

# RECKLI – Sustainability Report

Global megatrends such as climate change, digitalisation, urbanisation and the strengthening of human rights are leading to a fundamental transformation in business models and processes. We keep an eye on trends and innovations, such as 3D printing, climate-neutral cement and new work, and evaluate them with internal and external experts.

Our employees are driven by openness, transparency and curiosity with the will to constantly improve. We have our eyes on the future!

This idea is at the foundation of our sustainability management.

Our Sustainability Report takes stock of our activities to date and provides an overview of all the relevant topics with a focus on society, the environment, employees, business partners and compliance.

# Corporate culture



RECKLI was founded in 1968, and we can now look back on 52 years of company history. At the end of 2019, around 160 employees worked for the company worldwide. We are now the world market leader in the field of elastic facing formwork for architectural concrete.

Our corporate purpose is to create extraordinary things together, with our employees, customers, architects and builders worldwide.

RECKLI GmbH is a company of InnoTec TSS AG. The management of RECKLI GmbH is responsible for operational management. RECKLI acts independently in operational terms, defines its corporate goals together with the shareholders, agrees on measures to achieve the goals and implements them. The management is responsible for direction, steering and assessment instruments, including risk management and the allocation of budgets and resources. RECKLI GmbH assumes all these responsibilities within the scope of its legal options within InnoTec TSS AG. The executive board of InnoTec TSS AG is regularly informed about significant opportunities and risks.

RECKLI has two main divisions: the production and formulation of liquid plastics and accessory materials (Precision Chemicals) and the production of elastic facing formwork for texturing exposed concrete surfaces (Concrete Formliner).

The responsibility for implementing the business activities in the regions and countries lies with the national companies, which are supported in this by the parent company. The management leads the national companies within the framework of the respective legal provisions and according to the rules of our globally applicable corporate governance principles.

Commitment to sustainability is an integral part of RECKLI's corporate culture. This issue is very important for our employees: They develop innovative products and technologies – for the successful, sustainable development of our businesses.

The public is increasingly focusing on global challenges such as climate change, digitalisation, avoidance of plastic waste and the protection of human rights. Our shareholders have a strong interest in our contributions and progress in the field of sustainability. This is both a confirmation for us and motivation to further intensify our commitment.

Sustainability is also gaining in importance among our customers and business partners. They want to know how important sustainability is for our company and what specific contributions we make to it.



## Concrete Formliner



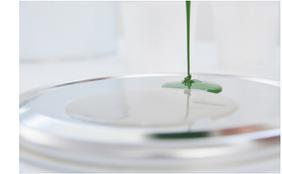
The Concrete Formliner division is a global leader in architectural concrete.

Exposed concrete surfaces are textured using elastic standard and custom formliner.

RECKLI formliner can be reused several times and are made of RECKLI polyurethane. That means 1 sqm of formliner can produce at least 100 sqm of concrete.



## Precision Chemicals



The Precision Chemicals division offers a broad portfolio of impression materials for crafts and construction.

It also manufactures accessory products such as release agents and adhesives.

We also offer surface retarders and impregnations to protect concrete facades.

# Sustainability Team



This interest led us at the beginning of 2020 to form an agile “Sustainability Team”. Chaired by the Managing Director, it steers our sustainability activities as a central decision-making body. The team is made up of 6 people who are experts in the fields of research and development, purchasing, occupational safety, production and marketing.

The team met 10 times in 2020. The aim of these meetings is to document and coordinate the activities that were already undertaken in the past. A sustainability strategy is defined on this basis, which sets precise goals and includes measures that serve to achieve the goals. The Sustainability Team sets up project groups to work on sustainability issues and monitors the results. The team also works on overarching projects and monitors achievement of the sustainability goals. This includes strategic as well as operationally relevant topics such as climate change and its impacts, human rights, sustainable products and technologies, packaging, product safety and management systems.

Our goals are based on the 17 Sustainable Development Goals (SDGs) of the United Nations.

We continuously align our goals and activities with global and national priorities. In doing so, we ensure that we work on issues that are relevant to our business and to sustainable development.

Based on these goals, we have defined the focus areas that are crucial for us. They specify the sustainability issues that are important to us and ensure that we align our goals with global and national priorities.



Society	Performance	Employees	Energy & climate	Materials & waste	Water
Human rights Compliance Human resources development Supplier relations and contractor management	Economic key figures Quality Reliability Eco-efficiency	Health Occupational safety Health protection/ occupational health Product safety Information + Communication	Energy efficiency Renewable energies Transport and logistics Carbon footprint	Raw material consumption Renewable raw materials Sustainable raw materials / products / packaging Waste (prevention and recycling)	Water consumption Waste water and disposal Biodegradability Water footprint
RECKLI Formula Code of Conduct Standards at our foreign representations	Annual report Sustainability Report Quality management Audits	Operating instructions Risk assessments Work instructions Trainings	Energy audit Carbon footprint Emissions (solvents, fine dust)	Raw material analysis / substitutes Invoice DAR Consumption / benefit balance Developments (recycling, production processes, etc.)	Water consumption analysis Emissions AwSV + WHG
 					

# Sustainability management



The implementation of our sustainability strategy is based on globally uniform codes and standards, integrated management systems and an organisational structure with clearly defined responsibilities.

Sustainability management is integrated vertically, horizontally and cross-functionally into our organisational structure to effectively implement sustainable business practices. RECKLI's management bears overall responsibility for our sustainability strategy and for compliance management in order to ensure compliance with the law and internal guidelines.

Improving the efficiency of all company processes not only contributes to environmental protection and occupational safety, but also reduces resource consumption and costs. We use various methods and tools to assess and manage our corporate sustainability and to measure the achievement of objectives across the entire company and our value chain. A holistic view of the impact of our business, products and services forms an essential basis for business decisions. In addition to the central management and actions of RECKLI GmbH, the decisive factor for the future for us will primarily be consideration of the special features of our subsidiaries and partners.

Group-wide risk management also makes an indispensable contribution to our sustainability strategy and helps us identify potential risks and opportunities at an early stage.

# Codes, standards & management systems



We are convinced that sustainable economic success can only be achieved with binding corporate values and a clear corporate vision. We have derived binding rules of conduct from our vision “Creating the extraordinary together” and our values, which we have summed up in the “RECKLI Formula”. These apply to all employees worldwide, in all business areas and cultures in which we operate.

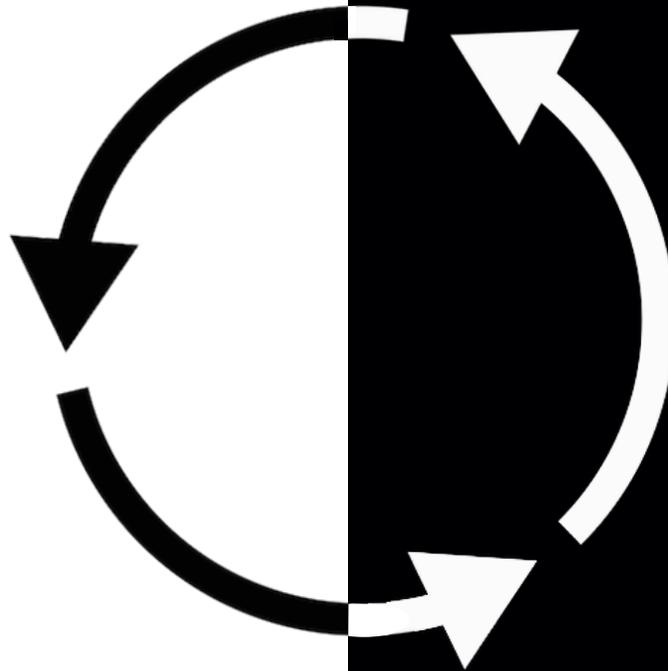
The Code of Conduct that we introduced in 2017 contains the most important principles governing our company and actions at the Group level. It is filled out by guidelines for dealing with possible conflicts of interest. These guidelines are an important element of our preventive measures against corruption.

The following codes and standards are available on our website:

- Corporate Purpose
- RECKLI-Formula

These will be supplemented in the near future by the

- Responsible Sourcing Strategy
- Safety, Health and Environmental Standards (SHE)



# Compliance



Our compliance organisation bears global responsibility for all preventive and reactive measures. It is backed by integrated management systems and an organisational structure with clearly defined responsibilities. The compliance representative reports directly to the executive board of InnoTec TSS AG. The compliance representative is supported by the compliance officers of the respective subsidiaries. Together they coordinate the flow of information and support our personnel in local implementation. Any violations are reported directly to the executive board.

Our employees can use the internal reporting and complaints channels or contact the compliance officer directly for this purpose.

Due to our global business activities, our employees operate in different legal and value systems. However, even in countries that are considered to have a higher potential for corruption: RECKLI rejects any violation of laws and standards as well as any unfair business practices. In order to communicate clear rules of conduct to our employees and, in particular, to avoid conflicts of interest in everyday work from the outset, we rely on regular training and communication measures. Our managers have a special role to play when it comes to compliance. They have to act as role models for their employees. That is why we regularly offer special personnel development measures for our managers. 10 managers participated in these trainings in 2020.

Conduct that is contrary to the rules is not compatible with our values. The management and the executives at RECKLI are committed to this principle without exception. Unethical conduct undermines fair competition and damages our trustworthiness and reputation. Our employees attach great importance to a proper and ethically sound business environment. We respond consistently to violations of laws, codes and standards, including taking action under labour law. In 2020, we did not have to issue any warnings and did not have to part with any employees due to compliance-related violations.

We consulted our external data protection officer twice in 2020. We have not received any enquiries regarding data protection from our customers or employees.

# Human rights



Social and political debate is increasingly focusing on how companies fulfil their responsibility to respect human rights and exercise due diligence.

In 2017, we introduced our Code of Conduct with a clear and active commitment to supporting human rights: We expect our personnel to respect local customs, traditions and social values, and to respect the human right to a free and fulfilling life.

RECKLI's commitment to conduct all business in an ethically and legally impeccable manner is inextricably linked to our commitment to respect internationally recognised human rights.

Our RECKLI Formula, which was created in 2017, describes our social values and is an integral part of our corporate policy. Since then, we have been developing comprehensive codes, standards and processes to provide our employees and customers, as well as suppliers, investors and the communities in which we operate, with a clear understanding of the ethical and social values we espouse. This also includes expectations with regard to human rights.



2. Here, you are a person



4. We are straight talkers



6. We work safely



8. We have the future in our sights



10. Our attitude makes the difference

1. We are open to the world



3. We are RECKLI



5. We are everything, apart from standard



7. We move forward



9. Here, the chemistry's right



# Supplier management



In addition to auditing and compliance processes that ensure adherence to our codes and standards, we also fulfil our responsibility to respect human rights along the value chain through our supplier management.

We follow current developments related to human rights, such as the National Action Plans for Business and Human Rights and the UK Modern Slavery Act, very closely and develop our approach according to the resulting expectations.

In addition to legal regulations, our codes and standards describe for us the basis for action for decisions and measures within our global sphere of influence. We respect the applicable legislation of the respective countries in this regard and go beyond it. Our codes and standards also underscore our support for the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the expectations of the United Nations Guiding Principles on Business and Human Rights.

Our supplier base is one of our most important resources and has a significant impact on our environmental footprint. In order to take account of globalised value chains and complex procurement activities, we need holistic supplier management, which we are driving forward together with our partners. In addition to economic and operational indicators, environmental and social aspects are also increasingly being focused on here.

RECKLI currently has contract partners from Europe. Approx. 5 % of our purchases are made in member states of the European Union. Our high requirements for contractual partners are uniform worldwide. We expect their conduct to meet our standards for sustainable business. We also take into account performance in terms of safety, health, environment, social standards and fair business practices when selecting contractors and working with them.

This is based on our Group-wide standards for safety, health and the environment, which were defined for the first time in 2017. With these standards, we acknowledged our responsibility along the entire value chain at an early stage. Our purchasing standards continue to apply worldwide, to which we will also add a "Responsible Sourcing Policy".

# Employees



RECKLI wants to create extraordinary things through its business activities. This corporate purpose connects all our employees and goes hand in hand with our RECKLI Formula and corporate values that guide our decisions and actions. To continue to be successful, we want to attract, develop and retain the best talent for RECKLI. We offer an inspiring and challenging work environment that is characterised by digital and flexible working as well as a value-oriented leadership style. Our performance culture is based on continuous and open feedback as well as on the recognition of outstanding performance – both through attractive remuneration and individual and long-term development opportunities. We strengthen our global team by valuing diversity and cultural backgrounds, being open and constructive with each other, and ensuring the health and safety of our employees. In this way, we create a motivated and committed team whose individual skills and experience make a significant contribution to our international corporate success.

Since 2014, we have been continuously setting up personnel development programmes with a partner company. Participation in these seminars is voluntary. The response has been very good every year, as has the feedback from colleagues.

In 2020, we offered a multi-day leadership training despite the Covid-19 pandemic. We were also able to have a RECKLI Management Day as a face-to-face meeting. Individual coaching sessions and a workshop on “Dealing with Stress in a Healthy Way” were also offered. In addition, employees were introduced to the RECKLI Formula in a workshop lasting several days. In total, we offered 4 different types of seminars, in which 31 different employees participated.

In 2021, we will continue to consistently pursue the path we have chosen and offer targeted personnel development measures.

## Assesment & feedback

We rely on regular personnel assessments and individual development plans for the targeted advancement of our employees. This allows us to systematically identify and develop talent within the company and enable internal succession planning.

We regularly conduct employee surveys and supervisor feedback. In personal feedback meetings, the supervisors then discuss the assessment with their employees and jointly agree on individual development measures. These discussions promote the professional and personal development of our employees and allow for targeted and long-term career planning for our workforce.

9 new employees were hired in 2020. 4 employees left our company, and we parted ways with 5 employees.

# Occupational safety



Occupational safety is of crucial importance for our economic success. The protection of employees, avoidance of accidents at work and proper and careful use of our resources and equipment are our top priorities. That is why we decided in 2018 to train our experienced production manager as an occupational safety specialist. He is now responsible for this area as an administrative unit reporting directly to the management. He is supported by an external occupational safety expert who specialises in the chemical industry. This ensures that our knowledge is always up to date and that we can drive this continuous improvement process.

All risk assessments and operating instructions have been and are continuously updated. Current issues are discussed and measures for improvement are analysed and also monitored in monthly meetings on occupational safety, attended by both the internal and external occupational safety specialist as well as a works council member, the human resources manager, the authorised signatory and the occupational physician. This is how we ensure that our standards are also consistently implemented.

Since the conduct of our employees plays an important role here, we conduct intensive safety training sessions to educate our employees on various topics.

All managers were reminded of their corporate duties in 2019 and the importance of occupational safety was emphasised during a management day.

We will orient ourselves even more towards the Global Uniform Standards for Safety, Health and Environment (“SHE”) in future. At the same time, we want to ensure that these standards are consistently implemented in our global production network.

Covid-19

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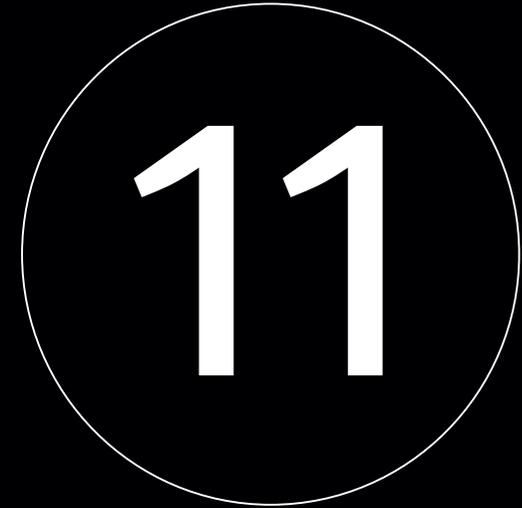
From March onwards, Covid-19 not only dominated the headlines, but also our actions. The virus shut down the entire world and presented us with some immense challenges. We adjusted to the new situation very early on. We stopped business trips abroad, worked from home, formed independent teams and developed a pandemic plan. Together we have managed to keep Covid-19 out of the company as far as possible.

We provided all personnel with masks and disinfectant.

We are also aware of our responsibility in the second lockdown and are consistently pursuing all possibilities to protect our employees. We have reviewed our processes again and are working from home when possible and in separate teams in production.

For the first time, we offered a voluntary flu vaccination in September 2020, which 35 employees accepted.

# Digital & flexible working



## Digital work

Digitalisation is fundamentally changing the business world. It creates new opportunities and challenges in the way employees collaborate, communicate and contribute to the success of the company. We use digital communication channels to promote knowledge sharing across the company. Certain working groups exchange information digitally on technical issues, for example.

In 2020, we built Recklopedia, a knowledge transfer platform that will be rolled out in early 2021. This platform will grow organically and serve RECKLI employees worldwide as an information tool for important questions about RECKLI. In particular, by bringing personnel from different areas and regions into contact with each other, we can strengthen interdisciplinary thinking and make better use of our existing knowledge.

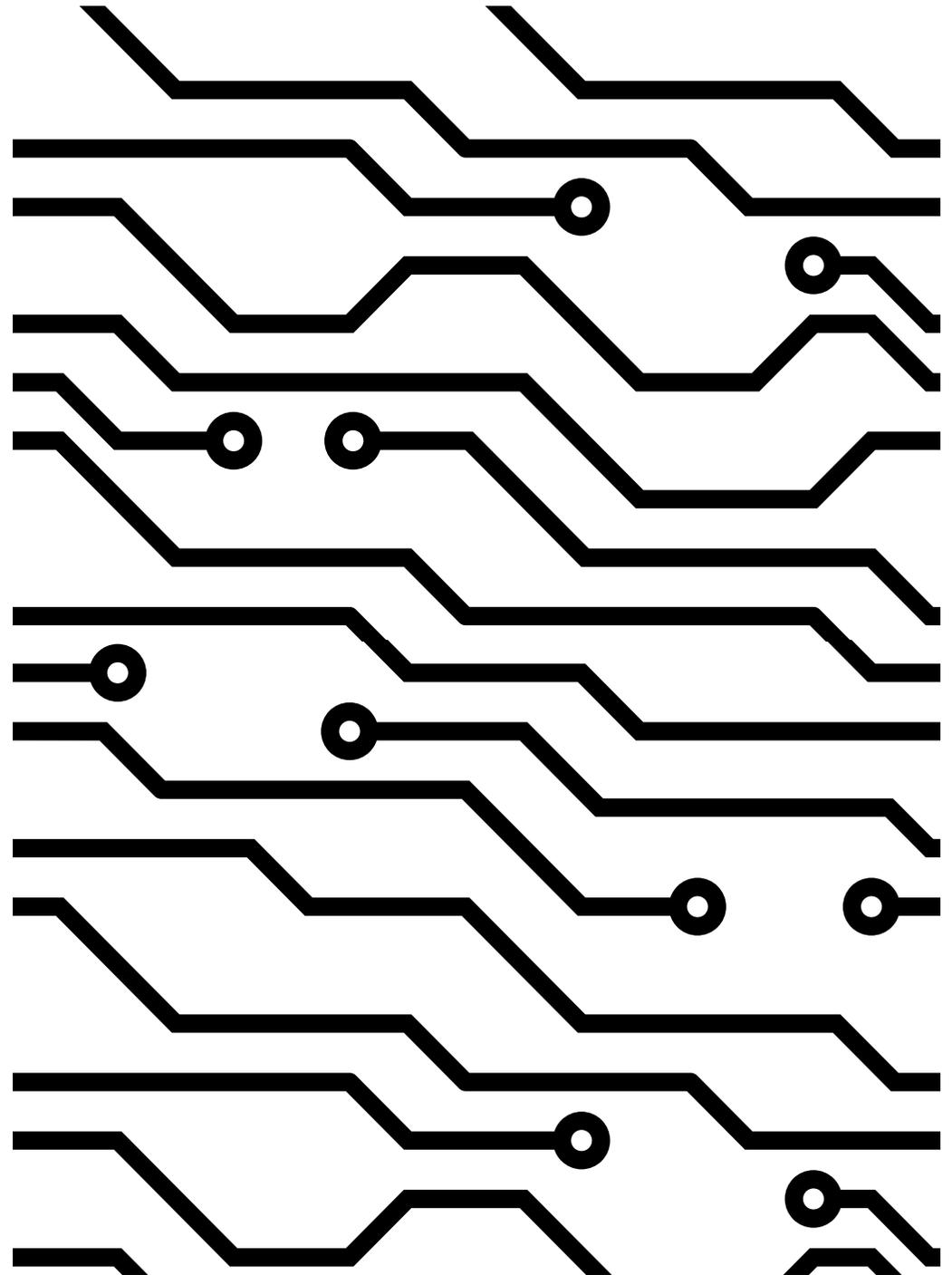
Especially during 2020, which was so heavily influenced by Covid-19, we asked our employees very early on to work from home wherever possible. Using digital solutions such as MS Teams in particular, we were able to maintain organisation and manage our teams remotely. We are convinced that working from home will remain a regular standard for us even after the pandemic. We will continue to hold far more digital meetings at the national and international level to save both costs and resources.

## Flexible working

At RECKLI, we measure performance primarily by results. That is why we have been promoting flexible working models for years.

Based on a culture of trust, part-time work, flexible working hours, new workplace concepts and mobile working are becoming increasingly important for us. Being able to work independently of specific times and places improves the compatibility of private and professional life. And the trust we place in our employees strengthens their motivation.

Our managers are encouraged to exemplify and actively support the options for flexible working.



# Remuneration



It is important to us to recognise the performance of our employees through appropriate remuneration in line with the market. It is self-evident for us that there should be no systemic differences in the remuneration of male and female employees. In addition to fixed salary components, our remuneration system also includes benefits in kind and social security components.

The basic building block of our remuneration system is an appropriate and competitive base salary, which all employees receive in line with market conditions and existing collective agreements. It is based on the requirements of the job, the conditions of the local market, the individual performance and the development potential of the employee.

## Our contribution to social security

Our employees worldwide benefit from a high level of social security from RECKLI. In countries where there is no state social security system or where the state can only provide basic services, we supplement state services with our own measures and initiatives. In the US, for example, we cover our employees almost completely with private health insurance.

RECKLI GmbH also offers benefits for the company pension scheme.

# RECKLI-Bikes

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“RECKLI Bikes” is another component of RECKLI’s social services. Since 2019, all employees in Germany who have an open-ended contract can lease up to 2 bicycles under a deferred compensation scheme at attractive conditions. The offer also includes comprehensive insurance and a full service package with maintenance and repair. There are currently 23 RECKLI Bikes.



# Energy

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An energy audit was carried out in 2019 in accordance with DIN EN 16247. Measures from this audit, such as successively equipping our plants with modern LED technology, have already been partially implemented and will be continued in the coming years. In the past business year, a warehouse at our Am Trimbuschhof plant (Plant III) was converted from conventional fluorescent lamp technology to LED technology. The energy saving here is approx. 20 %. Due to the constantly rising electricity prices, this makes sense not only ecologically but also economically.

At our site at Plant II, the heating system in a hall was renewed. This modern system replaces a system that was over 30 years old and is much more energy efficient.

And of course we are also engaged with the topic of e-mobility. The success of e-mobility depends heavily on the existence of charging infrastructure. That is why we see hybrid technology as a sensible transitional solution in individual cases and are convinced that the future belongs to electric cars thanks to the expansion of charging stations across Europe and technological developments in batteries.

We are therefore also setting up charging stations for company vehicles at our locations. Company cars are also being converted to hybrid models where it makes sense.

In 2020, RECKLI GmbH had 22 company vehicles. The CO<sub>2</sub> emissions of the vehicles have decreased by approx. 30 % compared to the previous year.

We are also examining the most energy-efficient technologies for the new construction of our office. Against this background, we are also converting the heating system at the existing office building at Trimbuschhof from oil to gas.

# Material & waste



Due to the relocation of the release agent production from Plant 2 to Plant 3, we now have the most modern extraction systems and safety devices for solvent use. We assume that the share of products containing solvents will gradually decrease. The aim is to replace solvents completely. That is why we have developed an alternative water-based concrete release agent, which we are actively marketing.

The introduction of the New Standard in the formliner area in 2019 has already had a positive impact in 2020. They are standardised moulds with fixed formats that allow us to produce more economically. Fewer manual cuts are necessary and we achieve better quality. We also produce less waste.

In the area of formliners, we are also increasingly pushing thinner structures, which require less material in production. Many “thick” texture designs have been removed from our catalogue because they no longer meet the spirit of the times. Our goal is to generate higher output with less resource input (more turnover per kg). Furthermore, we have made investments in a new filling line for the polyurethane hardener at Plant 3, which makes the work processes more economical and safer and ensures there is less waste.

Overall, avoiding waste entirely is the best form of prevention for us. We have therefore worked out a concept for the automation of our formliner production together with a plant manufacturer and a manufacturer for casting systems. We will project this concept in 2021 and enter the implementation phase after approval.

Production automation will be another milestone in our company history after the modernisation of our chemical production. It will lead to a significant reduction in material waste, quality will improve greatly, the physical workload will be reduced significantly and we will also have higher production capacities.

As an export-oriented company, RECKLI is also ISPM 15 (International Standard for International Plant Protection Agreements) certified. The aim is to harmonise the import regulations of the IPPC packaging states to prevent the introduction and spread of harmful organisms with packaging wood. Annual audits are carried out to renew the certificate. We were also able to successfully complete the certification in 2020.

In the big picture, we view sustainability as a process and see ourselves well on the way to consistently implementing our strategy and successively achieving our sustainability goals.