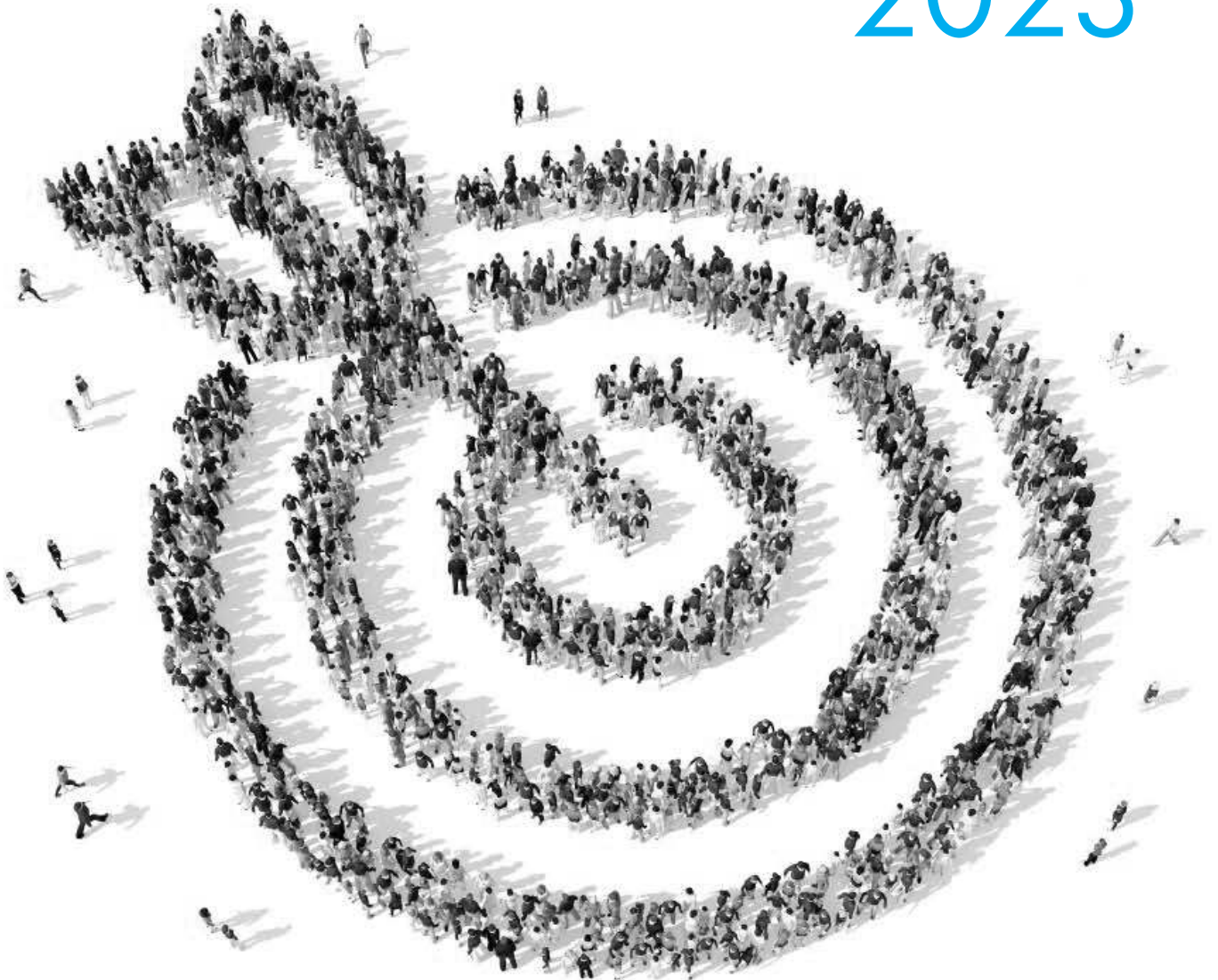


KNAUFINDUSTRIES

MORE THAN JUST WORDS, ACTIONS - CONTINUED No. 2

OUR SOCIAL RESPONSIBILITY

2023



mission 



FACTS & FIGURES	4
EDITORIAL	5
GOVERNANCE AND CSR STRATEGIES	6
THE STRENGTH OF A GROUP CSR ORGANISATION INTEGRATING CSR INTO OUR ACTIVITIES	
OUR HUMAN CAPITAL	12
SOCIAL, HEALTH AND SAFETY POLICY COMMITMENT AND WELL-BEING AT WORK DIVERSITY AND INCLUSION PROGRESSION AND CAREERS	
OUR SOLUTIONS	18
OUR MARKETS INNOVATING FOR A CIRCULAR ECONOMY RECOVERY OF MATERIALS AT END OF LIFE	
OUR REGIONS	24
OPENNESS TO OUR STAKEHOLDERS CUSTOMER SATISFACTION CONSUMER HEALTH AND SAFETY SUPPLIER RELATIONS BEST PRACTICES AND BUSINESS ETHICS	
OUR ENVIRONMENT	32
ENVIRONMENTAL POLICY CONTINUOUS IMPROVEMENT REDUCING OUR CONSUMPTIONS AND EMISSIONS	
OUR RESULTS	40
STEERING AND PROGRESS INDICATORS LINKS WITH THE CSR BENCHMARKS METHODOLOGY AND ACKNOWLEDGEMENTS	

FACTS & FIGURES 2022



Date of **creation**
1986



Turnover
+400 M€



People
+2 000
employees



Breakdown of personnel
Western Europe **52 %**
Eastern Europe **21 %**
Brazil **24 %**
Morocco **3 %**



Analysis of the risks of corruption
amongst customers and suppliers
100%
of sites



"CSR Mission" Ambassadors
43
people



Employees on **open-ended contracts**
85,89%



50%
of new products
of which **12% innovative products**



Proximity to customers
< 200 km



Central buyers with **business ethics awareness**
100%



Environmental certifications
ISO 14001 ou REDcert²
66% of sites*



Products
consisting of **monomaterials**
99%

*100% our sites comply with the international and local regulations



DIRK BAUER, CHIEF EXECUTIVE OFFICER OF KNAUF INDUSTRIES

What has the economic context been like for Knauf Industries in recent months?

Our main markets remain automotive, Agri- food and industrial solutions spanning across a broad variety of applications (e.g. HVAC, household appliances, pharma, furniture, leisure & sports...). Overall, these markets are each facing specific structural and economic challenges that we need to anticipate and react to accordingly. Highly variable raw material and energy costs, geopolitical tensions such as the war in Ukraine, and the repercussions of the COVID-19 pandemic are creating unprecedented economic difficulties; especially in the Western European Hemisphere in which we are mainly operating.

Added to this is the legislative context, with the consequences of new regulations for us and our customers, who are themselves affected by changes in consumer habits.

Clearly those developments and defining the required actions and adaptations necessary have taken most of our time.

Looking into the future I would envision an even stronger dialogue and collaboration with our customers to ensure a prosperous growing business development based on a differentiated product portfolio. We acknowledge as an organization that we have a lot of work to do and improvements to make.

What were the highlights for Knauf Industries in 2022?

At the end of June 2022, our Group was the victim of a major cyber-attack that considerably disrupted all our production and administrative management systems. Thanks to the exemplary commitment of all our employees, we were able to overcome this difficulty and maintain delivery to our customers. I would like to take this opportunity to thank all our customers for the patience, support and staying with us through those difficult times and as well to the employees of Knauf Industries that once again have shown what they are capable of doing when it matters most and to support our customers.

A major challenge for our markets and us as a company is to find our role to drive decarbonization of our processes and support our business partners to do the same. The scale of climate change and the fact that human activities are exceeding planetary limits mean that we need to draw up and implement a realistic, ambitious roadmap to consistently reduce our impact. Knauf Industries is working hard on this, as part of our CSR approach and the Knauf Group's Must Win Battle Sustainability. We have set ourselves targets for reducing our emissions and consumption in terms of our direct impact on the production process, otherwise known as "scope 1", and our indirect impact, upstream and downstream, as well as on our purchasing, otherwise known as "scopes 2 and 3".

What is your vision for the medium and longer term?

Our vision, **Reducing the weight on our planet**, is more relevant than ever. The CSR challenges we have set ourselves, combined with the difficulties we face, have led us to take bold actions, while adjusting our business strategy and regain focus.

We want to remain a major player in the manufacture of packaging, technical parts, and insulation, with a strong commitment to society and the environment.

We have been awarded Ecovadis silver medal, placing us in the top 25% of companies in our sector and improving our score constantly going forward. We are also a member of the United Nations Global Compact and work with the Carbon Disclosure Project (CDP). These initiatives enable us to activate a continuous improvement program focusing on workplace safety and work accidents diminution, the reduction of our environmental impact and the circular economy, with the development of non-petroleum-based solutions and the recycling of our products at end-of-life.

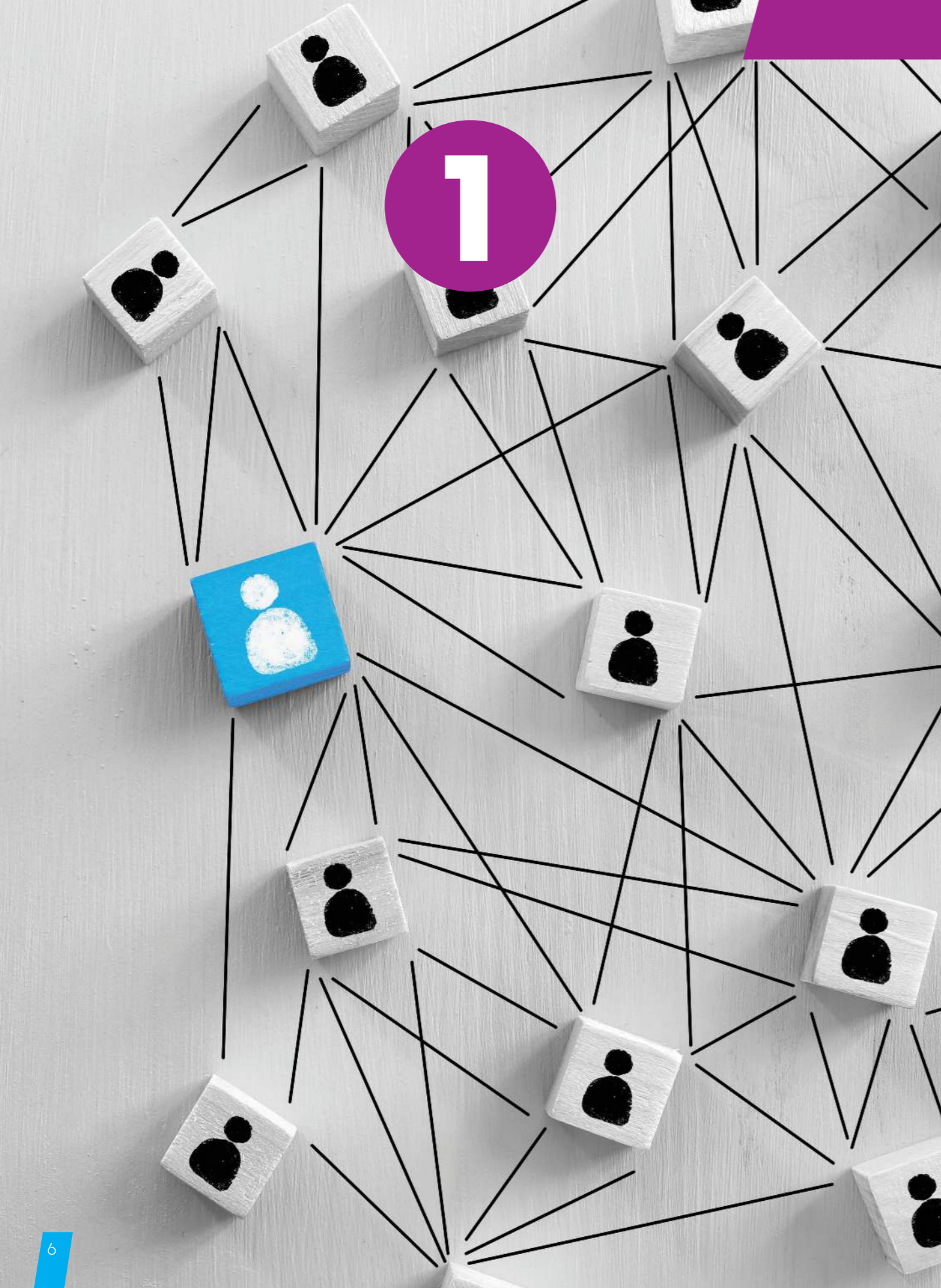
To date, 99% of our products are made of mono-materials. Expanded polystyrene products are recycled on a global scale, as the Ellen Mc Arthur Foundation has noted and declared.

Our Knauf Circular® collection and recovery initiative promotes the recycling of polystyrene waste. The volumes of EPS we collect and recycle are increasing substantially every year, and our ambition is to deploy Knauf Circular further and manage it as a real business to become integral part of our future success.

I am happy that now we offer products with various degrees of recycled content (rEPS, CELOOPS®, R'KAP®...), as well as reusable packaging, as these two factors, in addition to recyclability become clear customer requirements in many of our key markets.

In order to have an overall vision for decarbonizing the value chains in which we operate, we are strengthening cooperation with our stakeholders, first and foremost our customers.

This 2023 Corporate Social Responsibility report is a continuation of our 2022 report, and presents the substantial developments and actions taken over the past year.



GOVERNANCE AND CSR STRATEGIES

Knauf Industries is continuing the integration of CSR into the core of its activities. Our CSR challenges are based on a dialogue with our stakeholders and make a real contribution to the United Nations Sustainable Development Objectives. They are transformed into continuous improvement strategies and trajectories for every link in our value chain. Our CSR policy concerns our employees, our markets and products, our regions and our environment.

THE STRENGTH OF A GROUP

Knauf Industries is the specialist in packaging solutions, technical and insulation parts, serving professionals in the agri-food, automotive, building, domestic appliances, HVAC (heating, ventilation and air conditioning), and industrial sectors.

THE KNAUF GROUP

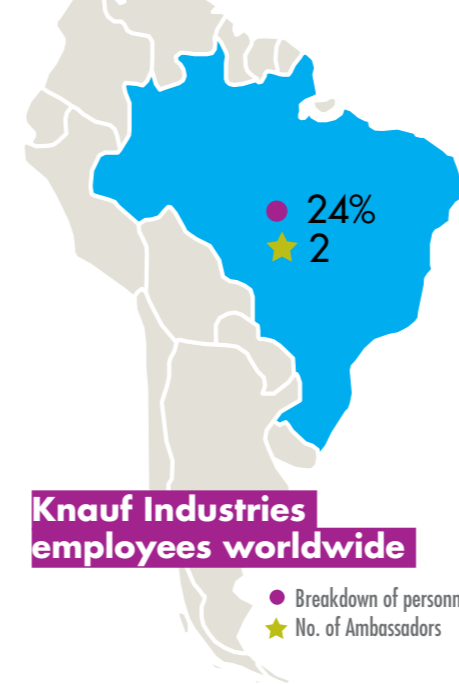
Knauf Industries was created in 1986 and is one of the four divisions of the German family-owned Knauf Group, alongside Knauf Construction, Knauf Insulation, and Knauf Ceiling.

I am Knauf – our values

We build our culture on strong, shared values: Menschlichkeit (humanity, humanism) Partnership, Engagement and Entrepreneurship. These values make us unique as a company and as a team. They represent our responsibility to our customers, to society, and to ourselves. This is reflected in our decision-making and our attitude, day after day, and all over the world.

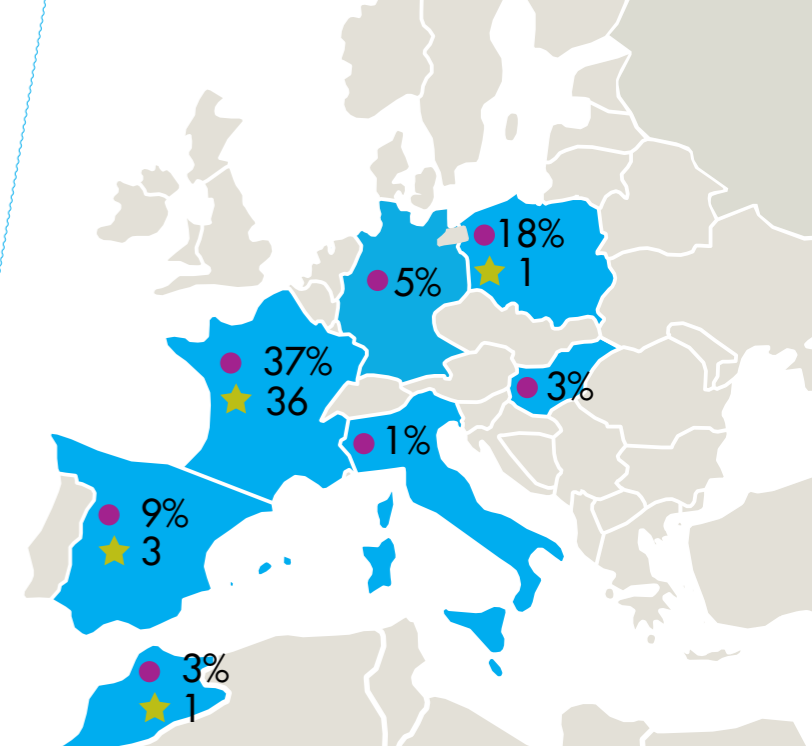
Destination Great

The Knauf Group has defined five *Must Win Battles* to lead the Group to Destination Great. These are *People, Continuous Improvement, Commercial Excellence, Digitalization* and the latest addition: *Sustainability*. With this fifth *Must Win Battle* of sustainability, the Knauf Group is confirming its social responsibility as an essential condition for its development and its success.



Knauf Industries employees worldwide

● Breakdown of personnel
★ No. of Ambassadors



Governance

The governance of Knauf Industries is placed under the responsibility of a Management Committee that meets once a week and remains in close contact with the other divisions of the Group.

Knauf Industries' vision and mission

In order to adapt ourselves to a rapidly changing context, to strong trends, more stringent regulations and to a new generation that's trying to find its way, in 2021 we redefined the orientation of Knauf Industries.

Our vision commits us over the long term: *"Reducing the weight on our planet"*



Our mission translates our vision and informs our stakeholders: *"We innovate to create lighter cars, safer food, better insulation and smarter industrial components"*.

A decentralised organisation

At Knauf Industries, we have adopted a decentralised organisation, in which certain services are shared and others come under the authority of each country's management. This organisation demonstrates the determination of our managers to delegate some of their authority so that the local teams can take initiatives and adapt the directives and strategies of the central departments according to specific national cultural characteristics. This proximity lets us bring more appropriate and faster responses to our customers. Every month, country performance reviews stimulate the feeling of belonging to the Group, provide feedback and share good practices, particularly concerning safety and on the application of our CSR action.

Certified sites close to our customers

The 43 Knauf Industries sites are in strategic locations to ensure local support for customers in France, Brazil, Poland, Spain, Germany, Hungary, Morocco, and Italy. We implement innovative measures to control our impact and improve our practices. Our major objective is to protect the health and safety of our personnel and of our consumers.

Our management systems and our certifications are the proof of a long-term structured quality strategy (ISO 9001 and IATF 16949), health and food safety (ISO 22000 and BRCS Packaging), the environment (ISO 14001 and ICPE tracking), the choice of materials and circular economy (REDcert²).



CSR ORGANISATION

A CSR strategy that is stable in time

After initiating a CSR diagnostic and a structured CSR action, we created a materiality matrix and decided to focus our efforts on five strategic CSR subjects that our personnel and our stakeholders considered to be the most appropriate and of the highest priority. We are strongly committed to each of these subjects. In 2021, we formally stated them through three policies: CSR, Social and Environmental. These will provide an opportunity for an annual dialogue with our internal and external stakeholders, which will stimulate the implementation of action plans and, if necessary, allow these plans to be adjusted to achieve the objectives defined for 2025.

“OUR THREE POLICIES, CSR, SOCIAL AND ENVIRONMENTAL, CONFIRM KNAUF INDUSTRIES’ COMMITMENT TO SUSTAINABLE DEVELOPMENT AND DEFINE QUANTIFIED OBJECTIVES FOR 2025.”

GILLES ISTIN, KNAUF INDUSTRIES MARKETING, INNOVATION AND CSR DIRECTOR

PRIORITY ACTIONS AND OBJECTIVES 2022-2025

Our commitments comply with the Global Compact and contribute to 15 of the 17 Sustainable Development Goals (SDG) defined by the United Nations (see page 45).



INTEGRATING CSR INTO OUR ACTIVITIES

One of Knauf Industries’ strategic priorities is to encourage the involvement of all employees in the CSR initiative.

CSR Mission

CSR organisation and actions have been defined by the Knauf Industries Management Committee and monitored by a Steering Committee since 2019. A group of “CSR Mission” Ambassadors, comprising around forty volunteer employees from various company departments and countries, is now fully familiar with CSR. In 2021, these Ambassadors contributed to the definition of three policies: CSR, Social and Environmental. Their missions are assigned depending on their skills, feelings and motivations:

- Propose actions related to strategic challenges and the United Nations Sustainable Development Goals.
- Be an internal and/or external communicator for Knauf Industries’ initiatives and CSR policy.
- Contribute to the reporting related to our commitment to the Global Compact and trade organisations.
- Contribute to continuous improvement projects on social, ethical, environmental or responsible purchasing subjects.

CSR AWARENESS

The deployment of CSR is essentially based on the awareness of all Knauf Industries employees to CSR. Familiarisation sessions have been organised on several sites in order to present the CSR action and to encourage the implementation of real action plans for future years. In 2022, a CSR e-learning training has been launched in France for all employees that have a PC, and will gradually be deployed in all countries.

Signing the United Nations Global Compact

Knauf Industries has been committed, via the United Nations Global Compact, to honouring ten principles related to human rights, workers’ rights, environmental protection, and the fight against corruption. Our initiatives are for the long term and, every year, we share our actions and progress. This commitment also applies to the Sustainable Development Goals (SDG) stated in the 2030 Agenda (see page 45).



SDG AMBITION 2021 PROGRAMME

This action is controlled by Global Compact and provides everyday guidance to achieve the Sustainable Development Goals on which we have an impact. To achieve the ambitious objective of 100% packaging in recyclable or renewable materials by 2030, we have defined, with our stakeholders, three trajectories and real actions, with corresponding indicators.



1 steering committee comprising 3 persons



43 CSR Ambassadors coming from 5 countries

2



OUR HUMAN CAPITAL

Within the context of our new Human Resources policy, Knauf Industries undertakes to focus its efforts on the well-being of all employees, as their health and safety are decisive factors. This includes, among other things, the development of an inclusion culture, a permanent dialogue, the creation of well-being programmes and the setting up of processes that allow employees to feel rewarded, supported and respected.

We support the Sustainable Development Goals (SDG):



SOCIAL, HEALTH & SAFETY POLICY

One of the major social challenges at Knauf Industries concerns health, safety, and well-being at work.

Social policy

In order to attract new talents, to keep our employees and to meet the present and future demand on our various markets, Knauf Industries has developed a new international Human Resources strategy, closely related to our main social challenges.

Five new actions have been defined and are being implemented to deploy our social policy in every country:

- Health and safety
- Diversity and inclusion
- Working conditions, commitment and well-being
- Recruitment and development of skills
- Mobility and careers

QUALITY OF WORK LIFE (QWL)

We organize PSR (Psychosocial risks) surveys in France. Detailed analysis of the results led to the setting up of an action plan comprising actions, focused on listening to employees and communication, with much positive feedback from employees.



Cutting a block in EPS

Health and safety policy

The Knauf Industries health and safety policy concerns all company activities and all persons present on all sites.

This policy, translated into every language, is used as a reference and a training aid when welcoming new arrivals. All QHSE (Quality, Health, Safety and Environment) managers refer to it. The unique risk evaluation document (URED) is drafted in consultation with the personnel. It incorporates risk assessment and a procedure for the prevention of psychosocial risks. Ergonomics experts recommend improvements to work stations, and awareness and safety workshops are regularly organised. The site management teams uphold a high level of vigilance, to reduce the risk of workplace accidents.



Absenteeism
3,90 %



Turnover
8,64 %



Frequency of lost time work accidents
11,12



Severity rate of work accidents
0,43

COMMITMENT AND WELL-BEING AT WORK

Feeling well

The well-being and commitment of employees are essential elements of our day-to-day work in Knauf Industries. We also attach great importance to the balance between professional life and private life, and to both physical and mental health.

Employees' commitment

The strong commitment of our employees makes our company more attractive and helps to keep talents, reduces accident risks and absenteeism, improves performance and encourages customer loyalty.

Our employees' commitment level is assessed annually during career interviews, and also through a Commitment survey that questions employees on their role, the management and personal development.

Every year, a worldwide survey is conducted by all the Knauf Group companies. Actions plans are in progress and focus on areas of improvement specific to each team.

Our priorities in terms of employees' commitment include communication and the defining of objectives, training and the development of new skills, acknowledgement of achievement and promoting a company culture based on feedback.

GREAT PLACE TO WORK CERTIFICATION

Our Brazil entity is recognized as a great place to work, where employees trust their management, feel proud of what they do and appreciate the people they work with.



Teleworking charter and the right to disconnect

For several years, Knauf Industries has allowed teleworking for employees whose physical presence on site is not always essential.

It has been properly adopted over the last 3 years, with the distribution of mobile hardware to many employees, both in France and internationally. The increasing use of tools such as videoconferences and communication through our Yammer social network has allowed our employees to be permanently in contact and to continue working in excellent conditions. Several training courses on teleworking have also been created, in order to encourage these new ways of working. It has therefore become an integral part of our way of working, where relevant.

In parallel, everyone was reminded of the right to disconnect, to prevent digital work tools from becoming too invasive in the personal lives of employees.

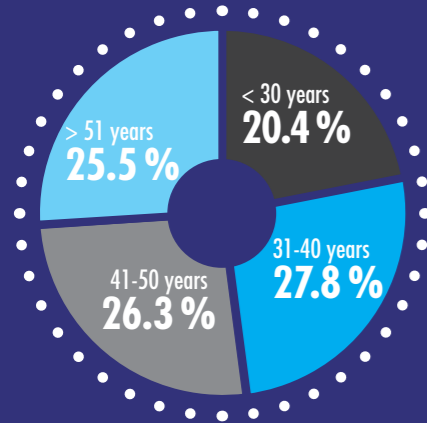
DIVERSITY AND INCLUSION

Promoting diversity

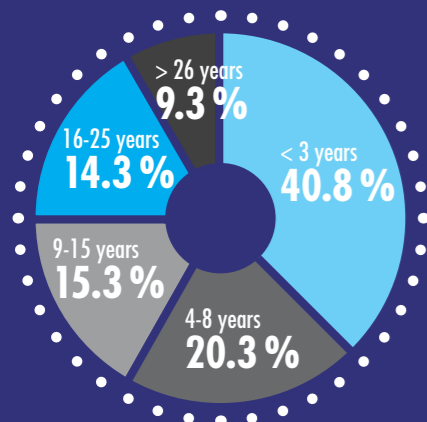
In every country, Knauf Industries complies with the applicable labour and employment laws and does not tolerate discrimination or harassment. All internal and external recruitment advertising, in every country, will include our promise of diversity, inclusion and non-discrimination. With regard to professional equality and diversity, Knauf Industries obtained a male-female professional equality index score of 86,8/100 in 2022 in France, which represents significant progress in relation to the previous three years. In 2021, we recruited a female Division HRD and member of the Management Committee. Our objective is to achieve a female representation of not less than 30% in the management staff of each country by 2025. In order to develop community life with mutual respect and to increase the employment of disabled workers, we are conducting various actions, including a campaign of awareness to handicap situations, with posters displayed on our sites and the publication of job offers for disabled persons. Finally, we are adapting work stations and we regularly invite persons with medical restrictions to declare themselves disabled workers, so that they obtain the related specific rights.

Respect for human rights

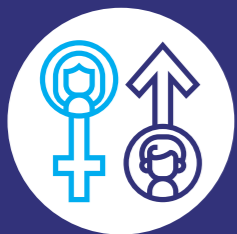
Respect for human rights means putting the other person in the centre of our actions and decisions. This is a major factor in our ethics. It is also a necessary condition for the sustainable conducting of our activities, at the core of our relationship with all stakeholders: employees, customers or the local communities around where our sites are located. We subscribe to the principles of the 1948 Universal Declaration of Human Rights, the International Labour Organization (ILO), and the agreements concerning the protection of workers and the banning of forced labour and child labour.



Age distribution



Seniority distribution



Proportion of women
36,74 %

PROGRESSION AND CAREERS

Listening to our employees, internationally

Our employees' expectations are changing towards greater independence, cooperation, flexibility and well-being at work, and visibility of jobs available in-house, throughout the Knauf Group. We are gradually extending the management of careers and skills in all the countries where Knauf Industries operates. We want to guarantee equitable performance evaluations and to encourage internal mobility. In order to better identify our talents, we conduct annual interviews and assessments, known as the *Talent Review*. We are also implementing succession plans, to anticipate the progress of our employees. Since 2020, the deployment of the Talentsoft electronic HR platform improves visibility of these talents through the organisation and of their development.

Integration

In order to facilitate the integration of new recruits, an integration programme called Onboarding is already operational in France, and will be improved and deployed internationally in 2023.

 **WELCOME KIT** - Since 2016, in France, we give our new arrivals a USB key containing all the information they need for a smooth induction. This electronic library gives them access to the rules and charters, particularly concerning ethics, but also good practices and useful contacts.



Developing skills

Our employees have a personal development plan consistent with their career progress and the company's strategic orientations.

Management training

Knauf Industries offers to people a broad range of opportunities to learn and to reach their full own potential. Our ambition is to develop a real managerial culture within Knauf Industries. For this reason, a new programme, known as Line Manager Excellence trained all managers in the basics of recruitment, integration, performance management, Talents review, commitment and leading changes in 2022 and 2023. We are also continuing the deployment of two key Leadership programmes: the Leadership Launchpad programme, that initiates our junior executives in the basic principles of leadership, and the Leading Teams programme, that is dedicated to experienced managers.

Welcoming young people in school-company alternating training

In order to immerse young people in the professional world, and to identify those that may be our future talents, every year we welcome young people through apprenticeship contracts or professionalisation contracts. In 2022, in France, there were 26 of these students, which represents 3,12% of our personnel.



OUR SOLUTIONS

Knauf Industries is specialized in packaging, protection, insulation solutions as well as technical parts.

To reduce their environmental impact, we manage the entire life cycle of our products: we select materials from renewable resources or that are recycled. Our objective is that all our packaging products should be recyclable by 2025, and we are promoting the collection and recycling of expanded polystyrene with our Knauf Circular® programme.

We support the Sustainable Development Goals (SDG):

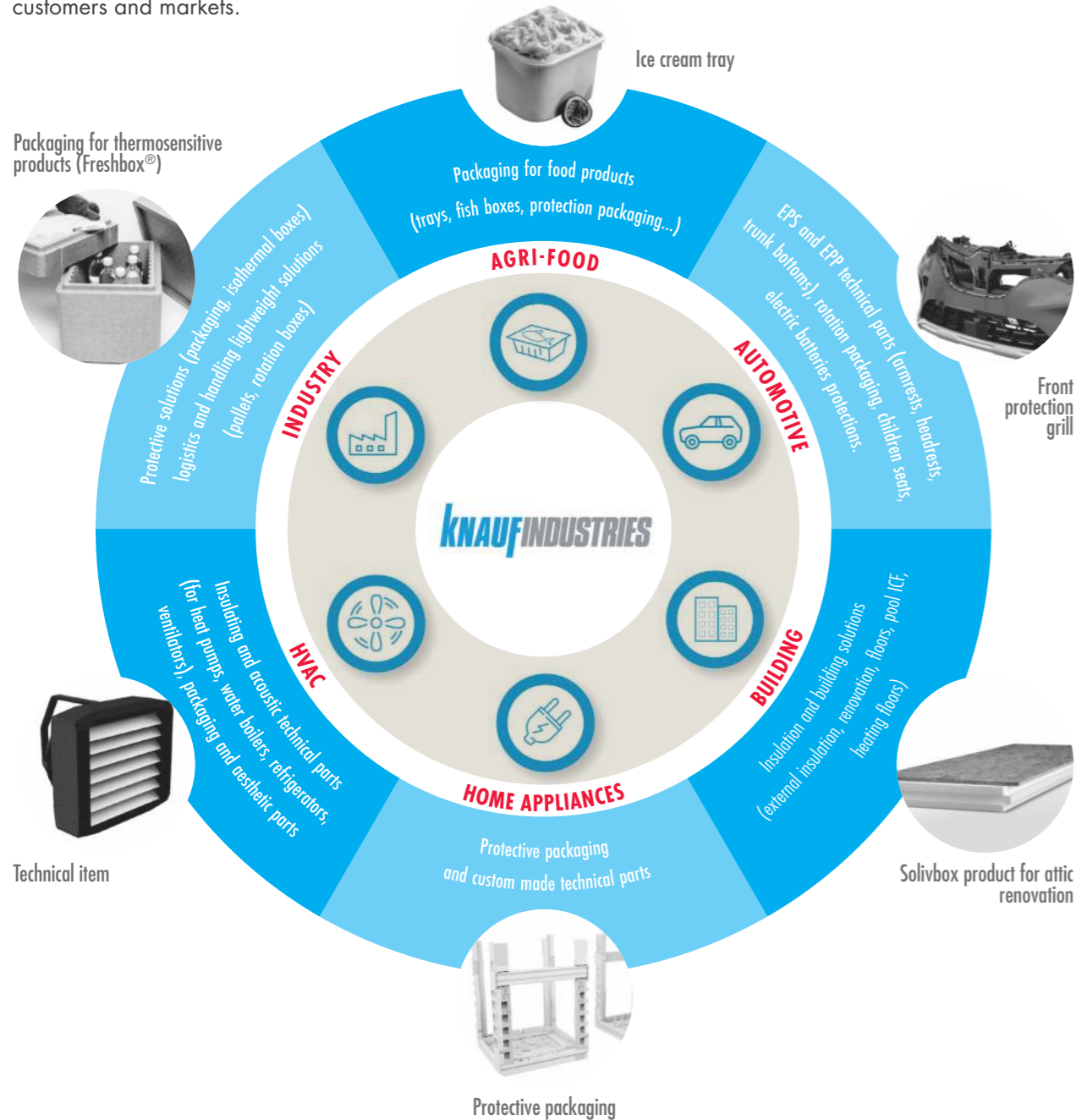


OUR MARKETS

Packaging, protection and insulation solutions

In the agri-food, automotive, construction, household appliances and HVAC (heating, ventilation and air conditioning) markets, and in industry, our products pack, protect and insulate, in order to best meet the changing expectations of customers and markets.

UNUSUAL APPLICATION - To encourage the nesting of swallows in the Swiss Jura, a passionate organization called on us for the manufacture of lightweight and insulating towers in expanded polystyrene.



INNOVATING FOR A CIRCULAR ECONOMY

ID Lab - R&D centre serving innovation and markets

ID Lab is the Knauf Industries unit dedicated to development and innovation. It contributes value and supports our customers in their innovation and design projects.



Our French-based experts work together, mobile and connected, with the various countries, in the following fields: carbon footprint measurement, research on new raw materials and innovation, integration of new technologies, traceability, eco-design, design, prototyping, tests and digital simulation.

THE MORE LABEL

Since 2019, the MORE Label (MOnitoring Recyclates for Europe) the volumes of recycled raw materials that are reintroduced into our new products every year. Between 2020 and 2022, the ratio increased by 60%.



“OUR OBJECTIVE IS THAT ALL OUR PACKAGING PRODUCTS BE RECYCLABLE BY 2025.”

PATRICK SUTTER, KNAUF INDUSTRIES
 INNOVATION MANAGER & CSR AMBASSADOR

For us, an innovating solution meets criteria that are based on four objectives: to meet the expectations of our stakeholders (desirability), to provide an original solution (feasibility), to create value (viability) and to reduce risks (ethics).

CIRCULAR ECONOMY is based on three principles: protecting and developing our natural capital, optimising the use of resources, and creating favourable conditions for the development of a virtuous system. (Ellen MacArthur Foundation)

Circular economy of plastics

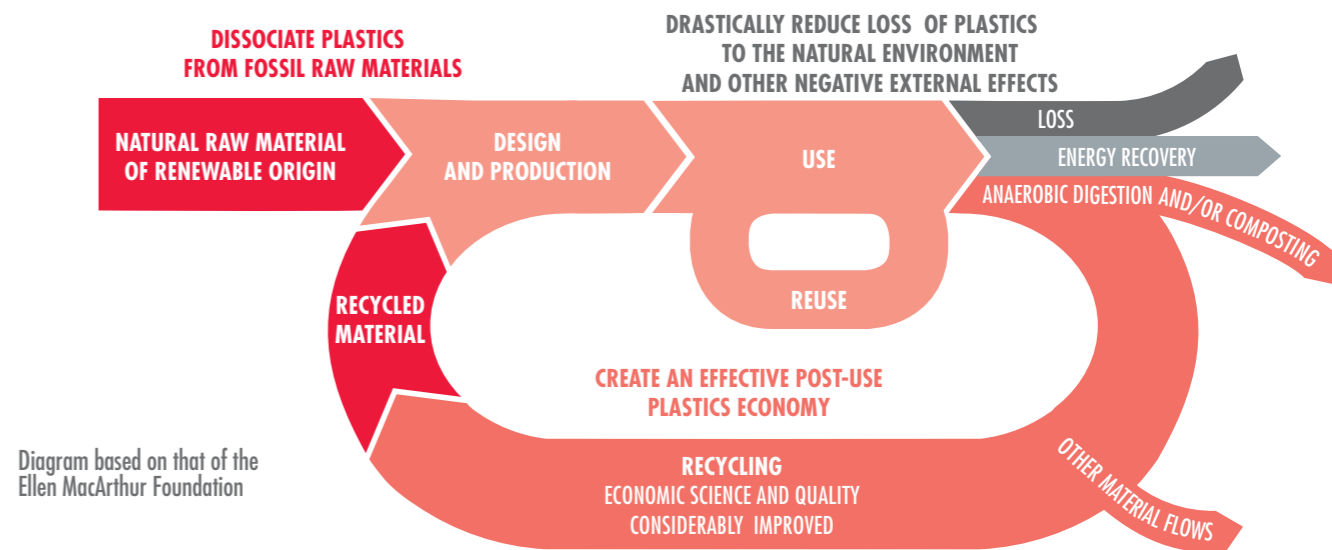


Diagram based on that of the Ellen MacArthur Foundation

Eco-design

Knauf Industries strives to make its products part of a circular economy. We consider the overall life cycle, so that products can be reinvented, quality, functions and expected uses improved, without transferring the impact from one phase to another or from one country to another.

Since 2015, our eco-design policy applies to every project.

Our eco-design rules:

- Include, from the start of the project, all internal and external stakeholders concerned by the product.
- Reduce the quantity of material, in both weight and volume.
- Consider the re-utilisation of products right from the design phase.
- Allow better sorting and recycling of parts, favouring the use of single materials, and marking them to identify their components.
- Integrate recycled materials from the sorting of industrial or household waste. For example, we have developed R'KAP®, a material dedicated to injection and to thermoforming, obtained from recycled plastics. We also developed CELOOPS®, a foam made from up to 100% recycled plastics and rEPS, an alternative to EPS that is made of recycled polystyrene.
- Integrate more materials obtained from the biomass. For example, we have developed NEOPS®, a foam material obtained from the biomass, i.e. from green waste.

Reducing our carbon footprint

Working jointly with our customers, we design our products and measure their carbon footprint in accordance with ISO 14044: 2006. By conducting this multi-criterion, multi-phase environmental analysis of the entire life cycle, we can make informed decisions in order to design more efficient solutions, reduce their environmental impact, and meet our customers' expectations.

THE CARBON FOOTPRINT of France is the quantity of greenhouse gases generated by the final interior demand of the country, whether the goods or services consumed be produced within France or imported. (INSEE)

Innovation through materials & products

In partnership with customers and suppliers, Knauf Industries has developed alternative materials from recycled plastics or renewable resources, such as the biomass (green waste).

NEOPS®, CELOOPS® and R'KAP® are materials solutions certified by REDcert². At the end of their life cycles, they are sorted and recycled in existing EPS or PP circuits.

In collaboration with reuse specialists, we have created Keepy®, a range of containers optimized to withstand multiple reuse cycles. These containers can be (re)used several times by professionals and private individuals alike.



KEEPY Tray in R'KAP®



The 4R strategy: Reduce, Reuse, Recycle and Reinvent

Knauf Industries is adapting its design and production strategies in line with the 2020 law on waste prevention for a circular economy (AGEC law). Thus we are re-thinking the future, protecting resources and reducing materials consumption and waste.

REUSE AND REUTILISATION OF PACKAGING

Reuse means reusing a package for a purpose identical to that for which it was designed, with a system of waste collection, traceability and industrial washing (for example, a glass bottle).

Reutilisation doesn't include a collection system or industrial washing. The consumer can reuse the packaging when buying in bulk or reuse it at home, for another use than its initial one.

RECOVERY OF MATERIALS AT END OF LIFE

A second life for materials

In parallel with our eco-design and innovation action, we have decided to commit ourselves to the circular economy, in order to fight against waste and avoid uncontrolled dumping, landfill, or incineration of plastics. Recycling is both a way to process waste and a way to produce recycled resources. Even if we use materials with a high recyclability ratio, a product cannot actually be recycled unless the necessary recycling collection procedures and technology have been implemented.

Knauf Circular® from collection to recovery

Created in 2020, Knauf Circular® facilitates the collection, recycling and recovery of food and industrial packaging waste, and leftovers from building sites, to give another life to EPS waste (see also our CSR report 2021).



In the continuity of our CSR action and policy, we are committed to doubling the volume of EPS recovered at the end of its life cycle, through our expanded polystyrene collection and recycling activity Knauf Circular®, by 2025. Between 2020 and 2022, we have already increased the weight of material collected in France by 30%.



Knauf Circular® collection bags



OUR EPS COLLECTION AND RECYCLING ACTIONS

In every country in which we are present, we implement local or national initiatives that result in real recovery actions for our products in expanded polystyrene:

- In **France**, in partnership with Michelin and Pyrowave, we are planning to speed up the development of the EPS chemical recycling activity through an economically viable plant that would produce monomer styrene.
- In **Brazil**, at São Paulo, Knauf Isopor® is contributing to the development of EPS recycling through collection points throughout the city, in partnership with the NGO Plastivida, the distribution chain Pão de Açúcar (Casino group).
- In **Brazil**, at Joinville in one of the biggest business parks in South America, Knauf Isopor® is a sponsor for the Isopor® Amigo, the two main objectives of which are to inform and to promote EPS recycling, through collection points. The national association Abiplast is contributing to the promotion of this concept throughout the country.
- In **Brazil**, partnerships have also been set up with industrial companies for the collection of EPS, and our Brazilian smartphone application Reciclando Isopor® locates the nearest collection point.
- at Gramado-RS, Knauf Isopor® partnerships with the Environmental Dept of Gramado City Mayor, collecting all EPS from the whole city, in a monthly basis.
- In **Spain**, jointly with other companies, Knauf Industries is part of the Eco-EPS network, coordinated by the National Association for Expanded Polystyrene (ANAPE). Our plants in Villafranca Del Penedes, Zaragoza, Aoiz and Esquiroz (in the Aragon region and in Navarre) are contributing to the recycling of collected EPS.



OUR TERRITORIES

Knauf Industries is close to its stakeholders, with 43 sites located in 8 countries. Through open and regular dialogue with our employees, our customers, our suppliers, our trade and institutional partners and our local contacts, we protect our regions and undertake local actions: We anticipate sectorial and regulatory changes, we care for our customers satisfaction and for the health and safety of our consumers.

We support the Sustainable Development Goals (SDG):

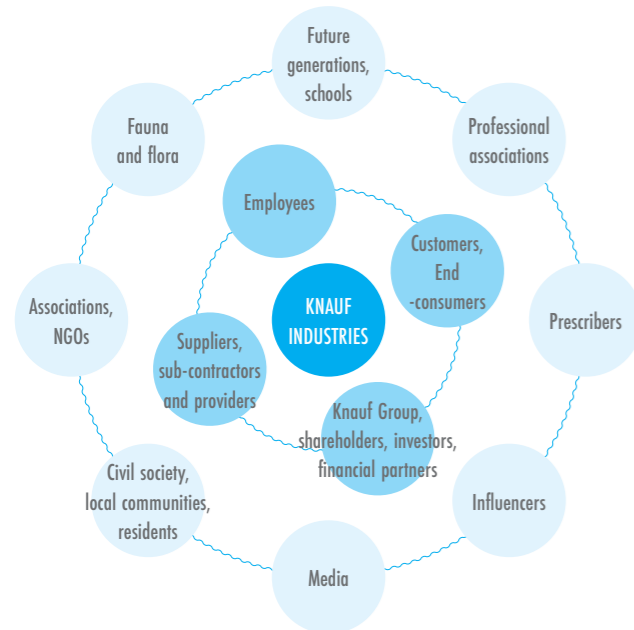


OPENNESS TO OUR STAKEHOLDERS

Dialogue with our stakeholders

Early in 2020, Knauf Industries consulted internal and external stakeholders to include their ideas and to hear their expectations, hopes and proposals for the future (see our CSR report 2021).

Classification of our stakeholders



STAKEHOLDERS are people or groups of people who can affect, or be affected by, the activities of an organisation. (ISO 26000)

Partnerships with trade organisations

In every country, Knauf Industries works with federations and local bodies representing polymer processors. The purpose is twofold: to conduct a dialogue on strategic and regulatory developments in the sector, and to promote actions in favour of the circular economy and recycling.

World

- Smart Packaging Alliance
- EUMEPS - European Expanded Polystyrene Association

France

- ELIPSO - Trade association of manufacturers of plastic packaging
- POLYVIA - Polymer transformers union
- AFIPEB - French association for expanded polystyrene insulation in the building trade

Brazil

- ABIQUIM - Chemicals Industry Association (*Associação Brasileira da Indústria Química*).
- PLASTIVIDA – Plastics transformers association, focused on education relating to sorting and recycling.

Poland

- PSPS – Polish Association of EPS Producers

Spain

- ANAPE - Spanish Expanded Polystyrene Association (*Asociación Nacional de Poliestireno Expandido*).

Italy

- AIPE – Italian Expanded Polystyrene Association
- IPPR – Institute for the Promotion of Recycled Plastics (*Istituto per la Promozione delle Plastiche da Riciclo*) and *Plastica Seconda Vita*®

Regional projects

Throughout the world, Knauf Industries have a strong local impact and support many local projects in favour of inclusion, employment and the environment.

- In several regions of **France**, Knauf Industries employs people seeking professional reinsertion through partnerships with local associations that handle the collection, sorting, and recycling of EPS, or the assembly of some of our products.
- In **France**, since 2018, workers who benefit from reduced working hours (RTT) can add to their time savings account (CET) or make a donation to associations identified by employees. Donations increase every year, proving their generosity. In 2021, Knauf Industries decided to support the association “500 km for pediatrics”, in order to collect funds to improve children’s hospitalisation conditions.
- In **France**, the Knauf Industries site at Sainte-Marie-en-Chanois, in Haute-Saône, exchanged plots of land with a smallholder, to enable him to install his rabbit breeding activity.
- In **Brazil** at São Simão, we support the medical institute Santa Casa de Misericórdia and the institute Bento Quirino, which offers a pedagogical education, support for cognitive and motor development, basic medical care and complete meals for children from 7 months to 4 years old.
- In **Brazil**, with the Atibaia local authorities, Knauf Isopor is contributing to the action Cartilha de Educação Ambiental 2021, an education programme and an ebook in favour of the protection of the environment, for the children in Atibaia schools.
- In **Spain**, we support various associations in favour of sport, help for disabled persons and the fight against pediatric cancer.
- In **Poland** we regularly engage in different social initiatives and charity campaigns. Some of them have already grown to be a part of our CSR DNA. In recent years, alongside with our Clients we have supported various types of aid activities. In 2021 we got involved in the Great Orchestra of Christmas Charity. Together with our Customer, Physioroll we organized charity auctions of EPP sports equipment to support the Polish health system.

Open days at our plants

We regularly propose visits to our plants, to present our manufacturing processes and the recycling of our products.

These interesting meetings allow us to valorise our work, to create bonds with regional bodies, to collect testimonials, to initiate new projects and to plan local synergies to valorise regional identity. Throughout the world, our plants are open to students wishing to better understand the challenges of EPS.

In **Brazil**, for example, local schools are regularly invited to visit our seven plants, to find out about EPS processing and circular economy. This project, known as Ipê, familiarises pupils from 12 to 17 years old and from the agri-food sector, with the importance of recycling and industry’s responsibility to society.



Visit from Roger Chudeau, Member of Parliament for Loir-et-Cher and elected representatives from the Sologne des Etangs community of municipalities to our Vernou-en-Sologne plant, France, 2022.

CUSTOMER SATISFACTION

Customers relationship

Our customers are our main stakeholders. Throughout the world and in all our markets, customer relations are based on attentive listening and regular dialogue, so that we adapt ourselves, together, to market changes. Because Knauf Industries is the specialist partner for custom products and solutions, co-development is often key in this collaboration. It enables us to better respond to regulatory changes and to the increasing influence of the end consumer. Guaranteeing food safety or safe industrial products, being able to depend on a reliable partner and constant product quality, with minimum environmental impact, are the priority expectations of our customers.



Customers satisfaction survey

Customer satisfaction is extremely important and is antand continually measured via the day-to-day relationship. Every year, a questionnaire and interviews allow our customers to express themselves so we can measure their satisfaction and carry out a precise analysis of their needs. This approach leads to the implementation of concrete actions in response to their expectations and a continual improvement of their experience. The themes we discuss are: the relationship with Customer Service and the sales team, products and solutions (see p. 20), quality, logistics, the environment, and communication.



Facilitate our customers' everyday needs

We take into account the expectations expressed by our customers through our satisfaction surveys and we thus improve our practices. Since 2019, we have co-developed mobile applications for smartphones and tablets, intended to facilitate our customers' everyday needs:

- **Clicko**® is an application dedicated to the provisioning of packaging.
- **Knauf Circular PSE**® is an application that manages requests and tracks the collection of EPS waste.
- **"Reciclando Isopor"** is a Brazilian smartphone application that locates the nearest EPS collection point.

CSR audit and EcoVadis assessment

Since 2016, at the request of its customers, Knauf Industries joined the EcoVadis extra-financial evaluation platform with the aim of becoming a preferred supplier by improving its practices relating to the environment, social factors and human rights, ethics and responsible purchasing. In 2022, we achieved a score of 59 points of 100. And early 2023, we improved our score and achieved 64 point of 100. Knauf Industries thus reached the top 25% of companies in its business sector.



CONSUMER HEALTH AND SAFETY

Compliance with regulations relating to chemical substances

REACH	RoHS	CLP
Registration, Evaluation and Authorisation of Chemical substances	Reduction of hazardous substances in electrical and electronic equipment	Classification, labelling, and packaging of substances and mixtures




Quality Certifications (ISO 9001, IATF 16949)
78,57%
of sites

Quality policy

The Knauf Industries quality policy reflects the expectations and needs of customers, users, and consumers, while incorporating safety and environmental problems and remaining in line with the aims of the general policy. It incorporates several criteria concerning the protection of consumer health and safety:

- **Product quality:** our latest-generation production lines guarantee repetitive high-quality products. The rules applied enable us to react quickly and to take corrective action in the event of a non-compliance and/or complaint.
- **Legality of products:** we check compliance of the end product with applicable regulations and with the specifications, in particular through migration and heavy metal content tests. Knauf Industries certifies compliance with regulations relating to chemical substances: RoHS, CLP and REACH, for which a check is conducted every six months for hazardous substances on the suppliers.
- **Food health and safety:** in our workshops dedicated to food packaging, an HACCP (Hazard Analysis Critical Control Points) action identifies potential sources of danger and defines the means to control it.

- **Withdrawal:** in the event of a non-compliance on a product already delivered, with a potential risk for the end consumer, the product concerned is withdrawn for analysis and corrective action.

 **SAFETY DATA SHEETS**
Although not mandatory, we draft SDSs to provide customers with information relating to the safety of the substances present in the products.

Clear instructions for use and end of life of our products

We eco-design our products, working closely with our customers, and give clear user instructions to guarantee the end users that we have taken every possible precaution to protect their health and safety. We have also considered the product end of life cycle, with marking that indicates the type of material and its recyclability. Properly sorted, the packaging is more likely to be properly recycled.

OBJECTIVE FOR 2025:
to maintain zero product withdrawal in France

SUPPLIER RELATIONS

Several purchasing teams

Our purchasing teams are divided between the Knauf Group, the central departments and all the Knauf Industries sites.

Knauf Industries' strategic purchasing (of raw materials, for example) is centralised and is based on a purchasing policy. Our central purchasers in France, Poland and Brazil, ensure that our Business Ethics code is respected and they have been made aware of the competition's rights. Two of them are CSR Mission Ambassadors.

In every country, the sites are responsible for groups of additional purchases, in compliance with the principles of business ethics (see p. 31).



Development of responsible purchasing

For the last few years we have been incorporating environmental, social and ethical factors in our purchasing practices:

- Our Supplier Relations Charter includes environmental, social and ethical factors.
- We prefer suppliers located close to our sites, for example within Europe for European sites.
- We also conduct regular qualification audits, which include questions relating to CSR.
- In 2020, we issued a "Responsible purchasing good practices guide", dedicated to company gifts.

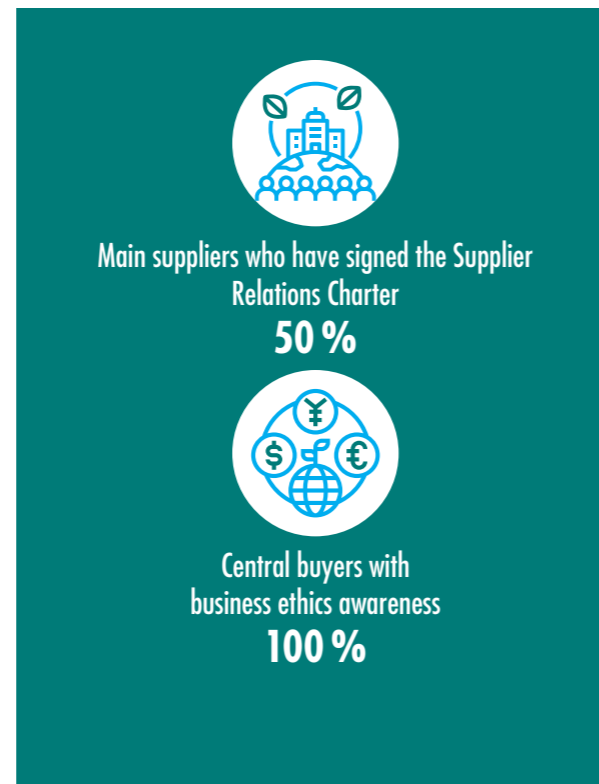


SUPPLIERS & CUSTOMERS

COMMITMENTS - In Brazil, to ensure that commitments are respected by our partners and suppliers, we ask them to sign a declaration on their honor confirming that they have taken into account our Code of Conduct.

“ THE PURCHASING PROFESSION IS CHANGING WITH NEW ETHICAL, ENVIRONMENTAL AND FINANCIAL EXPECTATIONS, WHICH ARE STRONG IMPACT LEVERS, CONSISTENT WITH OUR CSR POLICY. ”

VINCENT SCHMITTER, PURCHASING MANAGER AND KNAUF INDUSTRIES CSR AMBASSADOR



GOOD PRACTICES AND BUSINESS ETHICS

Code of Conduct

The Knauf Group has adopted a Code of Conduct that applies to all employees. It reflects the Group's particular commitment to values such as ethics, loyalty, and integrity in its relations with its stakeholders.

Knauf Industries attaches major importance to compliance with the Group's anti-corruption policy, the proper application of the provisions prohibiting anti-competitive practices, the applicable environmental laws and regulations, data protection and storage, and the policy concerning trade sanctions. These rules are clear, formally stated and are known by all employees.

Stakeholders' commitments

We demand the same level of commitment from our stakeholders in terms of CSR, through our General Conditions of Sale and Purchasing, and our Supplier Relations Charter. For Knauf Industries, this essential commitment is a real selection criterion.

Business ethics training

Immediately following their integration, all new Knauf Industries employees are familiarised with the rules relating to business ethics, and particularly concerning the prohibition of corruption. This teaches them how to react in high-risk situations. The Compliance Officer ensures that every employee observes the applicable laws and regulations.

Competition law and fair business practices

We familiarise employees with the need to comply with competition law, fair business practices and regulatory changes. Knauf Industries guarantees the observance of fair business practices, particularly with regard to competition and price transparency.

Similarly, the trade sanctions scheme is known and respected by employees. An internal policy is implemented within the Group. Tools exist that allow us to respect national and international rules and regulations concerning foreign trade and embargoes, within the context of our international trade relations.

Information security

Knauf Industries trains employees in the risks related to Internet crime and also implements a cookies management policy, in compliance with applicable regulations.

Alert mechanism

All employees have the means to report any signs of a violation of the Code of Conduct to the Compliance Officer. Knauf Industries has responded to every request sent to the dedicated email address that has been in operation since 2015.



NEW EMPLOYEES

All new recruits sign a statement of rules and sanctions relating to fair business practices and the attitude to adopt in relation to stakeholders.



5

OUR ENVIRONMENT

The Knauf Industries environmental policy is part of the general strategy. Our objective to reduce consumptions and emissions concerns our 43 sites, located in 8 countries. Each site then defines its own environmental objectives and involves personnel in continuous improvement actions, consistent with our general challenges and in compliance with applicable regulations and laws.

We support the Sustainable Development Goals (SDG):



ENVIRONMENTAL POLICY

THREE MAJOR OBJECTIVES defined concerning the environment



Reduce our CO₂ emissions by 50 % by 2032



Promote recycling and the optimum utilisation of natural resources



Reduce the materials, energy and water consumption in all our activities

Environmental policy

After consulting our stakeholders, we identified a priority environmental action: to reduce our consumptions and emissions through a series of actions:

- innovate for a circular economy, by using alternative materials that allow a recycling activity,
- adapt and optimise our energy choices and our industrial processes, through a continuous improvement approach.

These actions are detailed and the objectives for 2025 are defined in our environmental policy, published in 2022.

EMERGENCY SITUATIONS

All our sites, throughout the world, apply "Emergency situations management" procedures in case of fire or accidental dispersal. These procedures are defined in the Group safety directives.

Management system

Knauf Industries sites throughout the world operate using an integrated management system (QHSE and food safety) that certifies the identification, control, and systematic monitoring of environmental issues as well as quality, health, personal safety, and food safety.

This system allows us to be more relevant and efficient in the way we manage our activities, control our impacts, and seek improvements.

Environmental compliance

ISO 14001	Compliance of our management system with the regulatory environmental requirements in each country.
REDcert ²	Compliance of our management system and our products obtained from biomass with requirements related to renewable energy sources and the circular economy.
ICPE classification	Compliance of our French factories with the requirements of the French environmental code.

CONTINUOUS IMPROVEMENT

Industrial excellence

Achieving industrial excellence consists of monitoring our impact and improving our performance while remaining compliant with the quality, health, safety, environmental, and food health and safety standards, and with the legal and regulatory requirements of the countries where we operate.

The continuous improvement process consists of regular efforts to improve products, services or processes. Knauf Industries relies on a benchmark (see CSR report 2021) common to all divisions of the Knauf Group. It describes the behaviour required for the continuous improvement system to succeed.

The measured effectiveness of all the environmental actions is shared in a monthly reporting document that concerns all sites.

PLASTIC GRANULES

Long before the April 16, 2021 decree concerning industrial plastic granules, we adopted Operation Clean Sweep. The aim of this action was to fight against the loss of plastic granules into the environment. We have been rolling it out voluntarily since 2016 at our twenty French plants and since 2020 at five Spanish Knauf Industries plants. Our action consists of confining plastic granules and polystyrene beads within the perimeter of the production sites and is based on tools and methods that we have adapted and integrated into our "5S" approach. Our employees have been trained and empowered to prevent, clean up and eliminate losses during processing and transport operations.



Everyone involved

Every Knauf Industries site develops annual improvement plans. These include actions relating to health and safety, the reduction of consumptions and emissions, customer satisfaction and the quality of products and services, the reduction of production costs, and the awareness and training of employees.

These plans also develop the ability to adapt to changes, to work in contact with the regions and suppliers, and to stimulate innovation, in partnership with the sales force and ID Lab. The participants are the drivers of the continuous improvement processes, supported by the QHSE Managers. Regular management reviews help to ensure that our management system remains relevant, adequate, and efficient.

REDUCTION OF NOISE POLLUTION

Noise is measured around the perimeter of our sites at the regulatory intervals. In France, our sites classified ICPE are inspected every two years. If regulatory values are exceeded, noise is reduced at the source by installing cowlings on machines and/or by changing operating hours, to prevent noise at night.

REDUCING CONSUMPTIONS AND EMISSIONS

One of the major social challenges for Knauf Industries is to reduce consumptions and emissions on production sites.



Consumption of material

Quantity of EPS reintroduced into production
(Label More - France): **800 tons**



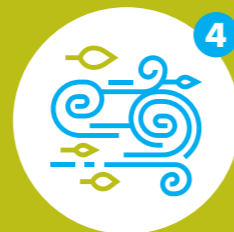
Water consumption

(France)
19 m³ / t



Energy consumption

Electricity	Steam
943 kWh / t	5,38 kWh / t



Greenhouse gas emissions

EPP and EPS
259,9 kt CO₂ éq.



Airborne emissions

Nitrogen oxides – NOX (France)	Volatile Organic Compounds - VOC (France)
1,7 kg / t	46 kg / t



Waste emissions

Recovery of production waste (France)
31 %

1

Material consumption in our products

Our objective, wherever possible, is to reduce the weight of material and to increase the proportion of recycled materials, in all our products. This is part of our eco-design principles (see also p. 21). We apply these rules for our standard product range and, wherever possible, for custom packaging and products that we co-develop with our customers.

We optimise product design to reduce the amount of raw material used, while maintaining the performance, functionalities and initial qualities. Over the last 15 years, all our packaging has been lightened, irrespective of the material. The weight of meat trays, for example, has been reduced by 12%.

We reduce the utilisation of virgin material by using reused, recycled and renewable materials. When allowed by regulations and by the specifications, we replace fossil-based raw materials (non-renewable) by alternative materials manufactured from recycled plastics or green waste (renewable resources). Products manufactured from alternative material must find their place on the market, through our customers who are looking for materials solutions compatible with the circular economy, i.e. materials derived from renewable and recyclable resources.

RECYCLING AND SUBSTITUTION

In 2022, we reintroduced 800 tons of EPS, collected through Knauf Circular®, into new products, particularly for protective packaging.

In 2020 and 2022, we launched three new materials:

- NEOPS®, based on green waste, replaces expanded polystyrene for packaging and moulded items,
- R'KAP®, based on recycled material, replaces new polypropylene for thermoformed or injected food packaging.
- CELOOPS®, based on post-consumer plastic waste, also replaces expanded polystyrene



Bottles case in NEOPS® for Duhallé

2

Water consumption

In France, on our 14 foam processing plants, we convert water into steam for EPS expansion and for the moulding of items in EPS and EPP. On the other sites, our water utilisation is limited to sanitary needs, the washing of rooms and production tools, or for fire fighting purposes.

For several years we have been taking action to reduce the amount of water consumed and to improve release quality:

- We measure our water consumption on a monthly basis, mainly in order to detect any leaks.
- We conduct the regular regulatory inspections on the release or liquid effluent on all our French sites that are classified ICPE.
- We check the quality of the underground water and the height of the water layer through bi-annual analyses at low water and high water periods.
- We maintain and conduct annual inspections of our disconnectors, in order to protect the public water supply network to which the site is connected.
- We replace defective equipment by more efficient equipment or systems. By 2025, in France, we plan to replace the rain water and industrial water networks, and to separate the networks if they are not already separated.
- In France, 13 of the 14 sites concerned are equipped with basins or buffer dams for rain water and the containment of extinguisher water that are also used for retention. Release to the exterior is isolated by a shutoff valve, to protect the natural and aquatic environments.

3

Energy consumption

In 2021, we conducted energy audits (electricity and steam) and a megadata analysis pilot action is currently being run to define practical actions to reduce consumptions beyond the reductions already achieved.

From 2013 to 2022, we reduced our electricity consumption by 18,9% on all our sites worldwide. This improvement is due to many continuing actions, including: modification of our facilities, the purchase of more energy-efficient equipment (compressors, refrigeration units, motors), the installation of low-consumption LED lighting, and the renewal of our computer hardware, reducing the number of printers, and printing less.

AWARENESS of the need to reduce energy consumption is regularly promoted by posters on all sites and is confirmed, in particular in the Health & Safety policy (see also page 14).

EQUIPMENT Late 2021, at our Cantarana site (Italy), we installed a new steam boiler, equipped with an economiser, that increases thermal efficiency by around 8%.



Cantarana site, Italy

4

Greenhouse gases emissions

We have defined an objective of reducing our greenhouse gases emissions by 50%, by 2032. This objective is shared by all our plants, worldwide.

In addition, in order to further reduce CO₂ emissions related to the life cycle of our products, we have installed the software GaBi. Through the life cycle analyses (ISO 14040), we shall measure our environmental impact and initiate reduction actions on the stages that create the greatest impact.

Finally, action is currently being taken with our suppliers to reduce emissions related to our sourcing.

- WAYS TO WORK**
- To achieve our reduction target, we are taking action in the following areas:
- reducing energy consumption in industrial processes
 - replacement of energy sources
 - alternative raw materials
 - management of raw materials and waste
 - eco-design

5

Airborne emissions

From 2013 to 2022, we reduced our nitrogen oxide emissions by 54% on all our EPS and EPP moulding sites in France. We replaced our last fuel boilers with boilers operating on Liquefied Natural Gas (LNG), which emit less pollution and are more energy-efficient.

We are working with our raw materials suppliers to reduce the pentane ratio in expanded polystyrene – pentane being the expanding agent in EPS. These actions enable us to now use materials with a lower pentane ratio, reduced from 7% to 4,56%.



Torcé site, Brittany, France

6

Waste

The reduction of our waste production is the result of several factors:

- quantities of materials used, related to our production volume and to our eco-design actions (see also p. 22),
- action that we have taken to better sort our miscellaneous waste and our production waste on our sites, in order to enable the waste to be recovered (see below),
- waste collection and recovery at the end of the life cycle (see also p. 23).

Sorting and recovery of production offcuts and rejects

In order to limit waste and to recover in-house our EPS (expanded polystyrene), EPP (expanded polypropylene) and PP (polypropylene) offcuts, they are ground to the required pellet size and reinjected as raw material into our own production.

Sorting and recovery of miscellaneous waste

Our consumables (films, label backings, cartons, pallets and miscellaneous packaging received in the plant) are sorted to be recovered and to avoid their deposit as industrial waste.

Sorting and recovery of collected EPS waste

All our French sites have local approval for waste collection, transport and recovery by grinding and compacting. According to the principles of the circular economy, they are taken to extrusion processes to be transformed into pellets and then reused in the manufacture of new products. When collected EPS waste cannot be reinjected into our own production, we compact it to obtain “cakes” that are then recovered externally.



OUR RESULTS

This CSR 2023 report presents the real changes and the actions conducted in 2022 and completes our previous report. Our indicators are aligned with our policies. They correspond to our priority challenges and objectives and are based on the main CSR benchmarks. In line with the principles of accountability and transparency, we are responding to our commitment to communicate the results of our actions.

OUR COMMITMENTS AND RESULTS

PRIORITY CHALLENGES	COMMITMENTS	INDICATORS	RESULTS 2021	RESULTS 2022	OBJECTIVES 2025
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GOVERNANCE AND CSR STRATEGIES - Act responsibly

INTEGRATING CSR INTO OUR ACTIVITIES	Improve the result of the annual CSR audit	EcoVadis score (/100)	60	59	66
	Steer CSR strategy	CSR Manager (yes / no)	yes	yes	yes
	Make the General Management of each country aware of CSR strategies and actions	General Managers of each country involved in CSR strategies and actions (nbr / nbr of countries)	1 / 8	1 / 8	8 / 8
	Create a CSR Ambassadors committee with one leader ambassador per country	Leader ambassador (nbr / nbr of countries)	6 / 8	6 / 8	8 / 8

OUR HUMAN CAPITAL - Provide a safe working environment

HEALTH AND SAFETY	Prevent work accidents and achieve a frequency rate <4	Work accidents frequency rate (number)	11,30	11,12	< 4
	Reduce the severity of work accidents and achieve a severity rate <0.5	Severity rate of work accidents (number)	0,45	0,43	< 0,5

DIVERSITY AND INCLUSION	Achieve 50% women employees	Women employees (%)	36,4	36,7	50
	Increase the ratio of women managers to 30%	Women managers (%)	21,9	22	30
	Implement actions in favour of diversity in recruitment	Job adverts with explicit mention of non-discrimination in recruitment (%)	n.d.	100	100
	Familiarise 80% of employees with the principles of diversity and non-discrimination	Employees aware of principles of diversity and non-discrimination (%)	n.d.	70	80
	Achieve a male-female equality index over 75 (France)	Equality index (score)	77,2 (France)	86,8 (France)	> 75 (France)
	Achieve totally fair male-female remuneration, for equivalent function, for all jobs (France)	Mean deviation in gross remuneration - female-male (%)	22,17 (France)	4 (France)	0 (France)
	Increase the disabled persons employment ratio to an average exceeding 6% on all sites (France)	Disabled persons (%)	6,09 (France)	6 (France)	> 6 (France)

WORKING CONDITIONS, COMMITMENT AND WELL-BEING	Maintain absenteeism ratio < 5%	Absenteeism (%)	3,39	3,90	< 5
	Maintain turnover < 12%	Turnover (%)	9,76	8,64	< 12
	Achieve 90% participation in the employees' annual commitment survey	Participation in the employees' annual commitment survey (%)	91,19	90	90
	Have a commitment improvement action plan drafted by 90% of managers (world-wide)	Managers who drafted an action plan (%)	95,32	87,85	90
Implement a Teleworking charter on 80% of sites	Sites with a teleworking charter (%)	50,2	57,57	80	

EcoVadis score of 64/100 in early 2023

PRIORITY CHALLENGES	COMMITMENTS	INDICATORS	RESULTS 2021	RESULTS 2022	OBJECTIVES 2025
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OUR HUMAN CAPITAL - Provide a safe working environment (continued)

INTEGRATION AND DEVELOPMENT OF SKILLS	Train all managers in Line Management practice	Managers trained in Line Management practices (%)	n.d.	100	100
	Conduct annual performance assessment interviews for all employees	Annual performance assessment interviews (%)	67,88	85,57	100
	Implement an integration programme for every new employee	General integration programme (yes / no)	yes	yes	yes
	Familiarise all employees with CSR and its integration into practices	CSR training programme exists (yes / no)	no	yes	yes
MOBILITIES AND CAREERS	Conduct an annual review of talents within the organisation	Annual talent review programme (yes / no)	yes	yes	yes
	Publish all job vacancies in priority for in-house employees	Job vacancies published in priority in-house	45	77,43	100

OUR SOLUTIONS - Innovating for a circular economy

SELECTION OF MATERIALS	Achieve 100% mono-material packaging products	Mono-material packaging products (%)	96,5	99	100
	Propose materials made from renewable or recycled resources as an alternative to fossil-sourced materials	Materials made from renewable or recycled resources available on sale (nbr)	3	4	5
RECOVERY OF MATERIALS AT END OF LIFE	Double the volume of EPS recovered at end of life cycle	EPS material recovered through national and local collection activities, such as Knauf Circular® (tons)	1145	1210	2290

OUR REGIONS - Openness to all stakeholders

CONSUMER HEALTH AND SAFETY	Maintain at least one Quality certification for 75% of the sites concerned	Sites with Quality certification - ISO 9001, IATF 16949 (%)	79	78,57	75
	Maintain at least one Food Health and Safety certification for 75% of the sites concerned	Sites with Food Health and Safety certification - ISO 22000, BRCS Packaging (% of sites concerned)	75	0*	75
	Maintain zero products withdrawal	Products withdrawal in France (Nbr)	0	0	0
CUSTOMER SATISFACTION	Maintain overall customer satisfaction > 90%	Customer satisfaction - Automotive market (%)	97,1	84,8	90
		Customer satisfaction - Agri-food market (%)	77,22 (France)	94 (France)	90 (France)
		Customer satisfaction - Building market (%)	78 (France)	76 (France)	90 (France)
		Customer satisfaction - Household appliances, HVAC, Industrial solutions markets (%)	94 (France)	95 (France)	90 (France)

*Because of the cyber attack in June 2022, we had to suspend our certifications.

PRIORITY CHALLENGES	COMMITMENTS	INDICATORS	RESULTS 2021	RESULTS 2022	OBJECTIVES 2025
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OUR REGIONS - Openness to all stakeholders (continued)

RESPONSIBLE PURCHASING	Commit our main suppliers to responsible purchasing	Main suppliers who have signed our Supplier Relations Charter (%)	50	50	100
	Make our central purchasers aware of responsible purchasing	Purchasers aware of responsible purchasing (%)	70	70	100
	Formally state and promulgate a responsible purchasing policy to all local purchasers	Responsible Purchasing Policy (yes / no)	no	no	yes

DIALOGUE WITH STAKEHOLDERS	Share our CSR performance with stakeholders annually	CSR report available on our website and on Global Compact website (yes / no)	yes	yes	yes
	Create partnerships with local associations for inclusion, local employment and the environment	Partnerships with local associations (nbr)	32	49	40
	Welcome visitors on all our sites	Events per year (all plants) (nbr)	26	8	43
	Encourage training of young people	Apprentices and trainees received (nbr)	81	72	90

BUSINESS ETHICS	Maintain 100% analysis of risk of corruption among customers and suppliers	Sites having conducted a corruption risk analysis (%)	100	100	100
	Make new employees aware of ethics rules through Knauf Code of Conduct	Code of Conduct handed over to every new employee (yes / no)	yes	yes	yes

OUR ENVIRONMENT - Reducing our consumptions and emissions

ENVIRONMENTAL MANAGEMENT SYSTEM	Obtain at least one environmental certification for 50% of the sites concerned	Sites with environmental certification - ISO 14001, REDcert ² (%)	53,5	66	50
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WATER CONSUMPTION	Reduce our water consumption by 10% (France)	Water consumption (m3 / t)	17 (France)	19 (France)	15 (France)
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ENERGY CONSUMPTION	Reduce our electrical energy consumption by 10%	Electricity consumption (kWh / ton material)	904	943	815
	Reduce our steam consumption by 10%	Steam consumption - all energy sources combined (kWh / ton material)	5,26	5,38	4,5

GREENHOUSE GAS EMISSIONS	Reduce our CO ₂ emissions by 25%	EPS - EPP carbon footprint (kt CO ₂ eq. / ton material)	267,4	259,9	178
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AIRBORNE EMISSIONS	Reduce our Volatile Organic Compounds (VOC) emissions by 25%	Volatile Organic Compounds (VOC) emissions (kg / ton)	47 (France)	46 (France)	35 (France)
	Reduce our Nitrogen Oxide (Nox) emissions by 8%	Nitrogen oxide emissions in plants (kg / t)	1,6 (France)	1,7 (France)	1,5 (France)

PRODUCTION WASTE	Increase recovery of waste related to production by 30% - excluding raw materials	EPS - EPP production waste recovery ratio (%)	31 (France)	31 (France)	90 (France)
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Note: our commitments for 2025 are applicable to all our activities world-wide. However, our data collection and compilation system is in the process of being created, and some results still only concern a limited perimeter. These are shown between brackets.

LINKS WITH THE CSR BENCHMARKS

In the absence of a sector-based benchmark and extra-financial reporting obligation, Knauf Industries took inspiration from the CSR benchmarks in force to structure its corporate social responsibility approach.

UNITED NATIONS GLOBAL COMPACT (UNGC)	SUSTAINABLE DEVELOPMENT GOALS (SDG)	ISO 26000 + GLOBAL REPORTING INITIATIVE (GRI)	DECLARATION OF EXTRA-FINANCIAL PERFORMANCE (DEFP)
We signed the Global Compact commitments and respect its 10 original principles. See page 11.	Related to Global Compact and the United Nations, we support the Sustainable Development Goals. See below.	Our CSR action is based on the guidelines of these international benchmarks.	Our indicators are aligned with those of the DEFP, although our units are not subject to mandatory extra-financial reporting
Link: www.globalcompact-france.org/	Link: www.agenda-2030.fr/	Links: www.iso.org/fr/iso-26000-social-responsibility.html / www.globalreporting.org/	Link: www.ecologie.gouv.fr/rapportage-extra-financier-des-entreprises

WE SUPPORT THE SUSTAINABLE DEVELOPMENT GOALS

Knauf Industries undertakes to reduce its footprint throughout the company and in compliance with the Agenda 2030 and to 15 of the 17 Sustainable Development Goals (SDG) defined by the United Nations.



In 2021, Knauf Industries has been a member of the "SDG Ambition" programme, organised by Global Compact.

This programme is aimed at enabling major companies, world-wide, to define ambitious objectives and targets in the fields that will have the greatest operational impact on the SDG (Sustainable Development Goals).

In 2021 and 2022, two representatives of Knauf Industries actively contributed to the programme and to the SDG Ambition workshops. In order to increase our contribution to the SDG by 2030, the action plan objective is "materials 100% sustainable that are renewable, recyclable or reusable".

Link: <https://unglobalcompact.org/take-action/sdg-ambition>

METHODOLOGY AND ACKNOWLEDGEMENTS

This CSR 2023 report aims to start a dialogue with all stakeholders concerning our value-creation strategy incorporating our social responsibility – More than just words: actions.

CSR approach and drawing up of the report

2019

- Creation of a CSR Steering Committee and a team of “CSR Mission” Ambassadors
- Commitment to the United Nations Global Compact
- CSR audit of existing practices



2020

- Identification and prioritisation of our stakeholders, and consultation with the main ones
- Selection of the most relevant issues in view of our strategic priorities and the expectations of our stakeholders



2021

- Selection of our own indicators, in the absence of a sector-based benchmark and extra-financial reporting obligation
- Data collection via the specific systems for each trade and each country
- Publication of our first CSR report, structured according to our major challenges and CSR strategies



2022

- Publication of three new policies: CSR, Environment and Human Capital, jointly with the Ambassadors
- Membership to the SDG Ambition programme, organised by Global Compact France
- Strong involvement of international teams in the collection of structured data
- Publication of second CSR report

Scope and period

This report covers the activities of Knauf Industries in 2022 and in the eight countries where it is present. Because data collection and consolidation is not yet systematic, we have specified the year and scope concerned whenever they are different.

CSR governance

The Executive Committee, the Steering Committee, and the 43 Ambassadors of Knauf Industries actively participated in the strategic analysis and drafting of the CSR action described in this Report.

Acknowledgements

This report was created with the participation of many Knauf Industries employees who attended workshops or contributed to the collection of the CSR data presented in this report. We would also like to thank our external stakeholders who were kind enough to cast a constructive eye over our activities and our CSR action.

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Availability

This report is available on the United Nations Global Compact website and our website, www.knauf-industries.com. You can help to improve the report by sending your comments to us at the following address: mission.csr@knauf.com.

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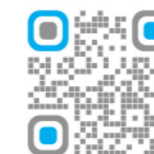
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