

COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

# Communication on Progress

United Nations Global Compact

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Lohmann GmbH & Co.KG  
Irlicher Straße 55  
Postfach 1454 · 56504 Neuwied  
Internet: [www.lohmann-tapes.com](http://www.lohmann-tapes.com)

## Statement of continued support

Dear Ladies and Gentlemen,

We are pleased to communicate that with our first sustainability report on the fiscal year 2021, Lohmann affirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

The well-being and in particular the safety of more than 1800 employees worldwide are Lohmann's top priority. Even if the term "sustainability" did not have the same significance in our founding year, as it does today, Lohmann's 170-year history would not have been possible without taking sustainability aspects into account.

Therefore, our corporate strategy continues to be based on the three pillars of economy, ecology, and social responsibility. Today, however, they are understood in a more holistic way, and so we strive to align our actions more consistently with the three pillars and to make this transparent.

We, the Bonding Engineers, provide our customers with expert support in the implementation of innovative and smart bonding solutions. In doing so, we influence the entire value chain, from the selection of raw materials to process integration at the customer's site. Together with our employees, suppliers, and machine manufacturers, but also in cooperation with associations and start-ups, what is doable will increasingly be reflected in real project work. We are working ambitiously towards our globally valid goal of "climate neutrality by 2035" to which we are expressly committed. In many areas, this will be achieved much sooner.

We will continue to reinvest our economic success in essential renewals and optimizations in the future. This is a basis for promoting sustainable innovation and ensuring future business success.

We will continue to be involved in social projects in the future, because only broad participation in society can help us to jointly master the challenges of the future, both large and small.

**This year, we signed up to the UN Global Compact to formally demonstrate our commitment to its core values in the areas of human rights, labor, environment, and anti-corruption. With this report being our first Communication on Progress (COP), we would like to affirm our commitment and describe our actions to integrate the Global Compact and its principles into our business strategy, culture, and daily operations. We are also committed to share this information with our stakeholders using our standard channels of communication.** With our first sustainability report on the reporting year 2021, we cover our German sites and partly also our international sites.

We invite all business partners and other interested parties to join and support us in realizing this vision and encourage everyone to contact us in case of any questions or suggestions and are looking forward to another year under the banner of sustainability.

Neuwied, December 2022



Dr. Jörg Pohlman  
CEO

## General Information

Founded in 1851, Lohmann is one of the pioneering forces in adhesive tape technology and is now active on a global scale. The Adhesive Tape Group is headquartered in Neuwied, Germany. The company now has over 1,800 employees worldwide, 27 international sites, and exclusive sales partners in over 50 countries all around the world.

The adhesive experts from the Lohmann Tape Group cover the entire value chain and enable customer-focused solutions. The active use of adhesives is becoming a rapidly growing trend in the industrial sector. The advantages of adhesive technology are clear: it is light, clean and above all safe. Thanks to the precise adhesive strength, individual components are bonded efficiently and with unprecedented accuracy, ensuring customers receive the best viable solutions. From adhesive manufacturing to process integration – "The Bonding Engineers" are your ideal contacts on any subject, from global specification work through individual product development to innovative adhesive designs.

### Sustainability Governance

Our sustainability management is overviewed by the Director of Sustainability, implemented at operational level (Human Resources, Finance & Controlling, BU-Technical Products and BU Hygiene, Workflow Management & IT, Corporate & Marketing Communication). In this sense, Lohmann has a global approach.

In 2022, we have conducted a detailed materiality analysis to identify the sustainability topics that are most material to our short- and long-term business value and in terms of impacts to environment and people. These topics will be the basis of prioritizing topics in sustainability reporting and of the further definition of our sustainability roadmap.

### Sustainability Strategy

Being a family-owned company, we are aware of our corporate social responsibility. Sustainability continues to be a key element of our corporate strategy at Lohmann. Among "Innovation" and "Excellence", it represents one of three core pillars of the company values that contribute to our 2026 company strategy.

In 2022, we have reformulated our overarching company strategy. The result is displayed in our strategy house. The sustainability pillar integrates the following aspects with which we aim to achieve our vision: We are committed to the overall goal of climate neutrality by 2035. In 2022, we have calculated our company carbon footprint (CCF) for all relevant scopes for the first time. Based on the results, we aim to formulate specific short- and long-term emission reduction targets. This will also imply expanding the purchase of green energies.

Furthermore, sustainability aspects such as the sourcing of ethically sound raw materials, efficiency, closed-loop recycling, and waste reduction are essential elements of our internal processes and will shape the way towards a circular economy. In consultation with our customers, we aim to leverage those potentials to develop biobased bonding solutions and solvent-free technologies that lead to an optimized overall balance.

The most important sustainability projects implemented in the reporting year 2021 were:

Implementation of our new TwinMelt® Technology. The TwinMelt® technology developed by Lohmann enables adhesive tape production with up to 66% less energy consumption per square meter of adhesive tape while simultaneously doubling the production speed. This allows all elements of sustainability - economy, ecology and social issues - to be profitably combined with each other. The development of this technology was also subsidized by the government of Rhineland-Palatinate.

Recently, we have furthermore introduced an Energy challenge, where employees can suggest energy-saving projects. We have also formulated personal sustainability-related goals for the management team.

To track our success in implementing our sustainability strategy, in this report, we report on our regular practices as well as new actions implemented throughout the reporting year and the relevant Key Performance Indicators.

## Materiality analysis

In 2022, we have conducted our first materiality analysis to identify the sustainability topics that are most relevant to our short- and long-term business value (financial materiality) and in terms of impacts on environment and people (impact materiality). For this purpose, as a starting point, a list of possible relevant topics for Lohmann was composed. We considered Lohmann's current (sustainability) strategy and risk assessment, specifics of the industry in which Lohmann operates as well as the size and locations of the company. Furthermore, we focused on external stakeholder expectations, including media coverage, customer requests and future reporting requirements from regulatory institutions.

To further prioritize the pre-selected topics, internal and external stakeholders and experts were asked to participate in an online survey to rate these topics both from an impact and from a financial materiality perspective. Stakeholders that we contacted were employees from various sites and departments, employee representatives, members of the company management, members of the advisory board, shareholders, customers and suppliers as well as affected local groups and residents. We also integrated the assessment of external experts from the following areas: Science, management consultancies and agencies, the media, trade unions, trade associations and industry initiatives.

To illustrate the results of our materiality assessment, they are presented in a matrix. The horizontal axis describes how material a topic is from an impact perspective, the vertical axis represents the assessment of materiality from a financial perspective.

A group of seven topics resulted as particularly material, either from a financial or an impact perspective.

- Innovation and Development of Sustainable Products
- Attract, Develop and Retain Employees
- Employee Health and Safety
- Energy use, intensity, and efficiency
- Climate change
- Resource use and circular economy, employee health and safety
- Sustainable procurement practices

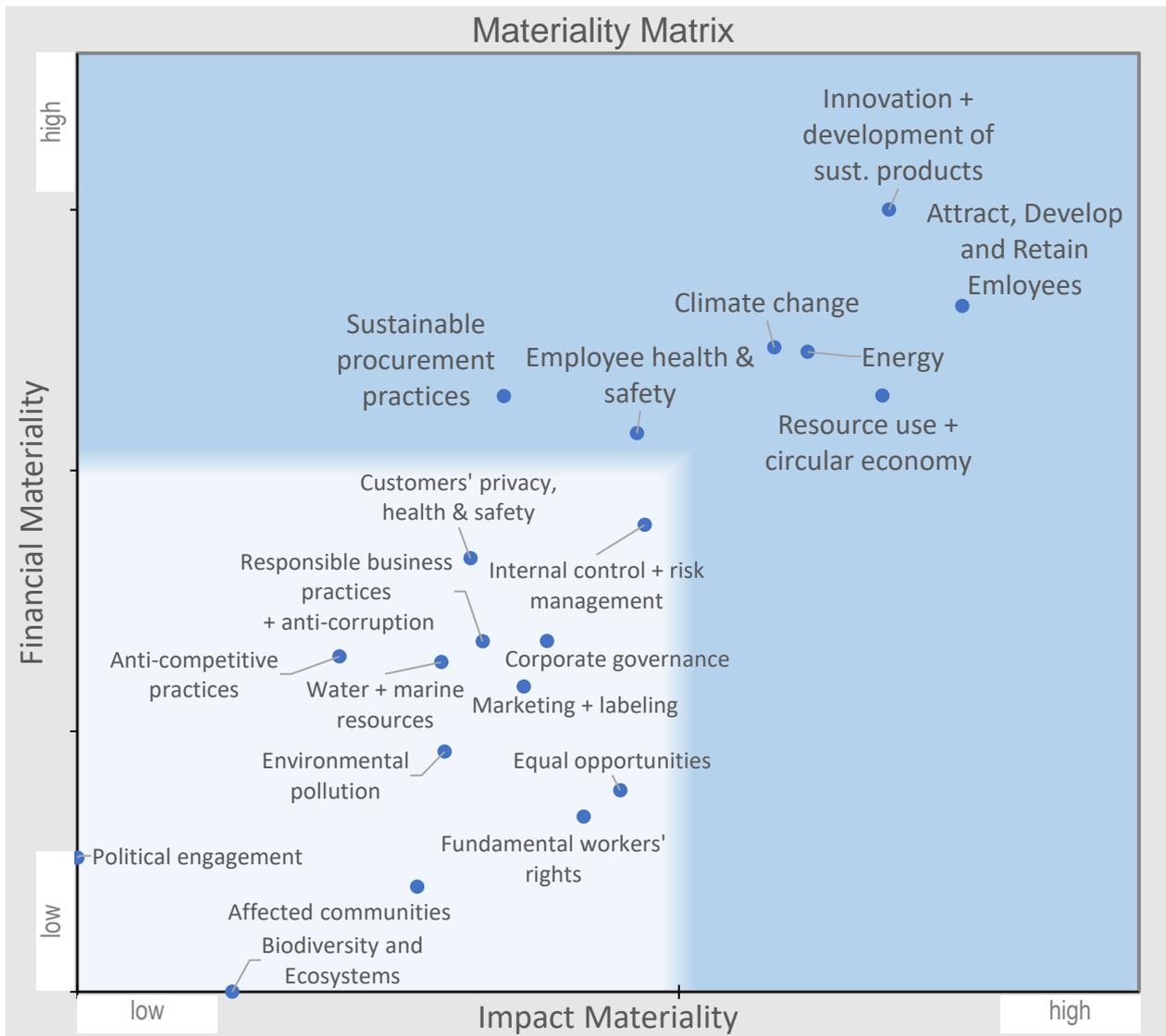


Figure 1: Materiality Matrix

Other topics that were considered in the analysis but did not prove to be particularly material from either perspective were:

- Internal control and risk management
- Customers' privacy and health a & safety
- Corporate governance
- Responsible business practices and anti-corruption
- Anti-competitive practices
- Water and marine resources
- Marketing and labeling
- Environmental pollution
- Equal opportunities, non-discrimination, and diversity
- Fundamental workers' rights
- Political engagement
- Affected communities
- Biodiversity and ecosystems

When reporting on our practical actions to implement the Ten Principles and the metrics used to measure their progress in this COP, we place particular emphasis on the topics that were found to be most relevant in our assessment.

## Human Rights

Principle 1: We support and respect the protection of internationally proclaimed human rights

Principle 2: We make sure that we are not complicit in human rights abuses

In our first COP, we declare our full support for the United Nations Universal Declaration of Human Rights. Lohmann is part of society and promotes its overall development as well as that of each of its members wherever possible, while respecting everyone's individual human rights. This means: We respect the dignity, privacy and personal rights of our employees, customers, suppliers, and other persons with whom we are in contact. We comply with Human Rights laws and regulations.

In the reporting year, Lohmann applied the following actions to prevent the occurrence of any potential issues:

- Our group-wide Code of Conduct (CoC) outlines our stance on Human Rights related issues. It must be brought to the attention of all our employees.
- Furthermore, we have a separate Code of Conduct for Suppliers that all our business partners and suppliers must sign upon completion of a contract. Lohmann requires them to comply with labor standards and Human Rights in accordance with the OECD Guidelines for Multinational Enterprises. These standards apply to all suppliers and subcontractors of Lohmann and all other providers of goods and services to Lohmann, regardless of their respective company location. Lohmann reserves the right to terminate business relationships with suppliers who violate these policies and standards.
- An essential part of fulfilling this Code of Conduct is the possibility of reporting a violation of the Code of Conduct. Besides the possibility of reporting violation of the Code of Conduct to the direct or superior supervisor or even the Executive Board, Lohmann created a whistleblowing mechanism. We have set up complaints addresses and appointed a person responsible who, together with the Executive board, will clarify any complaints received. Upon notification of an incident, the board of directors is informed immediately. In the event of minor incidents, internal measures will be applied, in the event of a severe incident, an external lawyer will be consulted. It is our declared goal to keep up the zero-incident rate in the future.

KPI:

No Whistleblower incidents in 2021

100 % of employees are aware of CoC

## Labor Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation

### Social dialogue

We consider the highest ethical standards as a company and as individuals to be essential. We comply with the laws and regulations governing fair working conditions, statutory minimum wages and other labor law provisions such as statutory regulations on working hours, breaks or rest periods. We do not tolerate any form of exploitation, disrespect of persons based on age, gender or health, or disregard of regulations on occupational safety or employee rights. We strictly reject any form of forced labor and child labor. We respect the right to establish employee representation and cooperate with works councils and trade unions in a trustful manner.

To implement our policies, we have conducted the following activities around social dialogue:

- Whistleblowing mechanism: as described above in the Human Rights chapter, we ensure the compliance with these values with our corporate Code of Conduct and the Supplier Code of Conduct and the corresponding whistleblowing mechanism.
- In Germany, we have reached collective bargaining agreements with the Mining, Energy and Chemical Industry Union (Industriegewerkschaft Bergbau, Chemie, Energie, (IGBCE)).
- The following sites have a worker's council that represents the interests of the employees:
  - Neuwied
  - Altendorf
  - Remscheid
  - Koblenz
  - Spain
  - Austria
  - France

KPI:

99 % Germany-based employees covered by collective agreements, 55 % worldwide

73 % employees represented by workers council

100 % German sites with workers council

### Attract, develop, and retain employees

We define ourselves as a long-term oriented family business which is also reflected in our long-term, cooperative HR development strategy. It is our aim to provide perfect working conditions to all our employees.

To ensure this, we have outlined clear rules and guidelines on fairness, transparency and respect in our group wide Code of Conduct.

We are a company that offers an apprenticeship program. All trainees are offered an option to stay with option within the company, which offers them a secure basis after their studies. A working contract is offered to them whose duration depends on the trainees' grades. Most trainees are happy to stay with us and it is not seldom that they do so until they retire.

At Lohmann, we also provide ongoing training and qualification initiatives for our employees. Our program contains the following actions:

- We offer internal (Lohmann Academy) and external trainings worldwide.
- In-house training program for new employees worldwide (e.g., the international "Fit for Lohmann").
- Specific Leadership principles and leadership training program "Leading at Lohmann".
- International exchange of knowledge in working groups across sites and countries.
- Neuwied: Training and internship programs (e.g., the "Mittelrhein Model" since 1975: Linking together business studies and industrial training in a commercial occupation).
- Offering student internships and the possibility to prepare final theses at different sites (e.g., Neuwied, Remscheid, Altendorf, Great Britain).
- Skilled occupations: machine and plant operator, warehouse logistics, industrial clerk ("Mittelrhein Model"), information clerk, chemical technician, laboratory chemist.
- Neuwied: Multiple commendations as best training organization.
- Cooperation with schools and associations etc. (e.g., project "Trans-Job").
- We promote a feedback culture adapted to the target group by offering regular voluntary feedback meetings, performance appraisals and the preparation of development plans.
- Furthermore, we promote scientific education in the fields of Chemistry and Material Science also outside Lohmann:
  - "Promoting scientific talent (e.g., for over 40 years a sponsoring company of "Jugend forscht").
  - Dr. Peter Barth Scholarships: promotion of candidates in the areas of chemistry and materials science.
  - "School Laborator" initiative which takes place at various colleges and universities, and we are member of the associated sponsorship society.
  - Best Student Award: Financial sponsoring of exceptionally good students (prior to Dr. Peter Barth scholarship).

KPI:

80 % can take career-related or qualificational trainings

34.68 average training hours per employee

We aim to constantly improve the working conditions and benefit plans to keep our position as an attractive employer. This entails the following actions:

- We offer partial mobile working from home and flexible working hour models that are beneficial for the compatibility of family and work life.
- Lifetime work accounts: Possibility of taking time off from work with continued payment of wages for earlier retirement from active working life.
- Childcare services during the summer vacation at the German sites.
- Subsidized company pension plan and supplementary occupational disability insurance.
- Christmas and vacation + anniversary bonuses, and additional days of holidays compared to the legal minimum.
- Job bike leasing with support from the company.
- Lohmann Partner AG (employee affiliated company of the Lohmann Group); all active employees can acquire shares and thus become co-owners.

- To further improve working conditions, we have conducted different satisfaction surveys with our employees worldwide. We review the suggestions and implement measures accordingly.
- We have also introduced a company suggestion scheme. This gives all employees the opportunity to submit suggestions for improvement. In addition, the management offers insight into current developments and the opportunity for exchange in regular Leadership Talks.
- Neuwied: Company health management with certification from local health insurance.
- Altendorf: Certification of occupational health management by DQS (Gold Standard)

KPI:

100 % of German sites participate in employee suggestion schemes

100% flexible working hours modell including shift system (Germany)

100% of employees can use local health services

100% can participate in Lohmann Partner AG

16% of employees participate in the key figures achieved by the company

## Employee Safety

Due to the use of heavy machinery and hazardous substances in our day-to-day business, occupational health and safety plays a crucial role for Lohmann. We ensure that a safe and healthy working environment is provided for our employees. We therefore comply with the safety laws and regulations in the workplace, and check and actively improve safety standards through regular workplace condition assessments. We place the foremost importance on compliance with our health and safety guidelines. They are also part of our Code of Conduct. We see it as an essential task of the senior management to ensure that appropriate procedures and protective measures are put in place to guarantee safety in the workplace. To ensure this, we follow a strict health and safety management system which is implemented through various actions by our Safety, Health & Environmental department. Furthermore, we have established an Occupational Safety Committee that meets on a quarterly basis.

We regularly define specific, tangible objectives that relate to the work system in the management system, establish effective measures for the prevention and reduction of risks and evaluate their status and level of appropriateness on an ongoing basis.

The most important actions in the field of safety entail:

- Systematic, sustainable and legally secure implementation of all measures for occupational safety and health protection.
- Investigation and analysis of occupational accidents in terms of additional preventive measures (e.g. reducing the accident rate).
- Constant updating and documentation of the risk assessment.
- Identification, evaluation and assessment of fire risks in all divisions.
- Active improvement of safety standards by means of effectiveness control and regular audits.
- Yearly workplace risk assessments: Existing and future workstations and the machines, tools and materials used there are evaluated on an ongoing basis through comprehensive risk assessments. Based on existing laws and regulations, the entire working environment is optimized to guarantee the necessary conditions for the employee to work safely and ergonomically. This involves emission, dust, odor, and further safety measurements.
- Hazard prevention and fire protection: Preventive fire protection that considers the constantly changing framework conditions. Identifying, recording and assessing fire hazards in all areas of the company is one of the main tasks of Lohmann's own fire department and fire protection engineers. Their knowledge defines the standard for fire hazard assessment worldwide.
- We regularly conduct dedicated occupational safety days.
- Training: Regular safety training for staff and external persons (e.g., fire extinguishing drill), for our employees: safety training is obligatory when starting at Lohmann. We use a modern online safety training tool.
- Certification: At our site in Italy, we have an ISO 45001 certified management systems of occupational health and safety.
- Disposition of personal protective equipment for every employee: The selection is made on the basis of various occupational health and safety regulations, e.g. the Occupational Health and Safety Act, as well as ordinances and technical rules, e.g. the "Ordinance on Safety and Health Protection in the Use of Personal Protective Equipment at Work" (PSA Use Ordinance).
- As a company from the German chemical industry, we are actively involved in the global initiative "Responsible Care". This initiative signifies the will to continually improve the conditions for protecting health and the environment, and the safety of employees and the surrounding area – regardless of any statutory requirements. "Responsible Care", which since 1995 has been mandatory for all companies that are members of the Chemical Industry Association, updates the 1986 environmental guidelines and develops them in terms of the global "Responsible Care" initiative for the chemical industry.
- Actions during Covid 19 pandemic:
  - 100% testing opportunities for free
  - Vaccination campaign for flu and corona
  - Guideline home office
  - Provision of protective masks

We regularly track our performance in the area of Employee Safety:

KPI:

60 % of sites with H&S risk assessment

60 % of workforce represented by H&S committee

Lost time injury frequency rate (LTIR) for direct labor force - (total number of lost time injuries) x 1,000,000 / total hours worked:

Business Unit Technical Products: 20.27 / Business Unit Hygiene: 37.12

Lost time injury severity rate (LTI) for direct labor force - (number of days lost due to injury) x 1,000 /total hours worked:

Business Unit Technical Products: 0.18% / Business Unit Hygiene: 0.51%

100% of employees are trained on H&S (Online training platform)

## Employee Health

The health and motivation of our employees are the key to the success of our company. Through good working conditions and quality of life at the workplace, these two aspects are promoted in a targeted manner and thus also lead to an increase in innovation capability, productivity as well as product and service quality.

For this purpose, we have implemented the following actions:

- Mandatory and voluntary health checks for all employees.
- Based on existing laws and regulations, the entire working environment is optimized regarding the necessary conditions for the employee to work healthy and ergonomically.
- Neuwied Corporate health management
  - Promoting sports (e.g., in-house sport groups in various types of sports)
    - City cycling
    - Internal sports groups: badminton, running and climbing groups, company soccer team
    - Joint sports activities (e.g., participation in company run, soccer tournaments)
  - Regular health trainings
    - Corporate addiction and conflict counseling
    - Regular courses: e.g., progressive muscle relaxation, yoga
  - Health campaigns
    - GM bonus booklet as an incentive for healthy behavior Blood donation campaigns
    - Health day and check-ups
    - Fruit campaign during the winter months
    - Employee survey as feedback instrument
    - Information campaign via newsletter and intranet site
  - Partner offers (e.g., discounted massages, course offers with the AOK, where we maintain a Silver Partner Status).
  - Healthy food in the canteen at Neuwied site with special “veggie” or “vegan” weeks on a regular basis.

## Equal opportunities

We welcome without reservation employees of all races, ethnic groups, and nationalities. All employees are encouraged to foster an atmosphere in which they treat each other with respect.

We strongly oppose any form of discrimination based on race, ethnic background, gender, religion, worldview, political affiliation, disability, age or sexual orientation. We do not tolerate harassment and degradation in the workplace (bullying).

Actions taken to promote diversity and avoid discrimination:

- We have promoted the establishment of a representative body for employees with disabilities.
- We support the integration of international employees.
- We offer internships for refugees.

KPI:

26 % women in the company

8 % women in management positions

# Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

## Environmental Management

By complying with relevant statutory environmental and energy regulations and other requirements, we continuously strive to improve environmental protection and energy efficiency, as well as to minimize environmental pollution. The management system is overviewed by our Health, Safety & Environmental Department and continuously enhanced in this respect. Lohmann regularly checks and assesses site-specific environmental effects and energy-related aspects, in particular regarding production, supply and waste disposal, logistics, development, and purchasing.

As a company in the German chemical industry, we have been actively involved for decades in the global initiative "Responsible Care". Environmental protection is a binding corporate goal for Lohmann and stands as one of the core elements of our globally verified, integrated management system, firmly anchored in all business processes.

To sustainably improve the energy efficiency of the company, Lohmann has introduced an environment and an energy management system according to:

DIN EN ISO 14001 for the sites: Neuwied, Altendorf, Remscheid, Austria, Italy, Sweden, Turkey, China and India.

ISO 50001 for the sites: Neuwied, Altendorf and Remscheid.

Additional international management systems are:

ISO 9001 – Quality for the sites: Neuwied, Altendorf, Remscheid, France, Italy, Poland, Russia, Spain, Sweden, Turkey, UK, US, Mexico, China and India.

ISO 13485 - Medical Devices for the sites: Neuwied, Remscheid and US.

IATF 16949 – Automotive for the sites Neuwied, Remscheid, Austria, Italy, Spain, Sweden, US and China.

We define concrete, site-specific environmental and energy targets within the management system. There we determine effective measures and continuously assess their status and suitability. We guarantee the availability of relevant information and the necessary resources.

The actions we have implemented to comply with the environmental principles are described in detail in the following subsections.

## Energy

At all major sites we apply an energy management with detailed energy monitoring. Furthermore, annual energy analyses are conducted. To contribute to our emission reduction ambitions, we will continue to increase our share of green energy consumption.

Energy reduction / efficiency measures:

- Sites China, Neuwied: Renovation of dryer infrastructure: new frequency-controlled motors with lower power demand, lower, controlled air volumes, optimized heat transfer.
- Neuwied: Commissioning of a new central compressed air supply plant: demand and frequency-controlled compressors, reduction of pressure level from 7.5 to 6.5 bar, heat recovery with input into heating network (115.000 kWh in 2018), reduction of noise emissions.
- A new combined heat and power plant in Neuwied supplies the plant with heat and electricity: A modern heating station ensures the heat supply of all buildings at the site in Neuwied. It consists of two gas condensing boilers, each at 575 kW (Kilowatts) heat output and a CHP plant with 216 kW and 142 kW power output. Thus, Lohmann has strengthened its energy independence, as the company produces its own electricity at about 8-9% a year. Moreover, the cost of electricity at the location has been significantly reduced.
- Altendorf: Share of renewable energy (electricity) by 56%.
- Neuwied: Energy efficient refrigeration with very good EER (Energy Efficiency Ratio) and heat recovery.
- Sites China, Neuwied, Remscheid, Altendorf, Spain, GB: Switching to LED lighting in production facilities and offices.
- Remscheid: Installation of two new condensing heating systems.
- Installation and commissioning of a new cooling supply system.
- Altendorf: 100% solvent-free products.
- Neuwied, Sweden: Networked concept for production sites that links production and energy requirements in an intelligent way: Heat from production processes is not discharged into the environment but is made available to the plants as power.
- Solvent-free coating system CL16, Neuwied site purchased in 2020.
- Charging stations for electrical vehicles to promote e-mobility.
- In 2022, we have introduced an energy challenge for employees where they can submit ideas for energy saving projects. The results are evaluated by experts and then taken to implementation if deemed feasible.
- Future measures: centrally regulated instead of decentralized process refrigeration.
- Global Energy Challenge with the aim to find ideas on how to save energy in the company. 256 ideas from 150 employees entered the competition. 31 ideas are now being initiated.

KPI:

Total electricity consumption in 2021: 22.208.845 kWh

## CO<sub>2</sub>e Emissions

For the first time in 2022, we have assessed our corporate carbon footprint as the company aims to minimize its impact on the greenhouse effect. The scope included all sites and emissions from all relevant Scopes (Scope 1-3). The accounting standard used for the calculation of the carbon footprint was the GHG Protocol Corporate Accounting and Reporting Standard.

Our Corporate Carbon Footprint will be the basis for the further development of climate-related targets in the following years.

Figure 1 shows the emissions per scope as well as our total emissions in 2021.

Scope	Value	Unit
Scope 1	3.098	t CO <sub>2</sub> e
Scope 2	12.604	t CO <sub>2</sub> e
Scope 3	174.264	t CO <sub>2</sub> e
<b>Total CF</b>	<b>189.967</b>	<b>t CO<sub>2</sub>e</b>

Figure 2: Emissions per Scope

Figure 3 illustrates that the largest share of our emissions is attributable to Scope 3. The analysis also showed that it is mainly the Purchased Goods and Services category that contributes to the high proportion of Scope 3. We are currently analyzing this inventory in detail and will derive appropriate measures and targets to further improve our emission reduction performance.

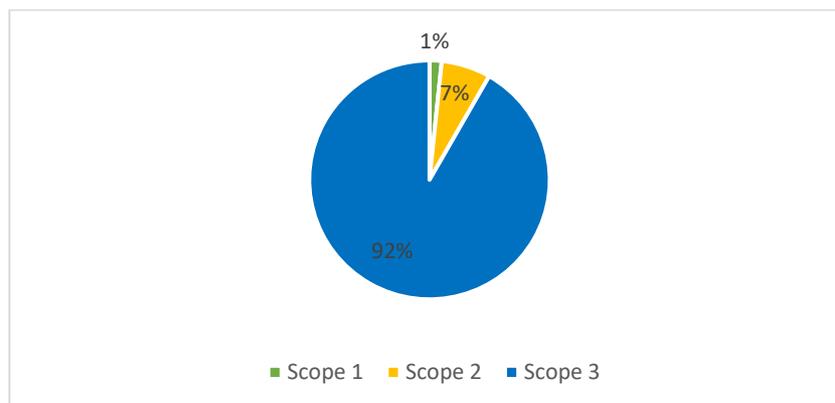


Figure 3: Percental share of Scopes

KPI:

Total Company Carbon Footprint in 2021: 189.967 t CO<sub>2</sub>e

Business Unit Technical Products: 44,3 %

Business Unit Hygiene: 55,7 %

## Water

Water consumption and discharge is assessed and managed by the technical department of our sister company Lohmann & Rauscher.

The following actions have been implemented to further increase our responsible use of water resources:

- Continuous modernization of the water infrastructure, i.e. drinking water network in individual buildings: fresh water is used in the sanitary and social areas, as well as temporarily as process water.
- Neuwied: Renovation of the sewage networks.
- Renewal of sanitary areas: Motion sensors for energy-saving lamps, automatic water-saving flushing devices.
- Innovative drinking water supply as part of the "work-place-development".
- Altendorf: No industrial wastewater, utilization of well water, use of waste heat from the neighboring biomass cogeneration plant for space heating.

## Environmental pollution

We optimize our production processes towards the lowest possible use of resources. Environmental pollution is overviewed by our quality management system.

We regularly monitor the impact that waste, sewage, and noise have on the environment, and we are constantly aiming to further reduce these. We regularly conduct noise control analyses, air emission measurements and odor emission forecasts. We respect the legal regulations governing environmental protection by adhering to the limit values of harmful substances that are released into the air, ground, and water.

We work with several potentially environmentally harmful substances. For this reason, we have several procedures to manage waste and comply with all the regulations in this sense. We ensure that our waste is collected, sorted, and disposed of properly with the aim of steadily increasing the amount of waste that can be recycled and reused in the flow of materials. During this process, particular attention is paid to hazardous waste.

Actions implemented in pollution prevention included the following:

- Neuwied: Modern exhaust air purification plants with energy recovery.
- Neuwied: Commissioning of a new central compressed air supply plant: reduction of noise emissions.
- Sites Remscheid, Spain: New modern extraction systems (lower noise emission).
- Neuwied: New cleaning system to produce adhesives.
- Development platform "solvent-free & water-based technologies (e.g. Dry Coating project, introducing solvent-free adhesive bonding systems, lower power demand because drying process is ceased).
- Neuwied: Introduction of high-pressure cleaning system for cleaning production containers (saving 50% of both sewage and cleaning time for container cleaning).
- Altendorf: Introduction of palletless shipping to participating suppliers and customers.
- multiple use of process films in the coating process.
- Neuwied: Electric filling station at the Technology Centre.
- Neuwied: Commissioning of a new central compressed air supply plant: demand and frequency-controlled compressors, reduction of pressure level from 7.5 to 6.5 bar, heat recovery with input into heating network (115.000 kWh in 2018), reduction of noise emissions.

KPI:

> 90% of waste is sorted by type for recycling

## Innovation and development of safe, circular, and sustainable products

We are committed to providing high quality adhesive solutions to our customers worldwide. Our knowledge, ability to innovate, and knowledge of our markets encourage us to strive to be leaders in our technologies. We are committed to providing our customers with flawless and safe products and services that are of a high-quality standard. They must not have defects or hazardous characteristics that could harm the health of our customers or others or damage their property. This includes strategies to avoid the procurement and use of counterfeit or pirated products.

We strive to use and procure natural resources responsibly when manufacturing and selling our products and services. We also use the ongoing new and further development of our products and production processes to effectively improve environmental protection.

The following actions have been conducted for the innovation and development of safe, circular and sustainable products.

- In our new company strategy, we have underlined that we will shape the way towards a circular economy. We aim to leverage our potential to develop biobased bonding solutions and solvent-free technologies that lead to an optimized overall balance.
- Use of sustainable raw materials (e.g., tea filters, paper, renewable raw materials, use of recycled raw materials).
- Development of products that in their application contribute to a better environment 30 per cent of our bonding solutions either directly or indirectly add to optimized sustainability. For example, in the building sector, use of "Static Direct Glazing" (new insulating glass bonding, which eliminates the thermal bridge and thus optimizes the thermal insulation of the window), or Lohmann's vapor barrier tapes for sealing the building shell as well as structural bonding films (e.g. Epoxy-Tapes, UV-LUX) and lightweight bonding solutions. Our Bonding Arena enables extensive possibilities for evaluating customer solutions. Applications can be tested on site or virtually on a laboratory scale.
- Special mention should be made of the development and production of adhesive solutions for the creation of Corona test strips.
- Almost all adhesives for applications in the construction industry are water-based, acrylic adhesives that can be classified as sustainable even during the manufacturing and finishing processes.
- Eco-efficient product developments, e.g., for mounting insulating materials on house facades.
- Preparing and introducing Liner Loop Systems: removed siliconized paper liner can be reprocessed by specialized partner. This leads to improved circular economy.
- Sustainable, self-adhesive products for solar energy generation.
- Usage of solvent-free adhesives even for complex applications (e.g., CPT-Tape: Clear Performance Tape for glass-metal-bonds, glass partition walls).
- Environmentally friendly packaging concept: Packaging of our products is from 100% corrugated board.
- Complete recycling of packaging (Eco-Signet / Sustainability Logo), Layout printed with waterbased inks.
- With the introduction of TwinMelt® we managed to reduce the amount of CO<sub>2</sub> significantly. The amount of CO<sub>2</sub> saved by TwinMelt® technology corresponds to 3,800 t p.a. (at 1.9 CO<sub>2</sub> equivalent). By dispensing with drying systems, a total of 55-66% energy per m<sup>2</sup> of adhesive tape can be saved. The savings potential is 4 GWh of electrical energy and thus a further approx. 2,006 t CO<sub>2</sub> p.a.. In total, more than 5,900 tons of CO<sub>2</sub> can be saved annually.

- BU Hygiene validates feasibility to switch from fossil to renewable energies.
- BU Hygiene: Reduction of material usage with the same product performance.
- We are part of the AFERA working group for defining the methodology for calculating product carbon footprints, where we proactively help shape the methodology for selected products. This is elaborated in close alignment with the GHG Protocol.

KPI:

Packaging made of 100% corrugated board

Business Unit Technical Products: 30% of the bonding solutions with direct or indirect sustainability aspect.

# Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

## Anti-corruption

Our group-wide Code of Conduct (CoC) outlines our stance on conflicts of interest and corruption-related issues. It must be brought to the attention of all our employees. Furthermore, we have a separate Code of Conduct that all our business partners and suppliers must sign upon completion of a contract.

Both policies underline that Lohmann refrain from conducting any illegal business activities, such as corruption, extortion or bribery. We believe in transparency and are convinced that an open dialog, collaboration and fairness are the building ground for long-term business partnerships.

In 2021, our measures feature:

- Whistleblowing mechanism and monitoring of the number of incidents.
- Structured procedure to deal with incidents: We have set up complaints addresses and appointed a person responsible who, together with the Executive board, will clarify any complaints received. Upon notification of an incident, the board of directors is informed immediately. In the event of minor incidents, internal measures will be taken, in the event of a severe incident, an external lawyer will be consulted. It is our declared goal to keep up the zero-incident rate in the future.

KPI:

No incidents of corruption

100 % of employees are aware of CoC

## Information security

Lohmann considers the careful handling of company and personal data to be the basis of all its actions. We treat the personal data of our employees and customers as strictly confidential and with the utmost care. The topic has also been included into the Code of Conduct and into the Code of Conduct for Suppliers: All suppliers are expected to treat information from Lohmann confidentially, even if no separate non-disclosure agreement has been concluded in individual cases.

Actions in the reporting year:

- Staff guidelines including extensive security info.
- Online trainings on health and safety issues.
- Intranet articles on health and safety as well as IT security.

KPI:

No incidents of information security failures

## Outlook

### **Our focus for 2023:**

#### Goals:

- Continuous improvement of system-based data for sustainability reporting for all sites.
- Start evaluation on PV modules concept for our car park in Neuwied site.
- Procurement of renewable energy (electricity) with certificates at own sites.
- Significant reduction of waste volume.
- Identification of new raw material sources with bio-based content.
- Implementation of aspects related to the Supply Chain Act.
- Already approved investment in a PV system on the roof of plant 3 in Altendorf (planned start of operation July 2023)

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Irlicher Straße 55, Postfach 1454, 56567 Neuwied, Germany

Tel.: +49 2631 34-0

E-Mail: [ralph.uenver@lohmann-tapes.com](mailto:ralph.uenver@lohmann-tapes.com)

Internet: [www.lohmann-tapes.com](http://www.lohmann-tapes.com)

Produced with the assistance of

DFGE – Institute for Energy, Ecology, Economy

Kreitsstr.5, 86926 Greifenberg, Germany

Tel.: +49 (0) 8192 / 99733-20

E-Mail: [info@dfge.de](mailto:info@dfge.de)

Internet: [www.dfge.de](http://www.dfge.de)

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