objectives while at the same time fulfilling our responsibility to society and the environment. These are also the principles that underpin the work of the not-for-profit Röchling Foundation. Since 1990, the Röchling entrepreneurial family has bundled all activities relating to social responsibility under the umbrella of this foundation. With a wide range of measures, it contributes actively to the preservation of the foundations of life. You can also read about these activities in this sustainability report.

We wish you an informative read.



**Prof. Dr. Hanns-Peter
Knaebel**
President & CEO



Erwin Doll
Vice-Chairman



Franz Lübbers
Executive Board

Röchling Group

The Röchling Group, which is headquartered in Mannheim, comprises 91 locations in 25 countries all over the world. With a workforce of 10,929 employees (including temporary employees, 31 December 2018), we manufacture our products in close proximity to our customers and markets.

Our three company divisions, Industrial, Automotive, and Medical, generated total sales of 2,140 million euros on the European, American, and Asian continents in 2018.



2,140
million euros
in sales

10,929
employees*

25
countries

91
locations

* Including temporary employees

Strong growth and a fast pace of innovation are features of the market environment in which the Röchling Group operates. Hardly any other sector offers as much potential as the plastics industry. We have significantly advanced the development of this material over the last few decades and will continue to do so in the future.

Thereby, we profit from the experience and expert knowledge of our employees. Our technological expertise allows us to apply many different manufacturing and processing methods – guaranteeing high-quality, innovative products, and economic processes. We help our employees hone their skills and make the best possible use of available professional opportunities.

Pioneering, Excellent, Reliable

The Röchling Group's steady progress to becoming one of the leading plastics companies on the international stage in recent years was characterized by our guiding corporate themes of competence, quality, and innovation. To keep pace with rapidly evolving market requirements and to ensure that we pass on a strong, healthy and agile company to the next generation, Röchling has adapted its previous values accordingly. The guiding principle that we now espouse is to compete in the market based solely on our brand core of being pioneering, excellent, and reliable. Acting in this way allows us to generate optimum customer benefits.

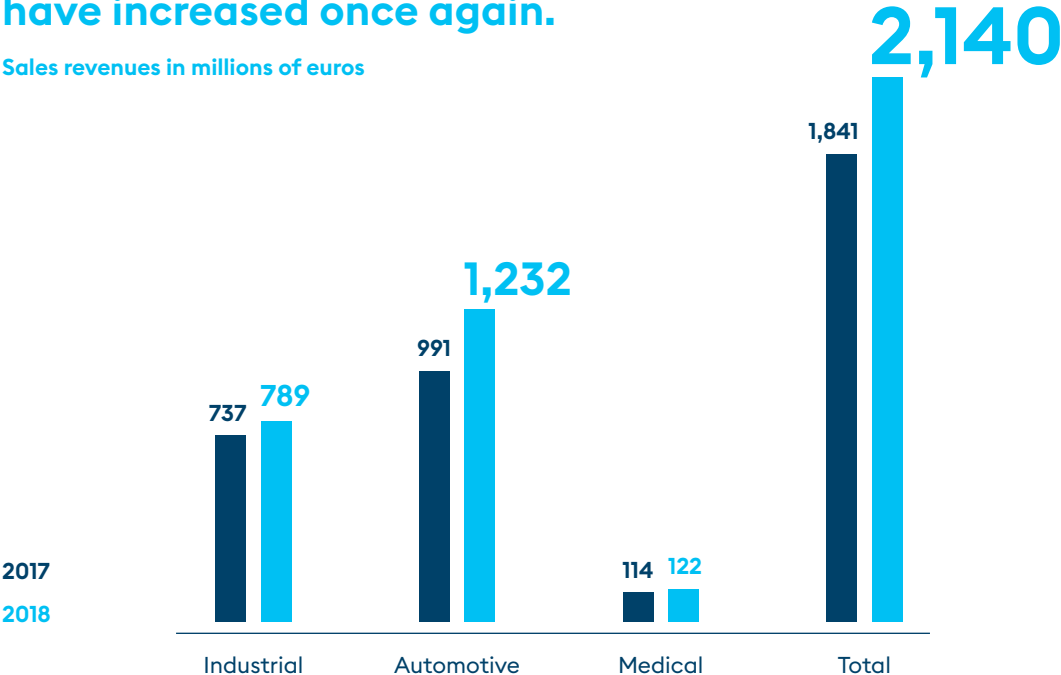
The Industrial division supplies almost every sector of industry with optimal, application-oriented materials. To achieve this, Röchling has probably the world's biggest product portfolio in the area of thermoplastics and composite materials. The company manufactures a range of semi-finished parts such as sheets, rods, tubes, flat bars, finished castings and profiles as well as machined and assembled precision components.

The Automotive division designs and engineers components and system solutions in the fields of aerodynamics, propulsion, and new mobility. As part of our customer-oriented and global development approach, we focus on the current challenges facing the automotive industry: reduction of the environmental impact and improvement of the customer experience.

The Medical division offers customers a wide range of high-quality, customized components and assemblies, including end-to-end OEM products. The product portfolio also includes standard plastic products, with special expertise in the fields of diagnostics, fluid management, pharma, surgery and interventional, and much more. These areas of competence are complemented by an enhanced range of services for development and regulatory affairs, all the way to approval of finished devices and other medical products.

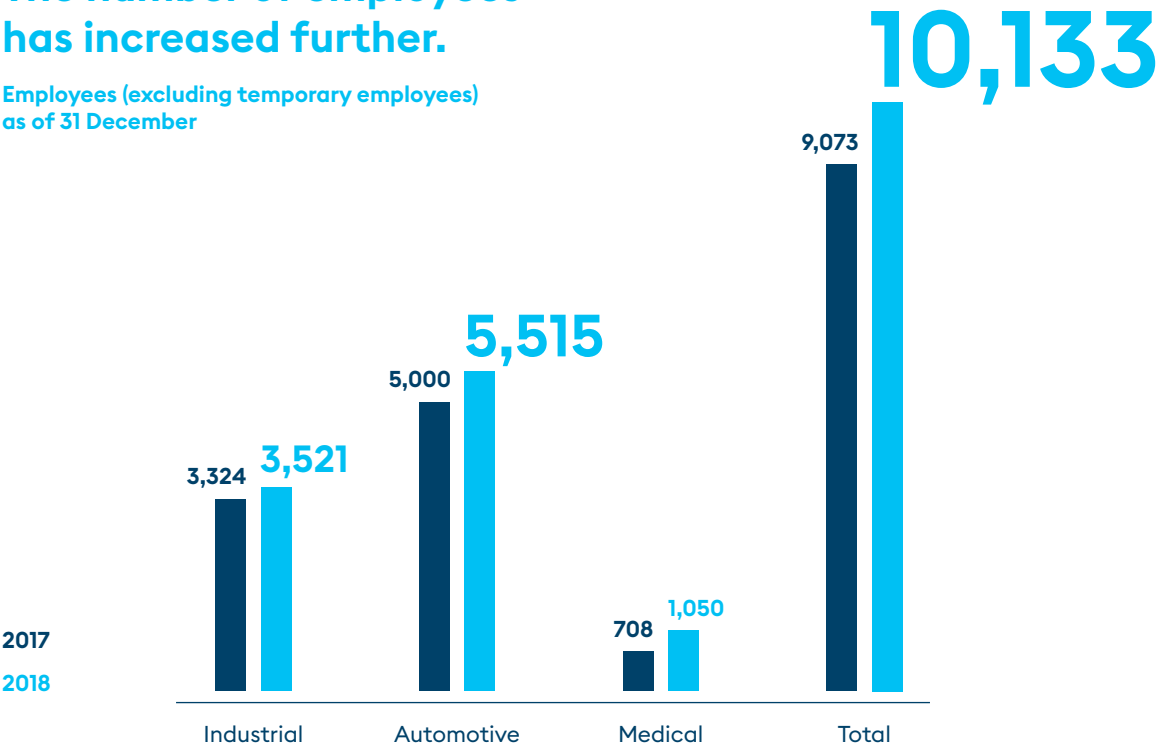
Sales of the Röchling Group have increased once again.

Sales revenues in millions of euros



The number of employees has increased further.

Employees (excluding temporary employees) as of 31 December



Sustainability Strategy and Company Policies

The Röchling Group, established in 1822, has developed into an internationally leading and global association of small and medium-sized companies specialized in the area of plastics processing.

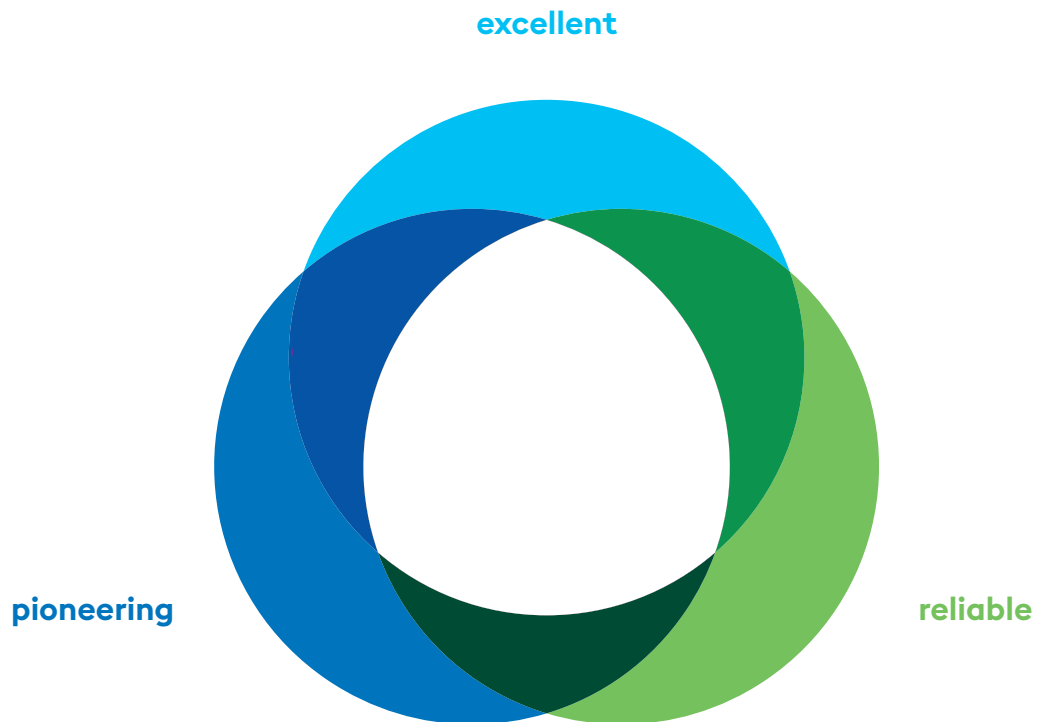
Pioneering, excellent, reliable –

these are the corporate values by which Röchling measures itself. As a family-owned company, the principle of law-abiding behavior both internally as well as externally is of particular concern to us. We endeavor to be a reliable and fair partner to all business partners and to our employees. The Röchling Code of Conduct sets out this standard for the individual areas of our business activities and lays down specific irrefutable minimum requirements.

The company policies of the Röchling Group target the continuous improvement of all operational sequences in order to meet ever-increasing market requirements, enhance customer satisfaction, and prevent errors. Our actions are shaped by a sense of responsibility to our employees, customers, investors, society, and the environment.

The companies of the Röchling Group are processors of technical plastics for the capital goods industry, the automotive industry as well as for medical and pharmaceutical technology. Thanks to their low weight, long service life, and numerous recycling possibilities, plastic products make an important contribution to environmental protection and the conservation of resources while they are in use. Nevertheless, the image of plastics has been tainted in view of the massive environmental problems we face worldwide. However, this mainly concerns only a part of the plastics market: pollution of the world's oceans caused in particular by disposable plastic products from the consumer industry poses a major problem. According to the United Nations Environment Program, this can be attributed to patchy waste management, particularly if plastic waste is allowed to enter the environment as a result of unsecured waste sites situated in the vicinity of seas or the illegal dumping of waste in rivers. Despite this, the properties of plastics make them fundamentally even more sustainable than other materials.

The goal of all Röchling companies is to safeguard the quality of our product deliveries and of our services and developments on a permanent basis, thereby ensuring that we provide only the best quality, ready for delivery on schedule. This is done while taking the relevant environmental, occupational, and data protection regulations into account as well as applicable legislation and other binding regulations. During production of medical and phar-



maceutical products, the focus is firmly on patient safety as a quality criterion. We guarantee verifiable and total care and traceability of our activities all the way down to the raw materials used. With our quality management system, we are strengthening our customers' trust in our products and services. We also include our suppliers in the adherence to the same high quality, environmental, safety and data protection standards.

Profitable and Environmentally Friendly

To ensure that we also meet this obligation in financial terms, we develop, plan and optimize our products and processes in line with the latest technological developments. Making all our services cost-effective is the goal of our companies. This also includes the commitment to using resources of all types sparingly. We firmly believe that forward-looking environmental protection is the key to improving environmental performance.

Through our commitment to protect the environment, economize our use of energy, continuously lower relative energy consumption, and use energy efficiently and economically, we are making an active contribution to climate protection.

One of the main concerns of Röchling is the protection of health and safety at the workplace. The continuous improvement of processes, products, and systems by means of suitable measures enables us to take precautions within our organization for the health of our employees and to work towards a reliable and acceptable safety system – also with regard to the environment.

The procurement, design and development of the machines, plants and equipment, the configuration of workplaces, the determination of methods, and the preparation of work instructions are carried out in a way that protects the health of employees and third parties. Through preventative actions and internal analyses to protect the health and safety of employees, we reduce the likelihood of accidents and occupational illness.

As a family-owned company, there are specific principles that are particularly important to Röchling. The Code of Conduct, published back in 2014 and binding for all employees of the Röchling Group, formulates our attitude regarding statutory provisions, voluntary commitment, internal guidelines and ethical standards.

Plastic and Sustainability

Worldwide plastics production reached a total of 348 million metric tons in 2017. In international comparison, Europe accounted for approximately 65 million metric tons (19 percent) of plastics production, putting it in second place behind China (29 percent), the world's largest producer, and slightly ahead of the NAFTA countries² (18 percent). The European plastics industry employed more than 1.5 million people in 2017 in approximately 60,000 companies and generated sales of some 350 billion euros (plasticseurope.de).

An analysis of demand and consumption in Europe shows that Central Europe and, in particular, Germany are among the main consumers: Roughly one quarter of European demand is concentrated in Germany (24.6 percent), followed by Italy with around 14.0 percent and France with 9.6 percent. As in previous years, the packaging industry with 39.7 percent is in this context the most important consuming sector, followed by the construction industry (19.8 percent) and automotive manufacturing (10.1 percent) (plasticseurope.de).

Varied Applications

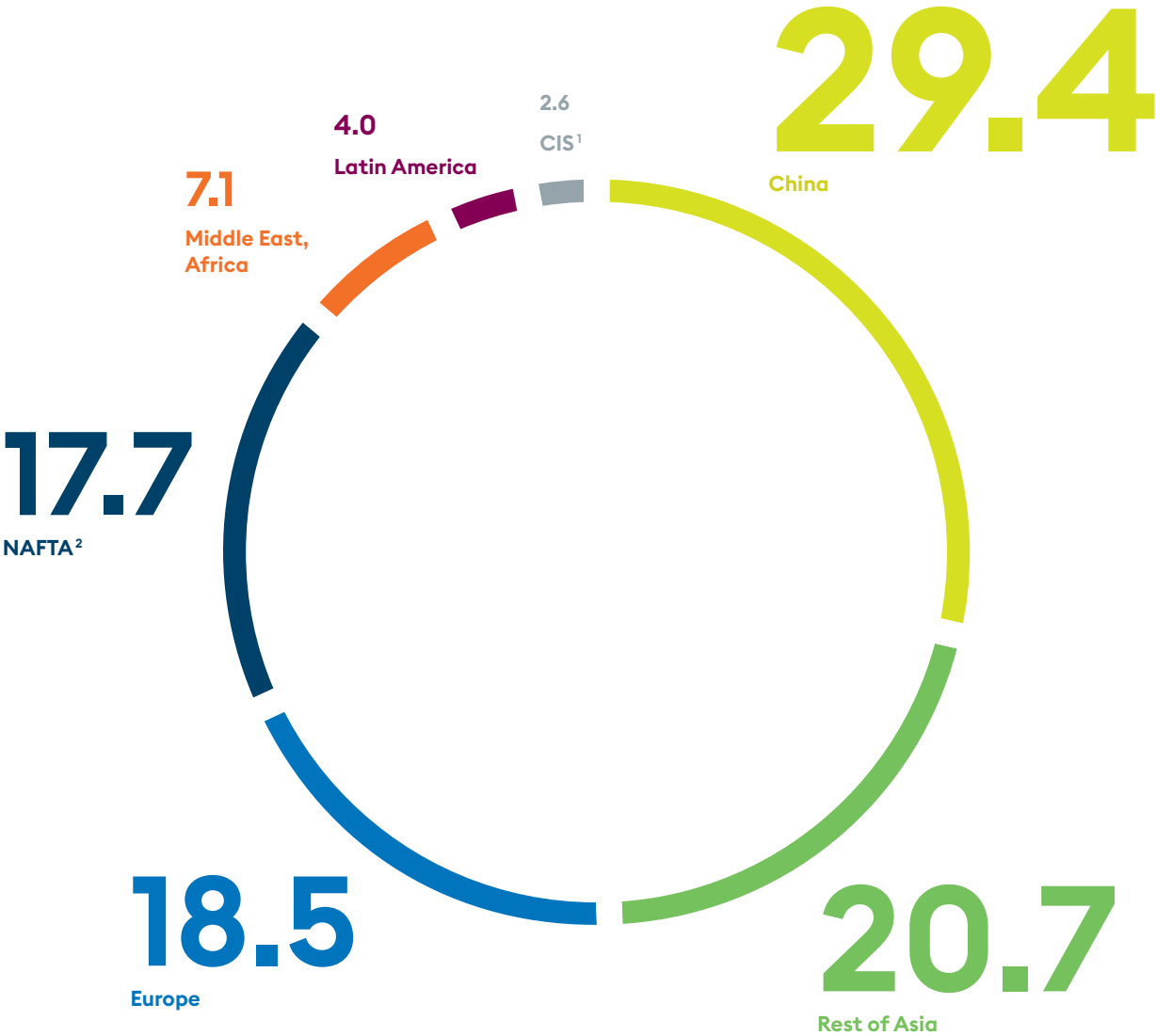
Plastics can be found in many everyday objects because their properties make them highly versatile, cost-effective and exceptionally durable. In fact, due to their technical and chemical properties there are scarcely any suitable substitutes for certain applications. In long-lasting applications, plastics help conserve resources, for instance, by contributing to the weight reduction of components. Conversely, plastic is responsible for a global environmental problem if it enters the natural world as waste. According to a report compiled by the United Nations in 2018, only around nine percent of all the

plastics ever made have been recycled. It went on to state that only twelve percent were burnt. By contrast, the remaining 79 percent of the total of some nine billion metric tons of plastic remained in landfill sites or in the environment. A significant share of the plastic waste produced worldwide in this context can be attributed to disposable plastic items. The UN report singles out cigarette butts, plastic bottles and their caps, food packaging, plastic bags and covers as the disposable plastics that occur most frequently in the environment. According to a report by the Ocean Conservancy and the McKinsey Center for Business and Environment, between 55 and 60 percent of all plastic waste in the world's oceans can be traced back to five countries. At the top of this list is China, followed by Indonesia, the Philippines, Vietnam, and Thailand (oceanconservancy.org). Furthermore, the key results of an analysis by McKinsey & Company show that the volume of plastic waste worldwide will probably continue to grow until 2030, even if the recycling rate improves at the same time. Reaching a substantially higher level of reprocessing calls for significant investment on the one hand and requires collaboration between all relevant stakeholders along the entire value-added chain on the other. In addition to the legislative bodies, this collaboration

Plastic – a Material in Demand Worldwide

Plastic production by region in percent in 2017

Source: plasticseurope.de



¹ CIS: Confederation of Independent States (Successor states of the Soviet Union)

² NAFTA: North American Free Trade Agreement
Members: Canada, Mexico, USA

must involve the chemical industry, the plastics processing companies, the packaging and consumer goods industry as well as consumers (mckinsey.de).

As a global plastics processor, the Röchling Group is fully aware of its ecological and social responsibility. By investing consistently and systematically in product development as well as in future-oriented

and eco-friendly innovations, Röchling is already making sustainable processes and products possible today. We place particular importance on a corporate culture that promotes innovations and the development of appropriate solutions for global trends. Röchling's products and services will also be environmentally compatible in the future. Protecting the environment as well as the improvement of

Lignostone® – a Renewable Raw Material for High-Voltage Transformers

For almost a century, the Röchling Group has produced the high-performance insulating material Lignostone® for use in oil-filled transformers. Lignostone® is manufactured from beechwood veneers (*Fagus sylvatica*), which offer the best electrical and mechanical strength for use as an insulating material for oil-filled transformers. The rotary-cut veneers used for Lignostone® are produced exclusively from trees sourced from certified sustainable forestry in Europe and, as such, ensure the continuous rejuvenation of the European forests. Transformers containing insulating components made of Lignostone® can be operated without problems for 30 years, thus conserving valuable resources.

LubX® Sliding Material Saves Energy

LubX® CV is a sliding material designed specifically for the plant and machinery used in conveyor technology and automation. Thanks to the exceptional sliding properties of this material, conveyor systems, such as bottling plants in the beverage industry, can be operated at higher speeds and pressure loads and therefore higher productivity. LubX® reduces energy consumption while at the same time extending the service life of plants.

living and environmental conditions are key corporate goals at Röchling. With products made of technical and high-performance plastics for the capital goods industry, the automotive sector as well as medical and pharmaceutical technology, our companies not only ensure a high level of customer benefit but also open up new opportunities for enhanced sustainability for the customer.

Röchling products from the Industrial and Automotive divisions have a long service life and contribute, for example, to the reduction of CO₂ and NO_x emissions, energy savings, process improvements, and the conservation of resources. The products of the Medical division contribute to the protection of human health.

Active Grille Shutters

Automotive manufacturers place a great deal of emphasis on designing the vehicle body to be as aerodynamic as possible to reduce air resistance while the vehicle is in motion. The goal here is an efficient compromise between minimum air resistance and maximum cooling performance, which can be achieved only through the supply of air on an as-needed basis. Intelligent, actively controllable air flap systems – known as Active Grille Shutters – by Röchling Automotive master precisely this balancing act. To maximize the effect of using Active Grille Shutters, the component should be positioned as close to the front of the vehicle as possible, and all openings should be properly sealed. In particular, the integration of Active Grille Shutters in the vehicle design area is one of the strengths of Röchling Automotive. The use of Active Grille Shutters reduces air resistance by up to 25 points (C_d). This results in CO₂ savings of up to three grams of CO₂ per kilometer.

SCR Tank Systems

Having initially been designed for use in commercial vehicles, SCR exhaust aftertreatment systems are increasingly used in passenger cars equipped with diesel engines. The selective catalytic reduction process uses a urea solution to convert nitrogen oxides in exhaust gas into nitrogen and water without producing any undesirable byproducts. To meet the growing demand for reliable SCR systems as effectively as possible, Röchling Automotive offers an SCR system solution with injection-molded tanks and filling systems.

Sympfiny®

It is often difficult to orally administer the correct amount of medicine to children accurately and safely. A leading pharmaceutical company has developed a new form of delivery to solve the problem. In cooperation with HS Design from Gladstone, USA, Röchling Medical developed the new drug delivery system Sympfiny® for this form of administration. It administers the medication in a simple and reliable way, ensuring precise dosage.

Ecological Responsibility

Our business activities and our production processes in particular are associated with the consumption of natural resources. It is the stated goal of the companies of the Röchling Group to keep this consumption as low as possible. The consumption of electricity and other forms of energy is extremely important in this context. We regularly determine and evaluate our environmental and energy performance, which we continuously improve with a range of measures and energy management systems. The commitment of our employees and management also supports this cause. All divisions conduct a wide range of activities in this area. Röchling analyzes material and energy flows, monitors differentiated waste management and derives improvement potentials from this that are gradually implemented with the help of action plans. Through consistent adherence to relevant legislation, regulations, and the internal instructions derived from these, we can prevent or reduce ecological impacts.

Röchling encourages the environmental and energy awareness of its employees by actively exemplifying values for each other, by providing training for employees and by creating transparency.

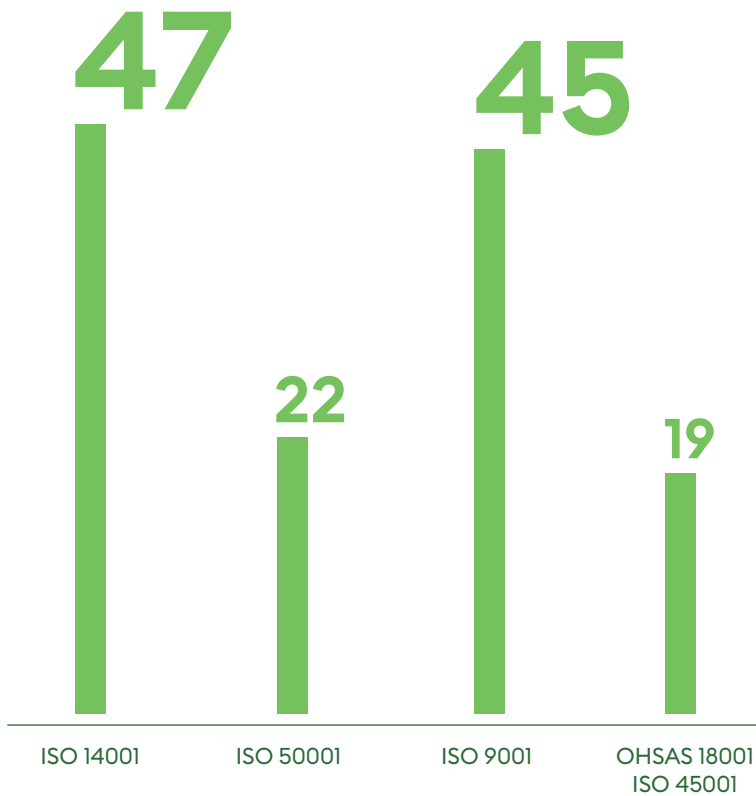
The protection of the environment as well as the improvement of living and environmental conditions are key corporate goals at Röchling. Many of the Röchling Group's locations are already certified to the highly respected environmental and energy management systems ISO 14001 and ISO 50001. These globally recognized standards confirm that we operate effective environmental and energy management systems and deal with natural resources such as air, water, raw materials, and energy in an environmentally conscious manner.

To measure the effects of our business activities on the environment, Röchling relies on CO₂ emissions and CO₂ equivalents, which result from energy consumption at Röchling itself. The CO₂ emissions shown include indirect emissions released by purchased energy.

Röchling develops customer solutions for the use of technical plastics in long-lasting applications. Röchling wants to make a lasting contribution to the protection of the environment and respects the applicable laws. Our company values, company policies with reference to quality, environment, energy, occupational health and safety as well as our Code of Conduct are an expression of these endeavors. We try to substitute hazardous substances wherever possible. We avoid or reduce waste and emissions.

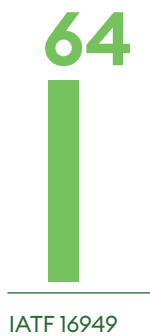
Environment, energy, quality, health, occupational safety – many Röchling locations are certified.

In percent



Röchling Automotive – Certified to IATF*

In percent



* **IATF:** International Automotive Task Force
(global quality standard in the automotive industry)

Notifiable Environmental Incidents Within the Röchling Group

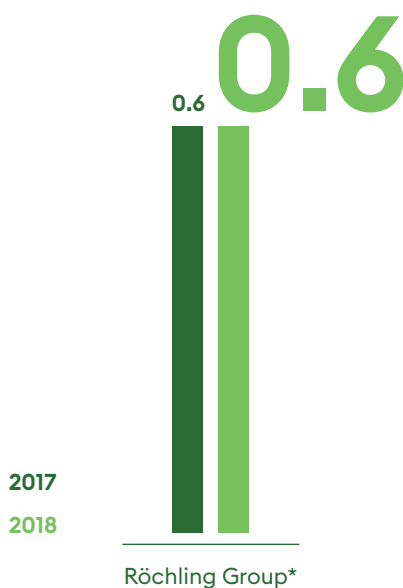


Röchling is aware of its responsibility as a global supplier and is committed to complying with applicable legislation and ordinances.

The chemicals regulation of the EU known as REACH (Registration, Evaluation and Authorisation of Chemicals) aims to ensure improved protection of human health and the environment by ensuring better and earlier identification of the intrinsic characteristics of chemical substances. The regulation (EC 1907/2006) came into force on 1 June 2007, and has a direct impact on every player in the plastics value-added chain, including additive manufacturers, plastics manufacturers, plastics processors and the plastics retail industry (plasticseurope.org). In the event of changes to the directive, primarily changes to the SVHC (Substances of Very High Concern) list, the Röchling Group companies check whether listed substances are contained in the articles to be delivered. If so, they inform the customers and initiate all necessary steps.

Hazardous Waste at a Constant Level

Hazardous waste (in kilograms) relative to the raw materials used (in kilograms) in percent



Likewise, Röchling is committed to adhering to Directive 2011/65/EU (Restriction of Hazardous Substances/RoHS 2) and consequently contributes to customer satisfaction and to the reduction of environmental impacts.

Examples of Activities at the Röchling Group

As a plastics processor that purchases a variety of raw materials and converts them using special formulations into plastic products, Röchling has a major interest in using these raw materials as efficiently as possible. Thermoplastic materials have the unique characteristic whereby products or product residues made from them can be crushed and reprocessed. For this purpose, Röchling operates a large number of technical facilities that already ensure homogeneous separation during the production process or even direct recirculation into

* excluding Röchling Precision Components companies

the process. For instance, unsellable product quantities that are unavoidably produced for technical reasons when extrusion lines start up are collected by type and sent to a regeneration department, where they are converted into raw materials suitable for reprocessing. For the manufacturing process using presses, the filling quantities for the compression molds are optimized to minimize the loss of material due to spew. When machining takes place in the form of lathing or milling, the semi-finished products used are already cut prior to machining so that they are close to the final dimensions of the finished component. This means that only a small amount of material needs to be removed. The chips produced during the machining process are suctioned off directly at the milling head and collected by type. The resulting chips are crushed during the regranulate preparation and sent to be reprocessed as semi-finished products. These processes have been optimized at Röchling so that more than 90 percent of chips and leftover pieces produced are sent for reprocessing within the company. Products manufactured from recycled material have virtually identical technical properties as new, pure material. Even sheets produced from chips of different colors can still be used in reasonable applications in which a non-homogeneous appearance is not important.

• Biofilter Plant

At the Haren location, Germany, Röchling has been operating a biofilter plant since 2004 for the exhaust air produced in the pultrusion process. When profiles are manufactured from glass fibre reinforced plastic (pultrusion), the solvent styrene serves as a reactor for the curing process. After the resin system has cured, the styrene escapes as a gas into the exhaust air and is suctioned off directly and fed via a pipe system to what is called a biobed. This consists of a three-meter thick accumulation of filter material made up of root

wood and bark humus, which serves as a biocarrier for bacteria and fungi. The surface of the filter material is coated with a moisture film that binds the air-polluting substances. The bacteria and fungi absorb the monostyrene as nutrition, breaking it down chemically into carbon dioxide, oxygen, and water. In order to thrive, the bacteria and fungi need constant conditions with regard to moisture, pH value and temperature. For this reason, these factors are continuously monitored. The filter material is replaced at regular intervals.

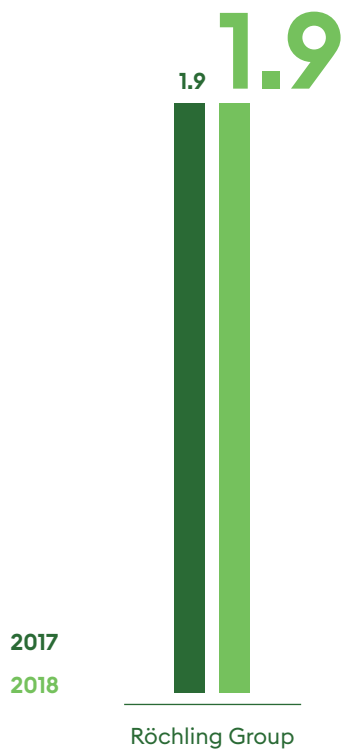
• Federal Energy Scouts Award 2018

On 28 June 2018, the best Energy Scouts projects of the year 2018 were acknowledged by the German Chambers of Commerce and Industry in Berlin. On this occasion, the prize in the “medium-sized companies” category was won by apprentices at the Röchling Automotive location in Worms. The team of industrial and process mechanics, machine and plant operators, as well as IT specialists had determined that switching off the contact heating of a specific press becomes worthwhile from downtimes as short as five minutes. In the future, this heater will be equipped with a standby function and a display showing the required heating time. The investment amounted to 2,000 euros. The optimization of electricity consumption is expected to yield annual savings of up to 150 metric tons of carbon dioxide and 49,000 euros. The “Energy Scouts” project is a qualification program for apprentices under the small and medium-sized enterprises initiative “Energy Transition and Climate Protection” organized by the Chambers of Commerce and Industry in Germany. The apprentices are encouraged to work as energy scouts at their training companies to detect and document energy saving opportunities as well as to suggest and implement improvements (rheinessen.ihk24.de).

This is how much energy the Röchling Group consumes ...

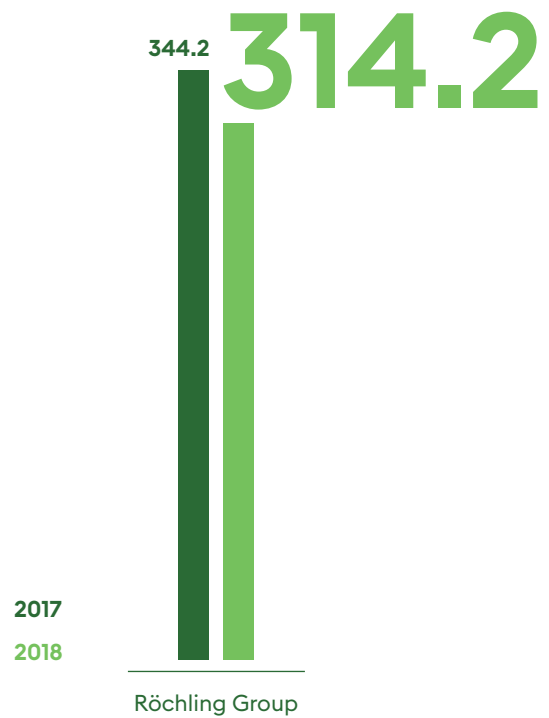
... relative to the raw materials used.

Energy consumption (in kilowatt hours) relative to the raw materials used (in kilograms)



... relative to generated sales.

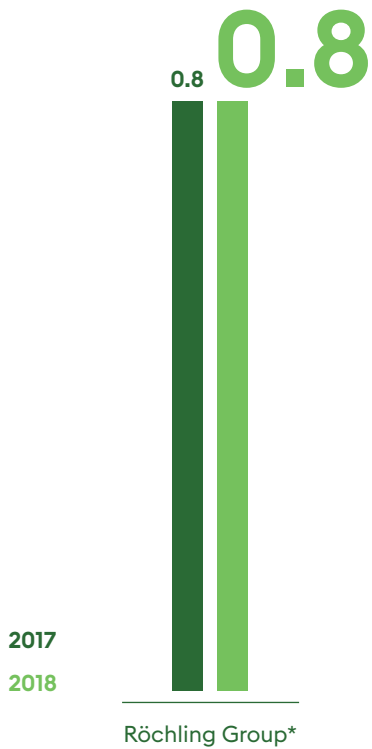
Energy consumption (in megawatt hours) relative to sales (in millions of euros)



This is the level of CO₂ emissions produced by the Röchling Group ...

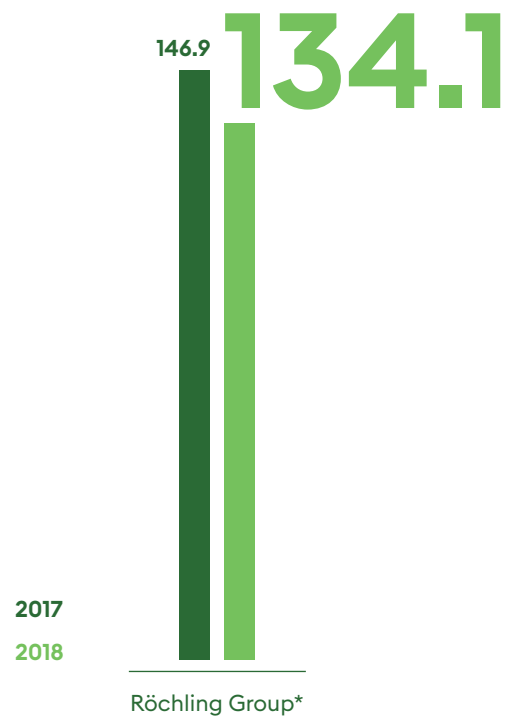
... relative to the raw materials used.

CO₂ emissions (in kilograms) relative to the raw materials used (in kilograms)



... relative to generated sales.

CO₂ emissions (in metric tons) relative to sales (in millions of euros)



* excluding Röchling Precision Components companies

Social Responsibility

Röchling as an Employer

Our employees and their wellbeing are our primary concerns. As a family-owned company, the Röchling Group stands for value-conscious and sustainable actions. Our daily interactions are characterized by mutual respect, appreciation and trust. The organizational structures also reflect these traits – flat hierarchies and a cooperative leadership style enable direct and open exchanges between employees and managers.

Motivated, curious and qualified employees are of fundamental importance in securing the Röchling Group's future. We provide our employees with a positive working environment. In the binding Röchling Code of Conduct, the company takes an unambiguous stance against discrimination and exclusion; it also embraces the principle of equal opportunities. Röchling respects the internationally recognized human rights as well as the labor and social standards. To support their professional and personal training, we offer our employees a comprehensive portfolio of personnel development measures. Röchling supports its employees as a company with a long-term yet innovative approach. This is reflected not least by their many years of service with the company. Anyone who starts working at Röchling wants to stay.

Success Through Diversity

We are Röchling. The company is represented at 91 locations in 25 countries, and everyone of the 10,929 employees experiences a different facet of Röchling. Different nationalities and cultures shape our collaboration. We value diversity in the workforce because it decisively influences

the competitive edge and success of a company. For us, diversity is not a buzzword but the expression of a professional human resources policy.

Our international customers and worldwide presence mean that our employees work on a global stage. Staff members of different nationalities, age groups, and genders are brought together as part of worldwide projects where they work hand in hand as a team to meet our customers' needs. In this context, the exchange of knowledge across different regions is our guarantee of success.

We are an attractive employer for women and men alike. In a production-based organization such as the Röchling Group, where around 70 percent of employees work in manufacturing, many of the jobs at the company are naturally of the type that were traditionally the preserve of men. In the interests of equality, however, we employ suitably qualified women in these roles as a matter of course. We are also involved in efforts to attract girls and young women to the so-called "male professions."

To raise the company's profile for potential applicants, Röchling takes part in university recruitment events. Various locations also participate in the annual "Girls' Day" and "Boys' Day" events. Through student internships and local cooperations with schools, we reach out to girls and boys at an early stage and explain to them nuts and bolts of our technical and commercial apprenticeships. Thereby, Röchling offers exciting insights into the various occupations and the development opportunities in the company.

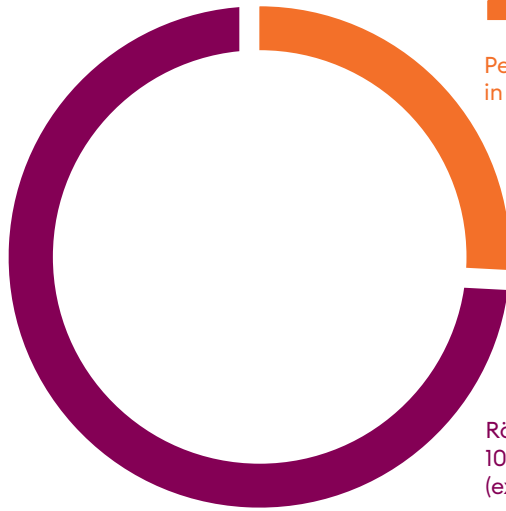
Flexible working-time models allow employees to reconcile work and family life. The option of mobile working also provides additional scope with regard to working time and place.

The Röchling Group is dominated by traditionally male professions.

Percentage of women in the Röchling Group's overall workforce in 2018

26 %

Percentage of woman in the overall workforce



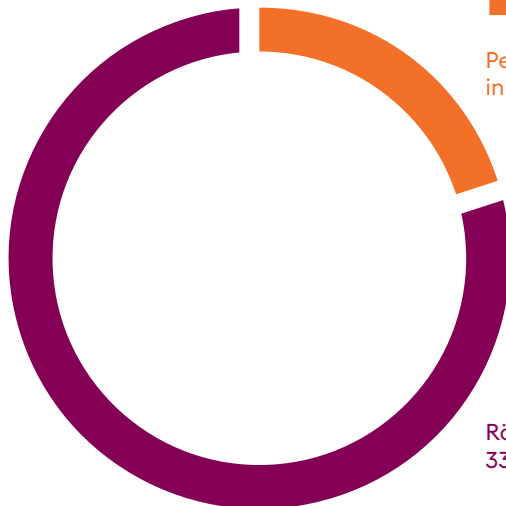
Röchling Group:
10,133 employees
(excluding temporary employees)

In management, one in five positions is held by a woman.

Percentage of women in the Röchling Group's management in 2018

20 %

Percentage of women in management



Röchling Group:
333 management employees

Fit for the Future

As a family-owned company that has always looked to the future, the Röchling Group drives innovation forward, plays a leading role in shaping developments and successfully masters ever-evolving tasks. In 2022, Röchling will celebrate its bicentennial – with versatility firmly enshrined in the corporate culture. Our employees are a mainstay of this success story, and we take their needs into account and support them accordingly.

Discussions and employee surveys provide important insights and concepts for staff development to managers, who can then agree on suitable training measures on this basis.

The Röchling Group's international seminar program uses various learning concepts to support the personal and professional development of employees. A focus on current topics ensures that colleagues are fully prepared for future tasks. Employees can attend cross-cultural seminars and language classes, for instance, to hone their skills for international collaboration. By and large, the specific technical training is provided by in-house trainers. The training fosters the systematic transfer of knowledge across locations and regions and ensures a high level of expertise worldwide.

Our junior staff, from apprentices to future managers, benefit from training concepts tailored to their needs. These include seminars that provide insights crossing all division boundaries. This promotes networking within the Röchling Group. Team-building activities, such as rock climbing and bowling, are enjoyable for the apprentices and help stimulate a team spirit. Provision is also made for students in dual study programs and trainees to spend time on assignments at other locations. To strengthen inter-cultural expertise, assignments abroad can also be offered in specific cases.

Röchling adheres to the guiding principle of planning today for the managers and specialists of tomorrow. As a result, highly motivated and qualified employees at Röchling are identified, promoted, and supported as part of the international talent programs. The objective is to use a variety of development measures such as training or mentoring to work on the individual strengths and development potential of our employees. This procedure makes professional succession management possible.

With the help of the Röchling Leadership Series, which is implemented worldwide, we support and qualify employees for their new management role. Participation is mandatory. In addition to a series of leadership seminars, the future managers are supported with practical coaching sessions.

Leadership and collaboration at Röchling are characterized by short communication paths and support from colleagues. Our goal is to maintain this Röchling spirit even in times of strong growth, which the company is currently experiencing. To this end, we launched the project "Guidelines for Leadership and Collaboration" in 2018. An international project group spanning all divisions and hierarchies developed a set of draft guidelines on the subject. The core statements contain precisely those aspects that have always set us apart and will continue to be important in the future in carrying the Röchling Group forward successfully into the next century of company history. These include "Dare to Break New Ground," "You are Röchling" and "Unlock the Potential of Differences."

Röchling Is Everywhere

Röchling supports the diverse needs of its employees not only at Group level, but also regionally.

Dual Study Programs

Close cooperation with technical universities allow students to gain hands-on experience at an early stage and get insights into the Röchling Group.

Work-Life Balance

The provision of supervised children's camps during the school holidays supports the reconciliability of family and work life.

Employees Recruit Employees

Our employees are happy to recommend us. This enables the efficient and sustainable recruitment of future colleagues who share the Röchling values.

Company-Wide Learning

Inter-company mentoring is provided in contact with other companies. In seminars, participants gain new perspectives through interaction and support one another with practical advice.

Qualification of Career Changers

Röchling offers career changers the opportunity to embark on a new career with long-term prospects following internal qualification.

Achieving and Maintaining Health

Ergonomics training for office and production environments contribute to the health of staff. Company health promotion is an important priority.

Apprentices – the Experts of Tomorrow

Röchling attaches great importance to the apprenticeship model. By bringing our specialist staff and apprentices together, we are developing the next generation of specialists.

Mentoring

Experienced specialist staff and managers pass on their expertise and the values of the Röchling Group.

Celebrating Together

The locations host regular festivities for their employees. Whether it is an open house for our employees and their families, summer parties or year-end celebrations – with these events, the company is expressing its appreciation and building a sense of community.

Continuous Improvement

We value the ideas of our employees. The company suggestion scheme encourages people to remain inquisitive and to think outside the box.

Occupational Health and Safety

The entrepreneurial actions of the Röchling Group also focus on providing workplaces at which employees can work in safety and without fear of accidents and where environmental damage is prevented or minimized. Röchling is committed to occupational health and safety based on a continuous improvement process that is implemented across all divisions. Both areas of action are subject to reporting obligations and are focal areas for the management.

Accident prevention measures for production lines and ergonomically designed workstations are initiated as early as the planning stage. Workflows are constantly monitored for possible hazards for employees. Together with managers and employees, the safety officers develop strategies for avoiding potential accidents at the workplace. This active analysis enables potential hazards to be identified, assessed, and remedied at an early stage. Prevention is a top priority at Röchling. We continuously check to see how, for instance, changes to machinery and plant, the reconfiguration of transport routes, optimized lighting conditions, improved signage, and corresponding employee training can successfully reduce the number of accidents. Therefore, the potential of comprehensive prevention will also be fully exploited in the employees' interest in the future.

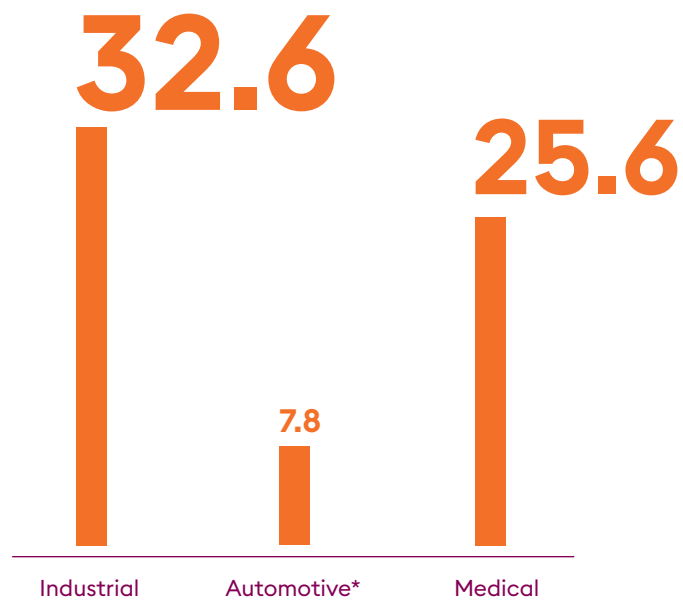
The principle "The health of all employees is the top priority" is firmly enshrined in the Röchling corporate guidelines. To further improve occupational health and safety, Röchling Industrial plans to certify all eleven locations in Germany according to the new standard ISO 45001:2018 "Occupational Health and Safety Management Systems." The standard will replace the previous standard OHSAS 18001. It facilitates the integration of occupational health and safety in all business processes and aims to ensure even greater awareness of occupational safety at all levels.

Hand Safety Campaign in Haren, Lahnstein, and Troisdorf

Röchling Industrial employees in Haren, Lahnstein, and Troisdorf, Germany, learned just how important healthy hands can be during a hand safety campaign last year. The goal of this occupational safety measure was to prevent hand injuries. A parcours during which participants were required to complete tasks, for example, with one hand or without using their thumbs raised awareness of the issue of hand safety. From the anatomy of the hand to protective gloves – a theoretical section provided the necessary background information. Röchling conducted the campaign as part of the company's comprehensive occupational safety measures.

The thousand-man quota specifies the total number of notifiable work-related accidents expressed as a proportion of every 1,000 full-time employees.

By divisions in 2017



* excluding Röchling Precision Components companies

Global Safety Week and Global Health Management Program

The Automotive division holds an annual “Global Safety Week” at all locations around the world. The main purpose of the safety week is to actively involve all employees in all areas in assessing safety at the workplace. Employees use a form to determine possible workplace hazards and stresses in the work areas of production, warehouse, office, workshop, molds, equipment, machines, and materials. At the end of the safety week, the safety specialists evaluate the forms and identify opportunities for risk prevention.

In addition to the employee survey, a range of health and safety campaigns, such as flu shots, hearing tests, and firefighting exercises, are offered in this context at several locations.

The idea to launch a campaign simultaneously at all Automotive locations around the world and to involve employees in improving safety at the company was awarded the annual “Work – Safety – Health Advancement Prize” by BG RCI, the German employee’s liability insurance association for the raw materials and chemical industry. It confirms that Röchling has made a significant contribution to improving occupational health and safety.

Monthly Occupational Health and Safety and Environmental Protection Topics

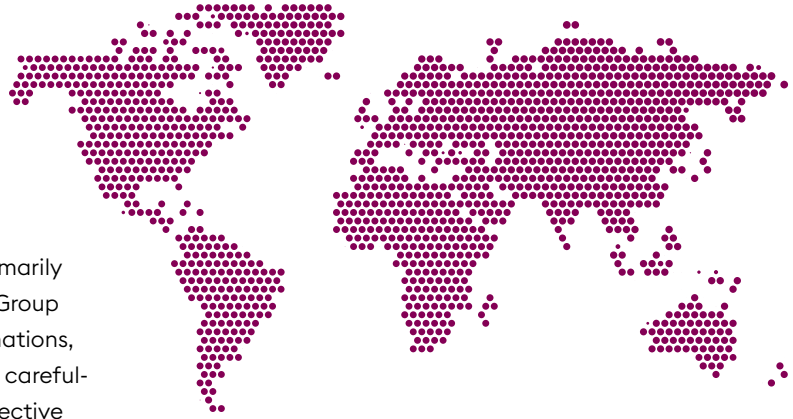
The Steering Committee EHS (Environment, Health and Safety) of the Automotive division defines the monthly occupational health and safety, and environmental protection topics for the year. These are then published monthly across a range of media, such as EHS boards, blackboards or screens, at all locations. Furthermore, the respective EHS managers can organize on-site campaigns on additional topics. In the area of occupational safety and environmental protection, for instance, information is shared on how to handle hazardous substances. Among other things, the monthly health topic provides tips on healthy drinks, the risks of alcohol consumption, recommendations regarding cancer screening or cholesterol-lowering foods.

Comparable campaigns are also held at the locations of the Industrial and Medical divisions. These are organized to meet the specific needs of the locations.

Environmental, Energy, and Occupational Health and Safety Day in Neuhaus, Germany

In the Medical division, the Neuhaus location is raising the awareness of sustainability, energy, the environment, and occupational health and safety among all employees by organizing a Sustainability Day. In this context, various stations on the company premises were used in 2018 to highlight how each individual can make a specific contribution to environmental and climate protection. In addition, the issues of occupational safety and accident prevention were highlighted, which involved explaining the use of medical kits in first aid and carrying out exercises using a rollover simulator. Also on the agenda was the personal health of employees. For instance, employees were given the opportunity to have key health measurements checked on a “health bus.”

Social Engagement



Röchling takes on its social responsibility primarily at local level. The locations of the Röchling Group initiate and oversee non-profit projects, donations, or charitable activities worldwide, which are carefully matched to the specific needs of the respective regions.

- **Röchling Sports Club.** Achieving joint success as a team: Röchling provides worldwide support for the sports club founded by employees. Employees regularly plan sports activities and participate in sporting events.
- **Diversity as a Key to Success.** The Röchling Group values the diversity of its employees. We have provided several refugees initially with internships followed by vocational training – thereby offering them prospects for the future.
- **Reliable Partner.** Röchling Engineering Plastics in Haren, Germany, is a long-standing partner of St.-Vitus-Werk in Meppen, which caters for people with disabilities. Through regular donations in support of initiatives such as the remodeling of the Vitus children's day care center or the purchase of a vehicle equipped for the disabled, Röchling is supporting projects undertaken by social services in the locality.
- **Reliable Partner.** The Röchling location in Oepping, Austria, recently became an official partner to the Red Cross in Rohrbach. With an annual sponsorship, Röchling Leripa Papertech will support youth work along with various other projects in the area. Thanks to this commitment, the company is strengthening a close partnership with the Red Cross that goes back many years.
- **Collecting for a Good Cause.** Since 2016, Röchling Automotive in Peine, Germany, has been tirelessly collecting all sorts of plastic caps – more than 50,000 in two years. Through its collaboration with Verein Deckel drauf e.V. ("Put the cap on it"), the company has been able to provide a polio vaccination for over 100 children.
- **Engaged.** For 20 years, employees of Röchling Medical Rochester, USA, have regularly supported two charitable organizations: the National Center for Missing and Exploited Children and the Bivona Child Advocacy Center. Both organizations from Rochester support missing and exploited children. In addition to making donations, employees regularly participate, for example, in charitable events by both organizations and have the option of donating an individually specified portion of their salary on a voluntary basis.
- **Promoting the Common Good.** Röchling Medical Lancaster, USA, supports the United Way organization, which is active in almost 1,800 communities in over 40 countries around the world. The main emphasis in this case is on the areas of education, income and common good – the fundamental building blocks of a good quality of life. United Way concentrates on developing community-based and community-oriented solutions in order to improve people's lives.



Consistent Responsibility

Those who process plastics should also be committed to the sustainable and responsible use of this modern-day material. The Röchling entrepreneurial family adheres to this view and has now focused its non-profit foundation fully on the issue of plastics and the environment. The Röchling Foundation provides support around the world for the search for solutions to what is an urgent global challenge.

The Röchling family founded the Röchling Foundation in 1990. The goal of the foundation was and remains to combine all activities undertaken by the family of entrepreneurs to fulfill its social responsibility in a single charitable organization. To guarantee continuous work to support the common good, the family assigned shares in the company to the foundation.

The Röchling Foundation operates using the legal form of a German "GmbH" (a type of limited liability company) and is recognized by the responsible financial authorities as a not-for-profit entity. It operates completely independently from the companies of the Röchling Group in legal and organizational terms. Nevertheless, it can be considered to play an important role in the efforts by the company shareholders in the area of sustainability.

From Sponsor to Change Manager

Whereas the Röchling Foundation was previously involved in various fields of activity as a sponsor of the sciences and civil society, its focus since 2015 has been increasingly on the future challenge of plastics and the environment. Since the start of 2018, it has concentrated exclusively on this area.

At the same time, the Röchling Foundation has been steadily moving away from its role as a pure funding body. It now sees its role much more as a manager of change that brings together the relevant stakeholders from the fields of science, civil society, government, and business in order to develop collective solutions to the global problem of environmental pollution caused by plastics. It fosters cooperation.

The Röchling Foundation firmly believes that global and highly complex challenges cannot be solved by individual measures and disparate projects. Joined-up thinking and coordinated actions across organizational and sectoral boundaries are required.

Collective Action Requires Transparency

One current contribution in this area is the study entitled "POLYPROBLEM – Challenges, Actors, and Perspectives." Not a day goes by without media reports about spectacular concepts for cleaning up the oceans, initiatives for a life without plastic, new insights into microplastics or planned legislation aimed at reducing single-use plastics. What has been missing up to now is a holistic view of this complex topic. How do the various courses of action relate to each other? What interventions are realistic? And what are the resulting priorities?

In partnership with the leading consulting firm Beyond Philanthropy, the Röchling Foundation has conducted a thorough analysis of the complex subject area of plastics and the environment. The core of the extensive research comprises interviews with national and international experts. The recommended actions derived from these interviews also clarify a critical finding: a global and cross-sectoral agenda to solve the problem is not in sight. This is in stark contrast to the media attention that the topic is currently undergoing.

Promoting What Really Works

In recognition of this insight when it comes to choosing its funding projects, the Röchling Foundation focuses systematically on a networked approach by the respective cooperation partners.

In the area of scientific research, for instance, the Röchling Foundation supports a program of the GEOMAR Helmholtz Centre for Ocean Research in Kiel, Germany, a world-wide leading institute of marine research. The program involves Master's students from several countries, who are conducting joint research to determine whether marine organisms filter microplastics in the water in a different way to naturally occurring sediments.

In Spain, the Röchling Foundation supports biologist Dr. Federica Bertocchini in her research into the supposed ability of wax moth larvae to break down certain plastics. Moreover, a research team largely funded by the Röchling Foundation at Chemnitz University of Technology, Germany, is working to develop an eco-certification for plastics used in industrial facilities. And together with the Fraunhofer Institute in Darmstadt, Germany, the Röchling Foundation is developing a platform made up of research institutes, industrial companies, and users on which solutions to enable the enhancement of recycled material can be jointly developed.

In the area of education for sustainable development, the Röchling Foundation is cooperating with Berlin-based foundation Stiftung Bildung, which advocates education and charitable participation. The foundation organized a competition for elementary schools throughout Germany. With financial support from the Röchling Foundation, schoolchildren can put their own ideas for responsible use of plastics into action in their schools.

One particularly striking activity by the Röchling Foundation is the collaboration with the globally active environmental organization One Earth,

One Ocean. With financial support from the Röchling Foundation, the organization developed and tested a vessel for collecting plastic waste called the "SeeKuh" (manatee). Unlike the largely utopian-sounding concepts for maritime waste collection on the high seas, the "SeeKuh" is designed to operate close to the banks outside river estuaries in order to capture the plastic waste before it disperses in the open sea.

The Röchling Foundation is currently financing the design phase for the next stage of the program: the "SeeElefant" (elephant seal). This involves converting marine plastic into oil on specially converted ships – and consequently clarifying no less a question than whether plastic waste in the sea could also be considered a valuable raw material in the future.

In India's Ganges Delta, the Röchling Foundation is working with international NGO SOCEO on a model of the waste industry that can support the impoverished local population while at the same time significantly reducing the entry of plastic into the environment.

These are just a few examples that collectively show how the Röchling Foundation is fully focused on the global challenge and is attempting to combine good solutions with a chain of effects.

The Röchling entrepreneurial family regards the concentrated deployment of the Röchling Foundation to promote responsible and sustainable use of plastic as a means of supplementing the efforts of the Röchling Group to conduct business along sustainable lines.

As a provider of products made of technical plastics for industry and technology, the Röchling companies do not manufacture any products that can enter the environment in an uncontrolled manner. This makes the family of entrepreneurs even more determined to use its expertise and resources to contribute actively to preserving the natural foundations of life.

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