



DEUTSCHE
AMPHIBOLIN-WERKE
VON ROBERT MURJAHN

Sustainability Report 2022



Contents

1.

THE COMPANY

DAW Profile	4
Sustainable Products - Sustainable Company	5
Sustainability at DAW	6
Statement by the Sustainability Team.....	7

2.

CLIMATE AND THE ENVIRONMENT

Environmental Management.....	9
Data Collection on Climate and the Environment.....	10
Energy Management	11
More Sustainable Façade Products.....	12
Innovation Management.....	14
PCR Buckets	15
Study Shows: Camelina Increases Biodiversity	16

3.

SOCIAL

Vocational Training and Further Education.....	18
Workplace Safety.....	21
Employee Survey “Pulse Check”	22
Sustainability in Ukraine.....	23
Social Commitment at DAW.....	25
Corporate Health Management.....	26

4.

GOVERNANCE

Act on Corporate Due Diligence Obligations in Supply Chains	28
Compliance.....	30

5.

PARTNERSHIPS

UN Global Compact (UNGC).....	32
German Sustainability Award	32
DGNB	33

1. The contents of this report are examples from the DAW world and are not intended to be exhaustive. If you'd like to point out additional activities, please feel free to write an email to nachhaltigkeit@daw.de.

2. In case links don't work, please notify nachhaltigkeit@daw.de - thank you.



The Company

DAW Profile

DAW SE, HEADQUARTERED IN OBER-RAMSTADT (SOUTHERN HESSE, GERMANY) IS EUROPE'S LARGEST PRIVATELY-OWNED MANUFACTURER OF BUILDING COLOURS AND THERMAL INSULATION MATERIALS.

For over 125 years, we have been a reliable partner for our clients and suppliers. With innovative products and ideas, our brands improve the building performance and thus contribute to enabling people to live and work in healthier, more efficient, better designed, and more sustainable buildings.

Even in the fifth generation, our corporate strategy is based on the values of the owner family: fair business conduct, innovative power, and a sustainable business and product philosophy as ONE DAW. This is the basis to successfully face growing challenges, changing markets and upcoming regulations in the future.

We owe our strong market position to our well-known brands:

- **Caparol:** the leading provider of professional coating materials for buildings
- **Alpina:** the best-known paint brand in Germany, offering tailor-made products for private customers
- **Alsecco:** the façade and ETICS specialist with direct distribution
- **ALLIGATOR:** the professional brand fulfilling the needs of small- and medium-sized craft enterprises
- **DISBON:** the brand for professional product systems for floor coating and remedial concrete maintenance
- **KRAUTOL:** the professional brand for the building materials supplier

Key data:

Company headquarters: Ober-Ramstadt

Production sites worldwide: 24

Ownership and legal form: Family-owned business, SE

Company size: approx. 5,600 employees



Sustainable Products – Sustainable Company

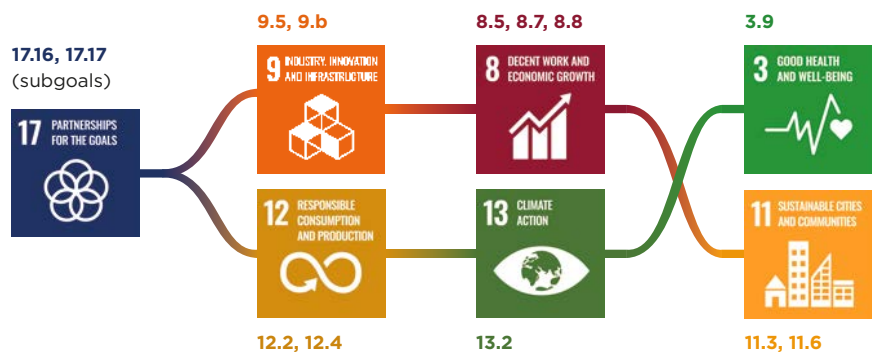
FUTURE READINESS TAKES PLACE ON SEVERAL LEVELS: WITH OUR PRODUCTS, WE CONTRIBUTE TO CREATING MORE SUSTAINABILITY FOR BUILDINGS. ADDITIONALLY WE SHAPE SUSTAINABILITY INSIDE OUR OWN COMPANY.

As part of our long-standing ambitions in sustainability, we support the realisation of the UN’s Sustainable Development Goals (SDG) as a holistic task comprising economic, ecological, and social development aspects.

We realise focused investments into product innovations which equally promote health, sustainability, and efficiency. Since our products sustainably improve buildings, e.g. by extending the life of the building by means of protective coatings or by helping save energy with modern external thermal insulation composite systems, we combine fulfilling the needs of our customers with our own entrepreneurial targets.

Alongside product innovations aiming at saving resources, such as using recycled materials for packaging and actively searching for renewable raw materials, we as a company are also engaged to environmental protection. As a manufacturing company, we use green power and optimised logistics in order to improve our carbon footprint.

We are also aware how important appreciative interactions and social responsibility towards our employees, customers, partners, and society as a whole are for ensuring success in the long term.



Our sustainability activities are defined in line with the SDGs along the entire value chain – starting with our suppliers via our own business activities all the way to the buildings which use our materials.

Sustainability at DAW

FOR US AS A FAMILY-OWNED COMPANY IN ITS FIFTH GENERATION, SUSTAINABILITY IS A MAJOR COMPONENT OF OUR CORPORATE STRATEGY.

The scope of this Sustainability Report

The present report deals with all business units in which DAW holds at least 50% interest: this includes, among others, the international subsidiaries and distributors like the CMS group. Its scope thus reflects the financial reporting, but in terms of depth, it is only capable of providing a first insight into the activities. There are many more details to discover.

Organising sustainability

Sustainability has been playing an important role for DAW for more than a decade. During this time, the Sustainable Development Goals (SDG) have served for developing a sustainability strategy, developing a climate strategy for Germany, entering into partnerships, and winning several sustainability awards. With the EU Green Deal and the resulting legal obligations as well as the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), the topic of sustainability is now being realigned. As a large mid-sized company, DAW SE will act and report comprehensively according to the new EU CSRD (Corporate Sustainability Reporting Directive) starting with FY 2025; and already starting with FY 2023 according to the national Act on Corporate Due Diligence Obligations in Supply Chains.

Management responsibility

Due to the raised priorities, the sustainability team was enlarged and re-organised in FY 2022. Since June 2022, sustainability as a staff function is reporting directly to the Board, i.e. the Chief Supply Chain Officer (CSCO), Daniel Weber. Since October 2022, the team consists of four employees who organise the area of sustainability on the DAW level. They collect relevant sustainability data, establish a strategy with several interfaces, and drive forward the internal sustainability communication.



Statement by the Sustainability Team

Dear colleagues,

Being successful on the market as a family-owned business means taking on responsibility. For our company, our employees, our business partners, our customers – and not least for generations to come.

We in the sustainability team feel and experience this commitment every day. And it keeps on growing. DAW already developed a sustainability strategy in the past oriented along the UN Sustainable Development Goals (SDG) which will be realigned in the future in line with the new EU Green Deal regulations. Therefore us as the Sustainability Management team we contribute our part in order to secure DAW for the future.

We regard ourselves as a cross-departmental function – all business areas, departments, and subsidiaries are included, all colleagues are called upon to participate. Sustainability is relevant for all of us, which is why we are pleased to experience support from everyone throughout the company. We have summarized the results of this commitment and the initiatives in this first report. It shows how far we have come already and provides an overview about the sustainability activities of DAW.

Yours sincerely

Dr. Berit Walter, Julia Schindler, Bettina Klump-Bickert and Martina Meyer
(from left to right)





Climate and the Environment

Environmental Management

AT ALL GERMAN LOCATIONS, AND GROUPWIDE IN DUBAI, ITALY, ROMANIA, SPAIN, AND AUSTRIA, THERE ARE ENVIRONMENTAL MANAGEMENT OFFICERS LOOKING AFTER ENVIRONMENTAL MANAGEMENT ON-SITE.

In the future, the function of the Environmental Management Officer is to be rolled out all across DAW. The aim is to establish basic standards, e.g. for emissions and water protection, for all locations. Moreover, all locations are to be enabled to pass an ISO 14001 certification. For the implementation, an Environmental Manager was hired in 2022.

the Hazardous Incidence Reporting Ordinance because hazardous materials are stored there in quantities above certain legal limits. A hazardous incident plant is in regular contact with the relevant authorities and is subject to higher demands on transparency.

PRACTICAL EXAMPLES AT THE OBER-RAMSTADT LOCATION:

Water protection

In Ober-Ramstadt, water protection is on the agenda. By 2026, the drainage concept needs to be reworked, since the location has a direct discharge into the stream Modau. In order to safeguard water protection, new standards need to be adhered to.

Hazardous incident plant

In Germany, we have two locations that are classified as hazardous incident plants: Köthen, and – since the opening of the high-bay warehouse in September 2022 – Ober-Ramstadt as well. Hazardous incident plants are facilities that are subject to



Data Collection on Climate and the Environment

IN THE AUTUMN OF 2022, A GROUP-WIDE COLLECTION OF CLIMATE AND ENVIRONMENTAL DATA WAS STARTED IN ORDER TO GET AN OVERVIEW ABOUT THE STATUS QUO.

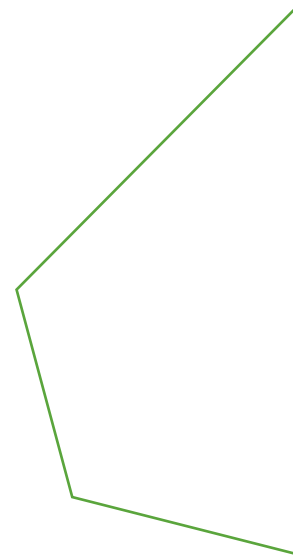


A total of 90 group subsidiaries in which DAW holds more than a 50% interest with a total of 302 plants and facilities (e.g. production sites, warehouses, sales premises) was surveyed, representing the majority of the group.

Simultaneously, trainings were organized to inform all employees in detail about the requirements and the amount of data needed. The collected data were condensed to form the first group-wide climate balance sheet.

Since environmental data was collected alongside the climate data, the survey not only provides an overview over emissions, but also about scrap, waste management, and water consumption. Numbers and information which are currently not available were deduced in the first step.

The aim is to establish a continuous and complete data collection as a basis for sustainability reporting aswell as target tracking. By 2025, the process and the precision of the data have to be significantly improved.



Energy Management

ENERGY OFFERS TWO LEVERS FOR MORE SUSTAINABLE ACTION: PRODUCTION AND CONSUMPTION.

For the DAW energy management, a group-wide function was created in 2022. Since several German DAW locations – e.g. Ober-Ramstadt, Fürstenwalde, Köthen, and Nerchau – are certified according to ISO 50001 and already have a certified energy management system in place, the new function is to ensure that the energy management standards will also be communicated to the non-certified locations through central processes in the future.

It's better together: the responsible people at the certified locations entered into a regular exchange and work together to find solutions for the challenges of energy saving and decarbonisation. As a result, legal regulations and internal standards can be transmitted quickly in the future, and all can learn from each other's experiences.

Good news in terms of realisation: in FY 2022, two photovoltaic systems with a performance of 100 kWp each were installed in Poland, making it possible to produce about 201,000 kWh of electricity per year. For 2023, additional systems are planned – among others in Spain, Italy, and at the Ober-Ramstadt headquarters. The nominal capacities range from 1 kWp for a façade system to 380 kWp.

An important milestone in 2022 was changing the building heating at the Ober-Ramstadt headquarters to heat pumps. Due to that, and thanks to lowering the room temperatures at all German locations, significant savings in terms of heating could be realised. Compared to the four months September–December 2021, the savings in the same period of 2022 resulted in 36%!

By opening the high-bay warehouse in Ober-Ramstadt in September 2022, there is now an additional option to save CO₂. The higher warehousing capacity makes it possible to return articles and volumes from the field warehouse to Ober-Ramstadt. The opening has resulted in an increase in efficiency and at the same time carbon savings due to fewer transport activities.



-36 %

savings in terms
of heating consumption
at all German locations
due to a lower
room temperature

More Sustainable Façade Products

IN OUR FAÇADE BUSINESS AREA, WE ARE WORKING ON MORE SUSTAINABLE SOLUTIONS IN ORDER TO REDUCE OUR CARBON FOOTPRINT IN MANUFACTURING OUR PRODUCTS, DURING THE USE PHASE, AND AT THE END OF THE PRODUCT LIFECYCLE.

Due to the increasing demands on sustainable buildings, especially in the area of energy savings via insulation, we foresee a continued positive development in our façade business area. Increasing building refurbishment indicates a growing demand in terms of external thermal insulation composite systems (ETICS).

Our fields of action for reducing the carbon footprint in the system setup and in product manufacturing comprise:

- Alternative raw materials/insulating materials
- Biomass balance
- Sustainable production
- Packaging
- Supply routes
- Reducing consumption per m²

The three steps of the Sustainability Roadmap:

STEP 1:

Targeted system/product selection with a focus on reducing the material input

By substituting the standard selection by “lightweight products”, a positive carbon effect in manufacturing is being generated.

Handling insulation material residues in production and at the construction site

During manufacturing of insulation materials, residues accumulate. These are being reintegrated into the manufacturing process to 100%.

Even today, with EPS and mineral wool, the construction site residues are collected, delivered to the manufacturer, and recycled at nearly 100%.



100%

return of construction site residues
to the manufacturing cycle (EPS
and mineral wool)

50%

recycled raw materials
for ETICS is our goal

STEP 2:

Product optimisation with a focus on products and raw materials with a large carbon footprint

In the area of insulation materials, alternative insulation materials with a lower carbon footprint can be considered for the external thermal insulation composite system, such as wood fibre insulation. For raw materials with a large carbon footprint, there are various approaches for improving the emission balance of our products:

- Binders → Solution approaches through direct utilisation of renewable raw materials rather than fossil raw materials, or via the biomass balancing process: Over the course of this process, renewable raw materials such as bio-naphtha or bio-methane are used as raw materials in producing basic chemical substances
- Fillers → Reformulation in order to use new raw materials with a smaller carbon footprint
- Titanium dioxide → We are researching with our partners, which possibilities there might exist

STEP 3:

System and product development with a focus on using recycled raw materials

The aim is to develop a sustainable ETICS which contains at least 50% of recycled raw materials. Challenges comprise availability, assured delivery, technical performance, reproducibility, and the colour of recycled raw materials.

Further sustainable solutions for the façade even during the use

As a product choice for thermal insulation systems, we offer solutions, providing an additional contribution to sustainability during their usage lifespan. Cases from our product portfolio include climbing support for plants as part of the façade solution. Currently, the plants need to be planted in the ground; but we are working on a solution which will no longer require direct soil planting. This system serves several purposes: providing shade, natural climate control, and even air cleaning.

Another solution is using photovoltaics on the façade in order to produce carbon-neutral energy. Within the framework of carbon balancing, we can thus provide a contribution to the required efficiency house classes. As one of the pioneers in holistic adjusted system solutions, we continuously develop the system further. It can be flexibly integrated into external thermal insulation composite systems on the façade.



Innovation Management

GROUP INNOVATION REINFORCES THE INNOVATIVE POWER OF DAW AND THUS CONTINUALLY IMPROVES OUR MARKET POSITION.

The focus of our innovation efforts is on providing applications and solutions for relevant markets and target audiences. Central building blocks are the business fields building envelope systems, interior, as well as industrial and special surfaces which serve all three regions (Germany, Western Europe, Eastern Europe) and which are responsible for product development, the international product management, and application technology.

Coating robots

One important innovation is the coating robot by Caparol and Okibo. Here, DAW together with the Israeli robot manufacturer Okibo is developing a concept robot to support the painter at the construction site. It's a milestone in coating technology, since robotics finds its way into the painting trade. The advantages of the robot are its permanent availability at the same level of quality, the positive health effects for the painter, and the possibility of doing something against the shortage of skilled labour in the crafts.

The current status of the development was presented at the trade show BAU 2023.

TriMaXX Venti

Capacryl TriMaXX Venti is an innovative, water dilutable universal lacquer based on a bimodal binder. As a real alternative to solvent-containing products, it is appropriate for high-quality

paintwork on a great range of surfaces, both indoors and outdoors.

The fact that our customers are thrilled by this future-oriented lacquer is reflected in the sales numbers: already during the first year on the market, the quantity sold was sufficient to coat about 1.2 million window frames.

Patents

DAW is continuously working on innovations – also in the area of sustainability. In 2022, eight new patents were registered, two of them with sustainable use. Those formulations were adapted using a substitute filler which is less carbon-intensive.

Product line “Restart” for reconstruction

Caparol Ukraina has responded to the war and the corresponding challenges by developing new products under the name of “Restart”. Restart is a product line by Alpina which has been developed specifically to meet the demands of reconstruction. With it, home owners can rebuild their damaged houses themselves. They receive additional help in terms of videos with how-to guides and pointers for repairing. The products can be used for inside rooms just like on the outside façade. Caparol Ukraina was honoured for this with the award “Building Material Manufacturer 2022”.



PCR Buckets

ONE BUILDING BLOCK FOR MORE SUSTAINABILITY IS ENVIRONMENTALLY FRIENDLY AND RECYCLABLE PACKAGING.

Packaging made from recycled plastic (“PCR”) has practically the same properties as traditional packaging, they combine robustness and dimensional stability, and they make sure that the products reach our customers intact and safe. For manufacturing the recycling buckets, we are using recycled plastic from consumer waste, such as plastic bottles. The PCR proportion reaches up to 75%. Per 12.5 l pack, we are thus saving 0.4 kg of CO₂ – and that for a continually increasing number of products. Moreover, all plastic buckets are recyclable.

The lids of the buckets still continue to be made from virgin plastic in order to fulfill all stability requirements.

In 2022, DAW used more than 7,000 tons of polypropylene at all its German filling locations. Furthermore, 500 tonnes were recycled plastic, i.e. about 7%. Many units are already selling their products in PCR buckets:

Germany:

- Caparol started the changeover in February 2022. So far, all products for interior use, such as interior paints and fillers, have been converted
- Alpina started the changeover for their top product “Alpina-weiß” in May 2022. Over the course of the year, all packaging sizes – including “Alpinaweiß Seidenlatex” – were converted.

France:

- Since late 2022, filling takes place only in PCR buckets.

The Netherlands:

- Since 2020, products are sold in PCR buckets.

Ukraine:

- Since 2022, the products “Caparol Premium Clean” and “Caparol Premium Color” are being sold in PCR buckets.



75 %

recycled plastic
in the new
recycling buckets

Study Shows: Camelina Increases Biodiversity

FOR THE FIRST TIME, A STUDY DELIVERS PROOF FOR INCREASING BIODIVERSITY.

With the aim of creating a raw material efficient economy based on renewable resources, DAW has developed high-quality glazes and wood oil which are based on a particularly sustainable raw material: the oil of the camelina plant.

Another ecological benefit: the mixed cultivation of camelina and peas increases the amount of flowers offered in our growing monotonous agricultural landscape, offering insects – especially the current rare wild bees, bumblebees and hoverflies – an attractive source of nutrients. In order to provide scientific proof of the positive effects that were to be expected, a biologist accompanied the project since 2019 which was funded within the Federal programme for biodiversity by the Federal Agency for Nature Conservation with money from the Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety.

The result: at the end of the three-year observation phase, significantly more pollinator species on the field with mixed cultivation with camelina could be ascertained compared to the field with only peas – among those species were endangered wild bees like the rare violet-winged mining bee (*Andrena agilissima*, wild bee of the year 2019) and the endangered hoverfly *Sphaerophoria philanthus*. Also the sharp-tailed bee *Coelioxys elongata* and numerous brush-footed butterflies could be observed.

The camelina project will be further expanded. With its own regional and environmentally friendly supply chain – from sowing all the way to the finished lacquer can – DAW has broken completely new ground. We can thus show how innovative ideas and sustainable holistic concepts can successfully combine quality, ecology, and economy while strengthening biodiversity at the same time.



leben.natur.vielfalt
das Bundesprogramm

 Bundesministerium
für Umwelt, Naturschutz,
nukleare Sicherheit
und Verbraucherschutz

 Bundesamt für
Naturschutz



Scheck

Zahlen Sie gegen diesen Scheck
zehntausend
EUR Betrag Euro, Ort DE 10.000,-

Kinder- und Jugendkasse BETHEL
Enges, 19.11.2022

ALLIGATOR
mach's einfach.

Social

Vocational Training and Further Education

IN A WORKING ENVIRONMENT THAT KEEPS CHANGING FASTER, DAW COMBINES THE SECURITY OF A FAMILY-OWNED COMPANY WITH THE WIDE RANGE OF POSSIBILITIES FOR DEVELOPMENT OFFERED BY AN INTERNATIONALLY SUCCESSFUL COMPANY.

The fact that DAW is so attractive as an employer is no coincidence. With our joint goal of always increasing the performance of buildings and in doing so improving people's lives, DAW offers a multitude of possibilities for vocational training, further education, and career options in a wide range of different areas. With our corporate culture that has grown for five generations, we create an environment for all our employees where each individual can contribute their personal talents and unfold their full potential.

For this, we support our employees locally with numerous programmes throughout the group.

Leadership Programme

Within the scope of the international DAW Leadership Programme, the DAW leadership culture is developed and – according to ONE – established across the entire group on the basis of our core competencies. Starting with top management, step by step all executives will be trained. In 2022, a total of 50 executives in three German-speaking and two international groups have completed the programme. The programme will be continued in 2023.

Supply Chain Leadership Programme

In our plants in Gerstungen/Richelsdorf, Enger, Nerchau, Meldorf, Köthen, Fürstenwalde, Perg (A) and Wels (A), in 2022, team workshops were held with all production managers in order to achieve a common understanding of leadership and to grow together as a leadership team. Additionally in Ober-Ramstadt, about 30 participants from the target audience of team speakers attended workshops on “Shopfloor Management”.

In the SC Leadership Programme for the period 2022–2024, about 160 managers and executives from Germany and Austria will take part.

Further Education Switzerland – Qualifying Programme

The Qualifying Programme of DAW Switzerland is an internal further education programme in which the entire Swiss distribution team (about 70 people) took part in 2022. The topics revolve around the products and how they are used. In addition, external further education measures were supported by DAW Switzerland. Those comprised e.g.:

- Further education in Accounting
- Master of Advanced Studies ZFH in Controlling or in HR Leadership

19

DAW vocational trainees were taken on in a permanent employment relationship

TALENT PROGRAMMES

Discovering and promoting talents is a task particularly important. With the right promoting measures, we prepare our employees for their optimal career steps.

Accelerator

The Accelerator is a DAW development initiative for employees with leadership talent. The programme is offered internationally. In 2022, two modules were carried out: “Leading Innovation” and “Leading Transformation”. We are happy that more than a dozen young committed colleagues took advantages of this opportunity.

International Management Trainee Programme

In the fall of 2022, five international trainees started their programme. They will spend time working in the departments of HR, Controlling, Supply Chain, Marketing, Regional Management, Product Management and Innovation Management.

VOCATIONAL TRAINING

DAW

DAW is currently offering vocational training at the seven production locations in Germany in different professions: Industrial Management Assistant, Management Assistant in Office Management, IT Specialist for System Integration, Lab Technician for Lacquers, Warehouse Logistics Specialist, Warehouse Operator, Chemical Technician, Painter and Varnisher, Mechatronic Technician, Chemical Production Specialist, Dual Course of Study in International Management of Business and Information Technology, Dual Course of Study in Business Informatics, Dual

Course of Study in Cybersecurity, Dual Course of Study in Business Administration and Engineering with a focus on Technical Sales, Dual Course of Study in Industrial Management. Starting in August 2023, the vocational training for Machine and Plant Operator, for Chemical Laboratory Assistant, as well as the Dual Course of Study in International Business will be added. The total number of vocational trainees fluctuates due to the final exams that take place over the course of the year. By the end of 2022, there was a total number of 70 vocational trainees and students in a dual course of studies. In 2022, 24 vocational trainees and students in a dual course of studies finished their training. 19 vocational trainees were taken on in a permanent employment relationship.

In August 2022, 35 vocational trainees and students in a dual course of studies started their respective training courses at six different locations.

CMS Group

About 200 vocational trainees are learning their job as Wholesale Manager and Warehouse Logistics Specialist. The retention rate of 80% shows that the relevant target image for employee development and vocational adjustment of the CMS Group is realistic and can be achieved well within the vocational training operation.



Training for employees in Ukraine

Until May, working conditions in Ukraine were very limited so that the company focused on training its employees. Alongside internal webinars, e.g. on the products, 2022 saw the start of a cooperation with an English school. A total of 40 employees took part in English courses. These measures helped to strengthen the team spirit and improved the product understanding by the employees. Even soft skills were trained in 2022. The Ukrainian company organised two meetings in which the employees could optimise their social competencies.



Workplace Safety

THE HEALTH AND SAFETY OF ALL OUR EMPLOYEES IS OUR TOP PRIORITY.

Strategy

For DAW as a manufacturing company, workplace safety is paramount. A comprehensive safety culture calls for a strategy for workplace safety that spans the entire company. It is based on three fields of action: Information, organisation, and standardisation.

Information

Safety topics are being anchored in employees' minds by means of regular communication. This is a fixed part of the workday where connections and the interplay of different factors are made transparent to all employees, promoting safety-conscious behaviour as a matter of course.

Organization

Structured processes which reflect workplace safety and environmental protection in a comprehensible way are the most important prerequisites for successful workplace safety management. They make it possible to evaluate and optimise successful models.

Standardization

DAW's global OHS regulations create an uniform workplace safety standard across all locations. All safety-relevant topics are thus defined and regulated in a binding way, representing the workplace safety management system of DAW.

The basis for the field of action is tended by the team of the national and international safety officers. They look after improving workplace safety across the DAW group and support management in executing appropriate measures.

Workplace Safety Policy

The Workplace Safety Policy with its four basic tenets was approved by the Board in March 2022. It pursues the goal of preventing accidents, work-related illnesses, as well as physiological and psychological distress at work. Further information about the Workplace Safety Policy as well as additional information on the topic of workplace safety are available in the current [Workplace Safety Report](#).





Employee Survey “Pulse Check”

DURING THE SECOND SEMESTER OF 2022, A GROUP-WIDE EMPLOYEE SURVEY WAS CONDUCTED FOR THE FIRST TIME - OUR “PULSE CHECK” - IN ORDER TO CAPTURE THE ATMOSPHERE IN THE COMPANY ONCE EVERY SIX MONTHS.

All DAW employees were able to take part in the survey - and more than 2,000 participants completed it. Among the topics were access to information and the exchange among colleagues; clarity about goals and priorities; one's own added value to the success of the company; and the readiness to conduct open and honest conversations. Other topics comprised responsibilities and competencies; accepting decisions; appreciative interaction; conflict resolution; and the compatibility of private and professional interests.

The results were discussed with the respective teams in order to receive direct feedback. A second survey took place in spring 2023 and will be repeated at regular intervals to be able to detect developments.

In order to get an overview of the current situation and the spirit among the distributors, employee surveys were also conducted at the wholesalers on topics like working conditions, development possibilities, social benefits, cooperation, leadership, organisation, management, and corporate culture. The results of these surveys will form an important basis for improvement measures.



Sustainability in Ukraine

CAPAROL UKRAINA HAS BEEN A MEMBER OF THE UN GLOBAL COMPACT NETWORK SINCE 2019, AND IT IS STRONGLY COMMITTED TO SUSTAINABILITY. EVEN AFTER THE ONSET OF THE RUSSIAN INVASION, THE SUSTAINABILITY ACTIVITIES ARE CONTINUOUSLY DRIVEN FORWARD.

In 2022, the focus of the sustainability activities by Caparol Ukraina was on human rights and work relations, since due to the war, it was clear that responsibility was to extend first and foremost to the people. At the same time, the colleagues on site continue to work on projects that contribute to saving resources and protecting the climate.

Education for business partners and clients

Despite the war, the partners of Caparol Ukraina continuously received further education so as to be able to expand their competencies. For this purpose, workshops, online webinars, videos on reconstruction, as well as five training master classes within the partner network were conducted. The overarching goal of these measures was to expand longer-term relationships and to establish a culture of brand ambassadorship.

Rebuilding a business centre

Caparol Ukraina took an active part in rebuilding a business centre. Caparol materials were used, and trainings were conducted on how to reconstruct buildings properly.

Anti-corruption

Caparol Ukraina, together with representatives of the UN Secretary General in Ukraine and other invited experts from leading Ukrainian companies and the public sector, worked on developing an anti-corruption course. The series of educational measures were created with support from the Ukrainian Ministry for Digital Transformation and the Office for Entrepreneurship and Export Development.

All their activities are summarized in this year's Caparol Ukraina [sustainability report](#).



Caparol Ukraina again took an active part in volunteer work in 2022. The company distributed kits containing petrol and clothing; vehicles were coated with Caparol materials; employees prepared meals for the people in need, administered first aid, and helped people who had to evacuate or move to another location.

Employee safety

A particular emphasis in 2022 was put on employee safety. Directly after the onset of the war, chat groups were established where colleagues could enter into an exchange with each other. These chats were not only information channels, but also served as emotional support. The entire staff were instructed and signed a pledge to go to the secured areas in the event of an air raid alarm. Nobody is allowed to stay in the office and run any risk during an alarm.



Social Commitment at DAW

Christmas event “Arche”

Just like in the previous year, DAW supported the “Arche” in Frankfurt am Main: At the Ober-Ramstadt location, employees fulfilled children’s Christmas wishes.

Christmas event “ALLIGATOR”

For the fifth time already, the “ALLIGATOR Farbwerke” in Enger supported the children’s and adolescents’ hospice in Bethel with a donation of 10,000 euros. The children’s and adolescents’ hospice in Bethel offers ten places for children and adolescents who suffer from a life-shortening disease. There are also rooms where parents and siblings can stay. In this way, an entire family can be housed and cared for. Thanks to the ALLIGATOR donation, many additional leisure time activities for the siblings of severely ill children can be conducted.

Inclusion

For more than ten years, we have been cooperating with the “Nieder-Ramstädter Diakonie”, a foundation active in helping handicapped, young and old people. Alongside financially supporting the foundation, DAW offers work for handicapped people in our Ober-Ramstadt plant.

Donations to Ukraine

With the onset of the war in Ukraine on 24 February 2022, there was increasing concern about the health and safety of our employees on-site and their families. DAW reacted promptly: providing monetary support so that the employees on-site were able to react to the situation from a financially less severe basis. Moreover, colleagues that had to flee were welcomed in the neighbouring countries. In Poland, Slovakia, Hungary, Romania, and Moldova, ad-hoc measures were taken, among them

preparing transport logistics after crossing the border and provisioning safe and free lodgings. In Germany, too, lodgings were prepared and provided. Moreover, a DAW crisis committee was established which pulled together the offers for help (e.g. donations, lodgings) for the employees now in safety.

Commitment of our distributors

The distributors of the CMS group were also engaged in social projects locally and internationally.

An example is the distributor Ullmann in Oldenburg who not only initiated an in-company donation driven on behalf of the Polish people in connection with their taking in Ukrainian refugees, but who also supports disadvantaged people in Oldenburg itself. For this purpose, the Ullmann team has been working for years together with education providers who make it possible that these people can have a second go at their education, preparing them for a job or a job change. One of those education providers looks after people who cannot work in their original job any more because of an illness. The other education provider helps people who have been out of a job for several years and who mostly don’t even have a proper vocational training to begin with. They often get the opportunity to do long-time internships and go through the practical part of a vocational training.

Distributor Wässa & Schuster also provides local support in terms of donations for the “Diakonie” welfare institution, for nursing homes for the elderly, and for kindergartens. These may be donations in kind or gifts for tombolas at special festivity events.

Corporate Health Management

IN 2022, MANY DAW LOCATIONS AGAIN OFFERED ACTIVITIES TO PROMOTE PERSONAL HEALTH. IN THE FUTURE, THIS OFFER IS TO BE EXPANDED.

Ober-Ramstadt

In 2022, the focus was on fitness and the promotion of physical health:

- Running classes with former Ironman champions Lothar and Nicole Leder
- Free-of-charge weekly massages and physiotherapy treatments
- Crawl-stroke swimming class at the Ober-Ramstadt open-air swimming pool
- About 90 participants at the Merck Corporate Run
- Regular action days on topics like male and female health
- Corporate fitness cooperation with the “EGYM Wellpass” offering employees in Ober-Ramstadt reduced-price memberships in 7,260 fitness and wellness facilities

In their planning for 2023, the Corporate Health Management team will focus on mental health, since the past few years have presented many psychological challenges on various levels.

CMS Group

As a benefit for the employees in distribution, the pilot project “Job-Bike” was prepared in 2022 and started in January 2023. Already since July 2022, there has been a cooperation with Corporate Benefits which offers employees in part reduced-price access to sports programmes.

Ukraine

Since the onset of the war, Caparol Ukraina has been offering training measures in order to support the employees in dealing with this new situation. Thus, self-help and its diverse competencies were strengthened. Cases in point comprise an on-line meeting with a psychologist on the topic of “Measures to strengthen stability in times of war – how you can help yourself, your family, and your relatives”. Moreover, seminars on “Measures to take in the face of a nuclear threat” and medical further education on “Pre-medical care for victims under martial law” were conducted.





Governance

Act on Corporate Due Diligence Obligations in Supply Chains

THE ACT ON CORPORATE DUE DILIGENCE OBLIGATIONS IN SUPPLY CHAINS (LKSG) REGULATES THE ENTREPRENEURIAL RESPONSIBILITY FOR COMPLYING WITH HUMAN RIGHTS AND ENVIRONMENTAL PROTECTION IN THE GLOBAL SUPPLY CHAINS.

Since 1 January 2023, this law regulates among others the protection against child labour, the right for fair remuneration, as well as environmental protection. Beneficiaries are the people along the supply chain just like companies, employees, and consumers.

Due to the number of employees in Germany, DAW is directly subject to this law and has to comply with it as of January 2023. A first report for the year 2023 will be published during the first quarter of the following year. Since the due diligence obligations take immediate effect, and DAW is already receiving questions by customers on a regular basis, a project team was established in 2022 consisting of Purchasing, Sustainability, and Compliance.



As an important milestone, a risk analysis was conducted in the third quarter of 2022. The risk analysis is the core part of the LkSG. It serves to identify potential and existing risks with regard to human rights, employee rights, and environmental rights, and it has to be conducted annually or in occasion-related instances. From the risk analysis, the further elements of the LkSG can be deduced, such as the declaration of principle as well as preventive and corrective measures. According to the law, the focus is on suppliers and one's "own business area". This "own business area" refers to DAW and its subsidiaries, including the CMS Group, in which DAW holds more than a 50% interest. The risk analysis for the "own business area" was prepared over the course of five workshops, conducted based on interviews, and was taken into account. The result was an evaluation of the gross risks according to their impact on and relevance for DAW.

Apart from the own business area, a risk analysis for suppliers has to be carried out as well. This analysis was conducted and evaluated by Procurement for DAW and the CMS Group on an online platform. Through this platform, the client groups were first prioritised, and then the suppliers were asked about their main risk factors such as anti-corruption and anti-bribery, environmental protection, human and labour rights, workplace safety, responsibility in the supply chain, etc.

The results of the analysis (own business area and suppliers), and how the topics of human rights and the environment are dealt with, are presented in the published declaration of principle. One further due diligence obligation consists in the "definition of internal corporate responsibilities". Therefore, the human rights committee has been established which serves to fulfill our entrepreneurial obligation towards human rights. The committee consists of representatives from the areas of Sustainability Management (chair), Procurement, HSE, HR, Governance & Compliance, as well as Product Safety; they report directly to the Board.



Compliance

THE COMPLIANCE ORGANISATION WAS REORGANISED IN 2022 IN ORDER TO DEAL IN AN APPROPRIATE AND SYSTEMATIC MANNER WITH THE INCREASING COMPLIANCE REQUIREMENTS THAT DAW SE HAS TO FULFILL.

While establishing the “Governance & Compliance” (G&C) department headed by the Chief Compliance Officer (CCO) of the DAW Group, G&C was commissioned to develop and implement a DAW-wide Compliance Management System. In terms of organisation, G&C is part of the central area M&A | Legal | Integrity, with direct reporting lines to the Board, the Supervisory Board, and the Compliance Committee. As a strategic and decision making committee, the Compliance Committee now has new members, consisting of CEO, COO, CFO as well as the Heads of the central areas Group HR, M&A | Legal | Integrity, and Internal Revision.

Priority topics in 2022 for G&C were introducing a group-wide Code of Conduct, establishing an electronic whistleblower system as well as training the DAW employees about corruption prevention, anti-trust laws, and data protection and privacy. Via the DAW learning management platforms, more than 2,000 e-learning courses were rolled out, and more than 1,500 employees received training in this way. The trainings were complemented by further measures to increase awareness in line with the introduction of the Code of Conduct; in this regard, more than 400 people could be reached in person, and even more through online events.

In the course of the Compliance Management that G&C has to conduct, interfaces with all relevant departments of the DAW Group will be further expanded so that a regular exchange about and further development of the Compliance topics can take place in a pragmatic and appropriate way. This is particularly relevant for developing and implementing Compliance guidelines; developing and conducting further Compliance trainings; developing standards for the coordination of Data Protection and Privacy at DAW; and coordinating internal inquiries and audits.

**2,000
courses**

on corruption prevention,
anti-trust law and data protection
and privacy in 2022



Bauen für eine bessere Welt



- 3 GESUNDE UND WEITLÄUFIGE**
Nachhaltige Bauen trägt zu gesunden Lebensbedingungen bei und fördert die Lebensqualität der Bevölkerung.
- 7 BEWAHREND UND WIEDERHERSTELLEND**
Nachhaltige Bauen trägt zur Erhaltung und Wiederherstellung der natürlichen Ressourcen bei und fördert die Resilienz der Gesellschaft.
- 11 Nachhaltige Städte und Gemeinden**
Nachhaltige Bauen trägt zu nachhaltigen, lebensfähigen Städten bei und fördert die soziale Gerechtigkeit und den Zusammenhalt der Gemeinschaft.
- 12 Nachhaltige Konsum- und Produktionsmuster**
Nachhaltige Bauen trägt zu nachhaltigen Konsum- und Produktionsmustern bei und fördert die Kreislaufwirtschaft und die Ressourceneffizienz.
- 13 MASSNAHMEN FÜR KLIMASCHUTZ**
Nachhaltige Bauen trägt zum Klimaschutz bei und fördert die Energieeffizienz und die Nutzung erneuerbarer Energien.
- 14 LEBEN UNTER WASSER**
Nachhaltige Bauen trägt zum Schutz der Meeres- und Süßwasserressourcen bei und fördert die Wasserwirtschaft und die Gewässerqualität.
- 17 PARTNERSCHAFTEN ZUR ERREICHUNG DER ZIELE**
Nachhaltige Bauen fördert die Zusammenarbeit zwischen verschiedenen Akteuren und fördert die Erreichung der Nachhaltigkeitsziele.



Partnerships



Partnerships

THE REGULAR DIALOGUE WITH OUR STAKEHOLDERS AND COOPERATIVE PARTNERSHIPS IS THE BASIS FOR ALL OUR SUSTAINABILITY ACTIVITIES.

UN Global Compact (UNGC)

In 2012, DAW joined the UN Global Compact network. By doing this, DAW pledged to comply with the 10 UNGC principles and to publish an annual progress report.

In the summer of 2022, DAW thus published another [progress report](#) for the previous year.

The next Progress Report will come out in the first semester of 2023. This time, it will be based on a re-worked questionnaire which is valid for all participating companies and which is thus to increase transparency even further.

Our subsidiary Caparol Ukraina also signed the UNGC in December 2019.

German Sustainability Award

DAW is partner of the “German Sustainability Award” (DNP). As part of this cooperation, DAW supports sustainable development.

The partnership allows us to fill one seat on the panel of jurors for the DNP, and during the congress, we have a shared booth with the German Sustainable Building Council (DGNB). We regard this partnership both as a motivation and an obligation to continue working on our sustainability goals and sustainable innovations.





DGNB

DAW is a founding member of the “Deutsche Gesellschaft für Nachhaltiges Bauen e.V.”, the German Sustainable Building Council (DGNB). DGNB is a non-profit non-governmental organisation (NGO) which has been seeing its role since its foundation in 2007 in finding, developing, and promoting ways, means, and solutions for sustainable planning, construction, and use of buildings.

This membership lets DAW be present with one employee as a consultant and with two more employees in committees where they engage in voluntary activities. The councils convene several times per year:

The advisory committee on building products gives advice to the steering committee and the Executive Board of DGNB on European and international rules and regulations for building products. It develops qualitative and quantitative contributions

on building products for certifying sustainable real estate projects; promotes product innovations; acts as a mediator between building product manufacturers and DGNB institutions in developing new user profiles; and supports the further development of the DGNB navigator.

The advisory committee on pollutants and potentially risky materials provides active advice to DGNB with regard to the requirements on minimum-pollutant products for future-oriented buildings, interiors, and urban quarters. The focus on the advisory committee’s activities is on avoiding and/or reducing risks emanating from the building products utilised. This comprises topics like room air quality, a negative impact on the climate and the immediate environment, incident risks as well as risky materials for today’s and tomorrow’s circular economy within the DGNB certification system. The advisory committee thus is committed to building without noxious substances or pollutants and for high-quality usage of buildings over the long term.



DEUTSCHE
AMPHIBOLIN-WERKE
VON ROBERT MURJAHN

www.daw.de