

# Sustainability Report 2020







- 3 Sustainability as an opportunity and a mission
- 4 The PCI Group – sustainable and innovative
- 8 Our strategy
- 10 Building a healthy living environment
- 14 What is important for our stakeholders?
- 16 Certified and award-winning
- 20 Our commitment to the environment
- 22 Our commitment to the market
- 24 Our commitment to our employees
- 26 Our commitment to society
- 28 Our motivation
- 30 Our objectives – what we want to achieve
- 32 Cross-reference: the criteria of the German Sustainability Code
- 35 Publication details

In the text of this sustainability report 2020, we have refrained from repeatedly using references to males and females for the sake of clarity. All references to persons are therefore intended to refer to male and female persons.



## Sustainability as an opportunity and a mission

Over the past few years, the topic of sustainability has become increasingly important in society in general. This also applies to the chemical and construction materials industries. The PCI Group also sees sustainability as a mission for its own entrepreneurial action in the fields of the environment, the market, employees and society. However, we also see sustainability as an opportunity to play an active role in shaping a future that is worth living in and in developing new, sustainable business areas.

In product development and production, avoiding damage to the health of people who use our products has always been one of our top priorities. The main focus for the PCI Group, apart from quality and ease of use, is on low-emission products.

The PCI Group also places considerable emphasis on sustainability at its production facilities. For example, PCI Augsburg GmbH was one of the

first companies in the construction materials industry to receive a certificate from the German Sustainable Building Council (DGNB) for its Augsburg plant.

In this sustainability report, we present information on our commitment to the four sustainability areas of the environment, the market, employees and society. In addition, we focus on the sustainability topic that is currently our main concern: healthy building for healthy living. We take our orientation from the German Sustainability Code.

We invite you to learn more about our commitment to sustainability, strategies and objectives and the topic of “healthy building for healthy living”.

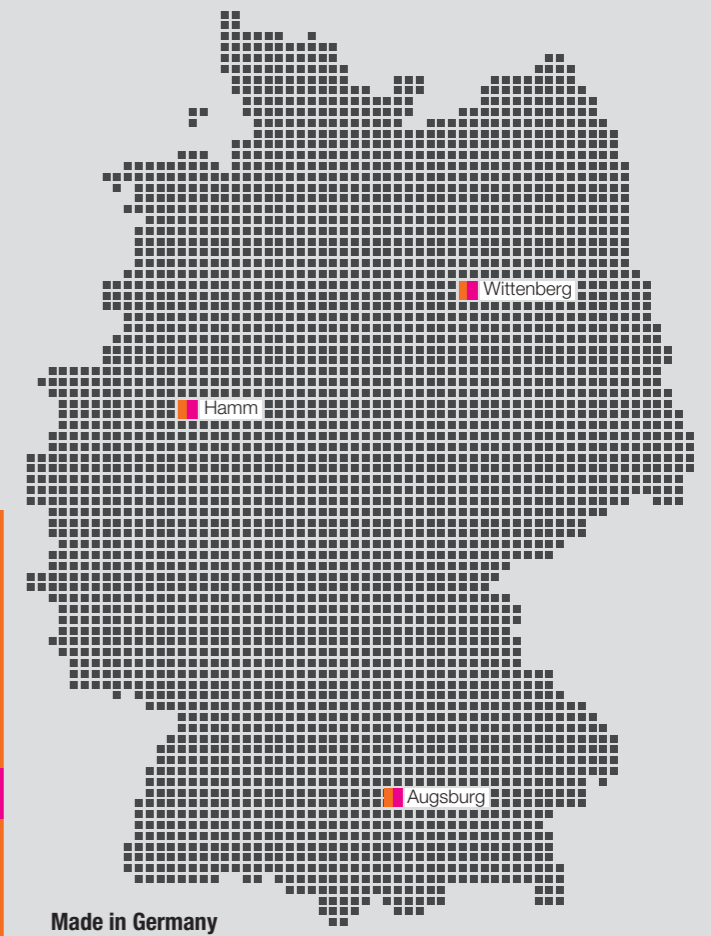
Yours sincerely

  
 Marc Christian Köppe,  
 CEO PCI Group

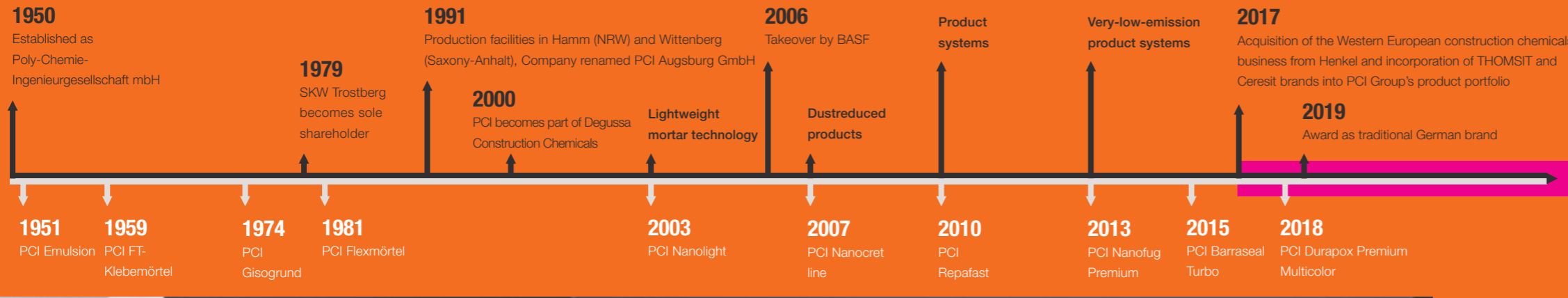


# The PCI Group – sustainable and innovative

PCI Augsburg GmbH has been a recognized manufacturer of construction chemical products for more than 70 years. Nowadays, PCI is a market leader in the field of tile fixing products. Other core areas of competence are construction materials and flooring products. Sustainability is firmly anchored in all the company's activities.



Made in Germany



— Development of company/technologies — Product development



## The route to success

Hans W. Schulz and Karl Strehle founded Poly-Chemie-Ingenieurgesellschaft in 1954 for the manufacture and distribution of synthetic materials for the construction industry and for chemical and technical consultancy services. The introduction of the first highly flexible special tile adhesive in powder form, PCI Flexmörtel, made PCI the market leader in the tile fixing sector in 1981. Nowadays, "flexible mortar" has become a generic term for an entire product group. From 2006 to 2020, PCI was a 100% subsidiary and brand of BASF. In particular, through the acquisition of the Western European construction chemicals business of the THOMSIT brand and incorporation into the PCI Group, the market position could be sustainably expanded. The PCI Group is currently active in the following business areas: tile fixing, construction and flooring. The tile fixing products business area includes laying systems for tiles, paving

and natural stone. In the construction products field, PCI offers waterproofing, refurbishment and coating systems. The range is rounded off by floor laying systems. In total, the product range includes 420 construction chemical products and construction materials.

## Focus on sustainability

Sustainability has played a key role since the foundation of the company as only proactive and sustainable management and responsible dealings with employees can ensure longterm success. In addition, the focus is on the safety of product users. PCI already offered a solvent-free primer for gypsum substrates in the 1970s. Nowadays, 93% of PCI products are free from solvents. The PCI Group has placed the topic of healthy building for healthy living at the center of its activities. As little emissions and elutions as possible in order to protect the health of users and building residents.





330 million €

in 2019, the PCI Group recorded net sales in excess of € 330 million.

1,200

The PCI Group has more than 1,200 employees throughout Europe.

265,000 t of construction chemical products are already supplied by the PCI Group for the region of Germany, Austria and Switzerland. But the PCI products are also sold internationally.

420 products are included in PCI's range for the Germanspeaking region.

4,000 distributors' facilities in the German-speaking region receive products from the PCI Group.

**From development through to delivery**

From the development of the initial idea through to production and packaging, the PCI Group gives preference to raw materials or recycled materials and follows its own sustainability criteria (see page 8). Preference is given to raw materials available in the region. In addition, the PCI Group has introduced the Responsible Care® management system at all its locations. This system includes global rules and standards in the fields of environmental protection, health and safety for various stations along the value stream. A certified quality management system in accordance with ISO 9001:2008 and an energy management system in accordance with ISO 50001:2011 provide additional guarantees of the highest possible quality and the most energy-efficient production possible.

**Distribution and logistics**

PCI products including the THOMSIT brand are marketed in a three stage process via construction material, tile and flooring material distributors.

Certain selected products are also offered via DIY markets. The three plants in Germany at Hamm, Wittenberg and Augsburg ensure delivery within 24 hours of the receipt of an order in Germany and for almost all customers in Austria and Switzerland. In shipment too, the PCI Group gives top priority to sustainability. As a result of its approach of operating plants in strategic locations in Germany and supplying the entire range from each plant, the PCI Group saves significant resources. The company is also working continuously to reduce carbon dioxide emissions caused by shipment by using an optimized logistics system.

**Sustainably committed**

The PCI Group not only places considerable value on fair market behavior and the protection of the environment but also on comprehensive health and safety management and has implemented a variety of measures, also for its own employees. In addition, the company's commitment to the regions where its various plants are located plays a key role.





# Our strategy

Sustainability is a key element of the PCI Group's corporate policy. The sustainability strategy is firmly established within the company thanks to 2 management systems. Not only do the company's managers forge ahead with sustainability topics in the segments of the environment, employees, society and the market; the "Sustainability" reporting team ensures that sustainability is firmly anchored within the company.



### Firmly anchored

Sustainability is a key element in the corporate strategy of the PCI Group and is integrated in the management manual that lays the foundations for the structure of processes within the company. Management systems for quality and energy also contribute to sustainable, energy-efficient production. The PCI Group is committed to the Responsible Care® initiative and commits all its managers to act in accordance with this initiative and to ensure that economic considerations are not given priority over safety, health and environmental protection. Within the framework of Responsible Care®, PCI regularly submits reports on greenhouse gas emissions, waste volumes, downtimes and many other indicators.

### Rewarding sustainability

The sustainability strategy and the pursuit of sustainable goals also extend to the performance assessment of employees. The core competence "making progress with sustainable solutions" is integrated in this process

and forms part of the assessment of all employees depending on their area of responsibilities.

### Our sustainability criteria

The PCI Group has defined its own sustainability criteria for innovation management, the development of products and the optimization of the existing range:

- No exploitation of resources
- Non-hazardous, non-toxic and disposable without any problems
- No hazardous emissions or elutions
- Suitable for demolition

### Teamwork

The managers of the individual departments are responsible for implementing the sustainability strategy and for pursuing the objectives which have been defined. In addition, many other employees are involved in connection with reporting and were also involved in the development of the company's strategic orientation, including the setting of targets, in the workshops preceding the definition of the strategy.



Dedicated to sustainability in the PCI Group:  
 Marc C. Köppe, CEO PCI Group  
 Frank Rösiger, Technical CEO PCI Group (from left to right)



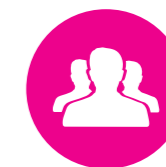
### Environment

From production through to the disposal of our products, we are committed to the conservation of resources and recycling. We are working steadily to increase the share of dust-reduced and low-emission products in our range. Environmental protection, health and safety are top priorities.



### Market

As a medium-sized company backed by a strong industrial group, we treat all market players fairly. From the creation of new ideas through development and production to the delivery and processing of our products, compliance with our defined sustainability criteria is a top priority.



### Employees

As a company with a tradition dating back 70 years, we are well aware of our responsibility to our employees. We offer them stability, ensure that they are safe and are dedicated to safeguarding jobs.



### Society

As a responsible German company, we act with the greatest possible transparency. We are committed to the regions where our plants are located.





Building a healthy living environment



# Building a healthy living environment

For most investors, developers and building owners, environmentally compatible building and a healthy living environment are very important for the safety and protection of the inhabitants and users of the building. This refers to the building itself and also to all the materials used. Sustainable, environmentally compatible building products are becoming increasingly important in this context.

## When the air in a room makes people ill

Nowadays, most people spend between 80 and 90 percent of their time in buildings. This lifestyle and heightened awareness of sustainable building have made healthy homes a key focus of public attention. Poor air quality in a building can make people ill. In many homes, the materials used for walls, ceilings and floors as well as items of furniture can emit problematical chemicals. This poses a considerable problem for allergy sufferers and the substances concerned can cause asthma or neurological disorders. Many paints, lacquers, plasters, adhesives, plastics or wooden materials contain volatile substances which are released into the interior atmosphere over the course of years. Fibers such as those used in insulating materials also pose problems. In many cases, building a healthy living environment goes beyond the avoidance of hazardous substances. With especially low-

dust products, PCI already helps in minimizing the hazards to construction workers' health during the building phase. Building for sensitive occupants who even react to substances which are generally non-hazardous, such as people suffering from chronic multi-systemic diseases, calls for special attention to the selection of materials.

## The right laying materials

Modern buildings have a more impervious shell. As a result, interchange between the interior and exterior atmosphere is significantly reduced. Emissions and moisture are no longer released through joints and cracks. The interior climate can be improved by selecting the right materials including adhesives, primers, leveling compounds and underlays. The PCI Group has a wide range of low-emission products and product systems with emissions behavior classified by impartial test institutes. These especially include the dust-reduced products of PCI.



## Aspects of a healthy living environment



**80 - 90%**  
OF OUR LIFE IS SPENT IN ENCLOSED SPACES



**only 28%**  
OF PEOPLE PROVIDE ADEQUATE VENTILATION IN WINTER



**about 20,000**  
BREATHS PER DAY



**1/3** OF ALL PEOPLE IN EUROPE ARE AFFECTED BY ASTHMA AND ALLERGIES

## A healthy workplace

An interior climate without hazardous emissions is not only important for health in flats and houses. Air that is free from pollutants is also an essential factor in well-being at the workplace. The design of healthy offices that promote performance and are also economically viable is the object of "MY FUTURE OFFICE". The PCI Group supports this research project of the Sentinel Haus Institute and TÜV Rheinland which is intended to investigate improved occupational health and higher employee motivation on the basis of model rooms. The first room is equipped with products which have been tested to ensure that they are not harmful to health. The second room features products that have been selected at random. Emissions are investigated and assessed in a number of test series. Refurbishment work is also carried out, with measurements made by TÜV Rheinland. The project involves scientists, occupational and

environmental health experts and lawyers. Together with architecture firms, the results of the program are to be transferred to actual construction projects.

## A healthy home

In addition to projects in the area of healthy working, our products are also used in projects concerned with healthy homes. At the Hügelsart housing estate in Friedberg near Augsburg, detached and semi-detached houses are being built to the "Energiehaus Plus" (energy house plus) standard. The houses have a high energy efficiency and are built in accordance with the criteria for a healthy living environment. The project was being implemented in cooperation with BayWa and is based on the "Effizienzhaus Plus" (efficiency house plus) concept which is tested and scientifically analyzed within the framework of the "Zukunft Bau" (future building) program of the Federal Building Ministry.



# What is important for our stakeholders?

## Asking for information

In order to find out what was important for people involved in the construction process, PCI carried out a survey of more than 100 architects, planners, developers, investors, craftspeople and distributors. The online survey, held in 2016, included questions on topics such as the relevance of sustainability matters and sustainability perceptions and the impact of sustainability on construction work, especially with respect to construction chemical products.



99% 91%



of respondents consider **PRODUCT QUALITY AND SAFETY** to be an important or even a very important sustainability topic.

of respondents consider **HEALTH AND SAFETY** to be an important or even a very important sustainability topic.

## Craftspeople

For craftspeople, good quality at a fair price is especially important. It must be possible to process building products quickly and easily. Safety in use and the avoidance of health damage are also crucial.



96% 95%



of respondents consider sustainability to be an important or even a very important factor for **HEALTHY BUILDING**

of respondents consider sustainability to be an important or even a very important factor for **HIGH-QUALITY BUILDING**

## Architects and planners

Architects prefer environmentally sound building products. Only materials with zero or very low emissions are used in interiors.

## Developers and investors

In product selection, developers not only consider conventional functional and physical characteristics but also positive hygiene, health and environmental protection properties.



## Distributors

Distributors of construction products have recognized their environmental and social responsibility and expect their partners in the construction materials industry to demonstrate commitment to environmental protection, the conservation of resources and corporate social responsibility. Fair treatment based on trust and sustainable corporate management lay the foundation for successful cooperation.

95% 95%



of respondents consider the **FAIR TREATMENT OF CUSTOMER COMPLAINTS** to be an important or even a very important sustainability topic.

of respondents consider the **SENSITIVE HANDLING OF CUSTOMER DATA** to be an important or even a very important sustainability topic.



## Certified and award-winning

All the parties involved in construction work, from architects through to craftspeople, prefer certified eco-labels and environmental product declarations (EPD). Especially for project owners, impartial certification provides the greatest possible assurance that they have opted for the right product.

### Immediate recognition of low-emission products

Using various different environmental labels and seals of approval, the PCI Group ensures the greatest possible transparency and marks its products in such a way that low-emission products can be immediately recognized. In this context, "emission" means the release of gaseous, liquid or solid substances from plants or materials into the environment. In addition to its own symbols, we have opted to use certificates and declarations issued by independent institutions. Building owners, architects and product users increasingly take their orientation from environmental seals of approval such as EC1 PLUS, the "Blauer Engel" or the European product declaration EPD. Many of our products have various environmental seals of approval. As a partner of the Sentinel Haus Institute, PCI is committed to building a healthy living environment.

### GEV-EMICODE®

Products classified in accordance with GEV-EMICODE® guarantee the protection of health, environmental compatibility and long-term protection against the pollution of the interior atmosphere. The EC1 environmental seal of approval is awarded to very low-emission products. Products with the EC1 PLUS classification meet even stricter limits. These seals of approval indicate very low-emission laying materials and confirm that the products are subject to continuous checks by independent institutes.

Air tests are carried out and concentrations of volatile organic compounds (VOCs) are determined to verify the classifications. The total volatile organic compounds (TVOC) figure is the basis for classification in accordance with GEV-EMICODE®. 216 PCI products have the EC1 PLUS or EC1 classification. These products account for 68% of the company's sales and confirm the importance of a healthy living environment for PCI customers.



### Safety for users

In the product development phase, a top priority for PCI is to ensure that products are not hazardous and cannot cause damage to health if they are used properly. This also applies to dustreduced products.

## Emissions-tested – the PCI Multi-Use Tiling System

As a manufacturer of construction chemical products, PCI is well aware of its responsibility to the inhabitants and users of buildings where PCI products have been used. In addition, a healthy living environment and low-emission systems are criteria considered during tendering procedures. To ensure that building owners, architects and craftspeople can be sure that all the materials used harmonize perfectly with each other and have very low emissions, PCI developed the Multi-Use Tiling System.

### A system with low emissions

All the floor products in the system have at least the GEV-EMICODE® seal of approval EC1 for very low-emission products. PCI therefore not only offers low-emission products but has gone

a step further and is the only producer with a tile laying system consisting only of very low-emission products. In developing the system, which is mainly intended for use in residential buildings, PCI gave top priority to the aspect of building a healthy living environment.

### A wide range of applications

The Multi-Use Tiling System can be used with all ceramic tiles irrespective of weight and shape, on all conventional and heated screeds, in residential buildings and especially in domestic bathrooms. Hygiene is an especially important aspect for the end user. This system meets key hygiene requirements and helps in reducing mould formation on joints, making for a healthier living environment.



With the Multi-Use Tiling System, PCI offers an entire system that features very low emissions and is certified by TÜV.



Most of the architects, planners, building owners, investors, craftspeople and distributors covered by the survey consider certified environmental seals of approval issued by external bodies and product declarations (EPD) in accordance with international environmental standards to be important or very important.

82 %



of PCI products in the **TILE FIXING AND FLOORING TECHNOLOGY** segments are already **VERY LOW-EMISSION** products with the EC1 or EC1 PLUS seal of approval in accordance with GEV-EMICODE®.

**EPD**

Environmental Product Declarations (EPDs) provide a transparent view of the product life cycle. EPDs in accordance with ISO 14025 and EN 15804 contain environmentally relevant information concerning the life cycle of products. Many products of the PCI Group have an individualized EPD accounting for a large part of total sales. An EPD is based on independently verified data from life cycle analyses, life cycle inventories or information modules. The life cycle inventory analysis also contains information on emissions. Among other purposes, EPDs are used as data bases for the calculation of life cycle analyses and the energy consumption of the building. During the planning phase, they therefore already lay the foundation for product selection and allow environmental comparisons between different planning models.

**The “Blauer Engel”**

One of Germany’s best-known environmental seals of approval is the “Blauer Engel” (blue angel) launched in 1978 at the initiative of the Federal Interior Minister and by a resolution adopted by the Ministers of Environmental Affairs of the German states. A large part of the products in the flooring segment already have this seal of approval. The award process for the seal takes into consideration the effects of products on the environment and human beings. In product development, the PCI Group already gives top priority to sustainable products with emissions and elutions that are as low as possible. In addition to the flooring technology segment, the main focus is on tile fixing products. In addition, the PCI Group has the listing of low-dust products with BG Bau. PCI Nanolight®, PCI CM 90, PCI Periplan®, PCI USP 32 S or THOMSIT RX 20 should be mentioned here as examples.



Gemeinschaft Emissionskontrollierte Verlegewerkstoffe, Klebstoffe und Bauprodukte e.V. (GEV – the Association for emissions- tested laying materials, adhesives and construction products) was established in 1997. The EMICODE® seal of approval gives consumers, planners, architects and craftspeople orientation for the selection of laying materials, adhesives and construction products.



“Der Blaue Engel” has been used as a seal of approval for more than 35 years and ensures that products meet high environmental, health and safety standards.



Environmental Product Declarations (EPD) contain environmentally relevant information from the product life cycle.



The PCI logo “dust reduced” is used for low-dust products. The logo “light mortar technology” is used for products which are especially light. Less effort is required for processing these projects and less carbon dioxide is emitted during shipping.

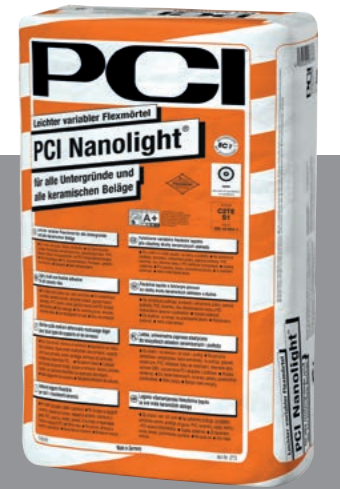
**PCI Nanolight® Sustainable and healthy**

PCI Nanolight® is sustainable from production through to demolition. This flexible adhesive bears the EC1 PLUS seal of approval for very low-emission products.

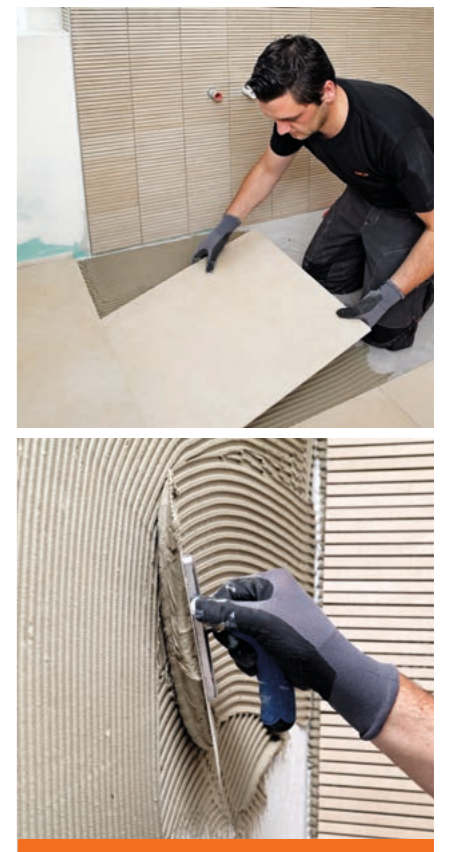
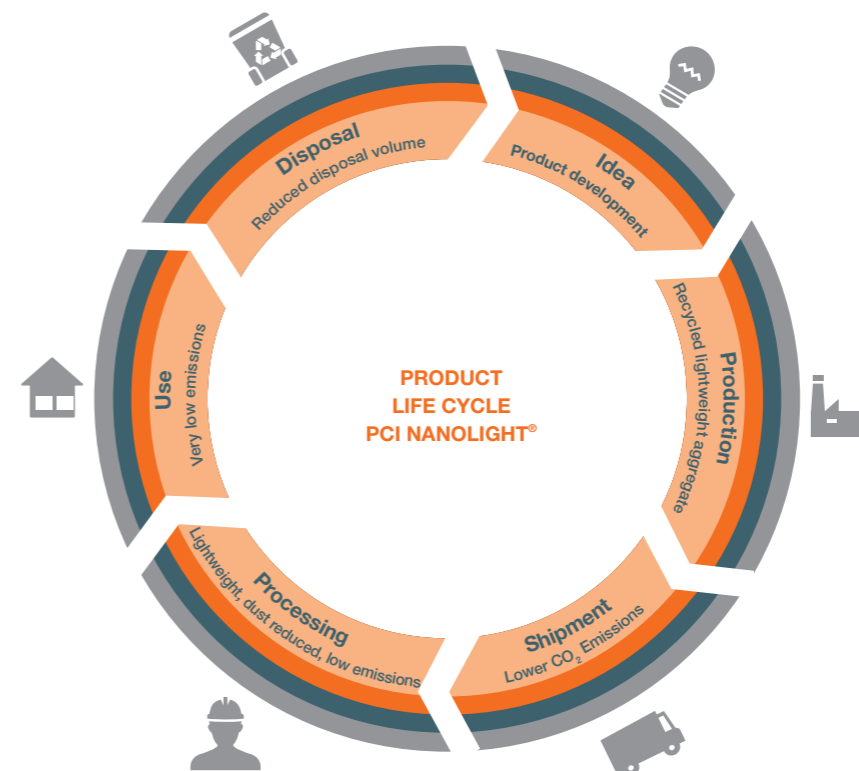
**Lightweight aggregate saves CO<sub>2</sub>**  
Sustainability is already a top priority in the selection of materials for PCI Nanolight®. Lightweight aggregates made from recycled glass are used. This approach not only reduces material consumption but also CO<sub>2</sub> emissions. Compared with standard PCI tile adhesives without lightweight aggregate, the light weight (15 kg per bag) of PCI Nanolight® results in a CO<sub>2</sub> saving for shipment to the distributor and from the distributor to the site of up to 33 percent per square metre of tiles laid.

**Lightweight and dust-reduced**  
Lower material consumption makes work significantly easier for tilers as they have to carry less weight. In the development of PCI Nanolight®, PCI also took the health of craftspeople into consideration. In addition, the tile adhesive is especially dust-reduced and contribute to a healthy workplace for tilers.

**Less weight for disposal**  
The use of lightweight aggregate ensures a sustainable product life cycle. The lower weight of PCI Nanolight® and reduced material consumption also mean that less material needs to be disposed of. All the relevant environmental information is summarized in the EPD for this product.



Lightweight and dust reduced; the lower material consumption, low dust emissions and light weight of PCI Nanolight® ensure safe and easy processing.







## Our commitment to the environment

The PCI Group has a clear commitment to using resources sustainably with the greatest possible emphasis on conservation. At its three German plants, we determine comprehensive environmental indicators. Data are collected continuously and summarized in the annual site reports of each plant. Furthermore, the PCI Group opts for sustainable production processes, the use of recycled raw materials, sustainable, low-emission logistics, and the replacement of hazardous substances.



THOMSIT was the first manufacturer to switch plastic sacks to paper sacks of quality EVO3 for its filling compounds. This high quality paper sack offers a longer protection and durability of powders.



**200 t**  
of plastic packaging are made 100 % from recycled material

### Conserving resources

The PCI Group has set itself the target of further reducing greenhouse gas emissions, and specifically reducing the power consumption of PCI (in kilowatt-hours per year) by a further 2 percent per year. An increase in production always leads to a rise in power and water consumption as well as waste volumes. Nevertheless, the PCI Group succeeded in reducing its overall carbon dioxide emissions by 23 percent, referred to the production volume.

**84 %**

of waste produced is physically recycled



**-23 %**

CO<sub>2</sub> emission per kilogram of product output

### A sustainable value stream

The PCI Group has introduced the Responsible Care® management system and therefore undertakes to continuously minimize any negative impact of its products on safety, health and the environment along the value stream. Responsible Care® sets out global rules and standards as well as environmental, health and safety protection processes for various stations in the value stream. During the development of the initial idea for a product, resource-conserving production and the use of recycled raw materials are key criteria in addition to quality and functionality. For example, about 5 percent of raw materials come from recycling or renewable sources and about 55 percent from mineral sources. The PCI Group has also adopted sustainable solutions for product packaging. The paper used for paper bags is made 100 percent

from renewable raw materials taken from sustainably managed forests. In addition, 200 tons of PCI plastic packaging are made 100 % from recycled materials. Recycling is also a top priority at the PCI Group's three production plants. Currently, 84 percent of production waste (mainly in powder form) was physically recycled and used for the manufacture of concrete stones or as a backfilling material in mining – a total of 205 tons yearly.

### Honoured by the German

#### Sustainable Building Council

PCI was one of the first companies in the construction materials industry to receive a silver certificate from the German Sustainable Building Council (DGNB) for its Augsburg plant. The certificate confirms the high standards reached by the PCI plant in terms of environmental, economic, socio-cultural, technical and process quality.

## TOP targets

- 1 Considerably more new individualized EPDs
- 2 Constant reduction in waste volume by **3 %** per year
- 3 Annual reduction in power consumption by **2 %**

## Packaging made from 100 % recycled plastic and sacks of EVO<sup>3</sup> quality







## Our commitment to the market

As a leading European manufacturer of high-quality construction chemical products, the PCI Group is committed to fair market behavior. With our compliance program and our code of conduct for suppliers, we support responsible action by all market players. In addition, we give top priority to the health and safety of the people who process its products.



### A fair market player

The training of all employees in these areas is an essential prerequisite for fair market behavior and compliance with statutory requirements. The code of conduct defined in the compliance program applies to all employees of the PCI Group and all employees receive training on the content of the program. Among other items, the program covers the areas of human rights, labor and social standards, environmental protection, health and safety, anti-trust law, corruption, presents and invitations, money laundering and tax law. The objective of the compliance program is to durably heighten the awareness of employees and managers for corporate values and the need to comply with statutory requirements in everyday work and thus to contribute to the implementation of the corporate value of "responsible action".

### Code of conduct for suppliers

Cooperation with suppliers is governed by the code of conduct for suppliers. Among other items, this code of conduct states that the PCI Group expects all suppliers (and their suppliers and subcontractors) to comply in full with all applicable legislation and internationally recognized environmental, social and corporate governance standards. These standards are based on the 10 principles of the United Nations Global Compact initiative and the worldwide Responsible Care® program of the chemical industry. Our suppliers are under an obligation to support the protection of internationally recognized human rights. These include minimum wages and working hours. PCI suppliers are expected to oppose forced labor, child labor and discrimination in the workplace as well as supporting the right of association and the right to collective bargaining.



98.5%

Delivery availability level



< 0.5%

complaints level in 2020

Annual reduction in CO<sub>2</sub> emissions caused by shipment

- 1%

### Our targets

- 1 Safeguarding of facilities in Germany
- 2 Replacement of 2-component reaction resin product by nondetrimental singlecomponent product
- 3 Boosting consultancy competence with an additional DGNB consultant





## Our commitment to our employees

Employees who are satisfied, motivated and healthy are a prerequisite for the success of any company. Measures such as targeted employee development and a company health management scheme demonstrate the PCI Group's commitment to its employees.

### Safety and training

The PCI Group meets all the statutory health and safety requirements and also involves employees in safety management. With the stop reports, a reporting system covering potential hazards has been introduced at the facilities. All employees receive annual safety briefings. The PCI Group's company health management system ensures that working conditions are shaped in a way that is as conducive to health as possible, laying the foundations for employees and managers to remain healthy in the long term. A flexible parttime working model provides employees with the opportunity of adapting their working

time to their family situations, taking into account specific conditions within their departments. Depending on an employee's function, the PCI Group also offers home work possibilities. In line with the motto "Everyone has talents", we support the development of employees' individual professional skills. In addition to further training schemes, the PCI Group is committed to learning from experience and self-teaching. Employees and managers regularly exchange views on professional development. The employee development program also offers employees a possibility of obtaining further qualifications by attending part-time courses in addition to their work.



### PCI Group as an employer

Its employees are the most important partners of a company and are essential for sustainable long-term success. Fair remuneration is a key factor in employee motivation and satisfaction. Apart from a market-oriented salary, the PCI Group also offers additional benefits, individual development opportunities and a good working environment. Normally, remuneration consists of a salary with fixed and variable components and additional benefits which often exceed the statutory requirements. For example, these include a company pension scheme and share programs promoting long-term employee participation in the company.

### In dialog

Compliance with the social and labor standards set out in the voluntary commitment of the PCI Group is verified. This consists of the external compliance hotlines, an annual survey of working conditions at all Group companies and intensive dialog with stakeholders including employee representative bodies and international organizations. Each member of the PCI Group has a Works Council that engages in continuous dialog with the Management Board and represents the interests of all employees at the facilities concerned. The top priority for the Works Councils are equal treatment of all employees.

### TOP targets

1

Number of apprentices offered continuing employment **more than 75%**

2

Fluctuation rate **less than 0.5%**

3

Number of accidents at work with lost time per year (LTI) **below 1.0**



15 years

average time with company



95%

permanent employment contracts

31

apprentices per year





## Our commitment to society

PCI Augsburg GmbH can look back on a tradition of social involvement dating back to 70 years. Not only at its headquarters in Augsburg but also at its facilities in Wittenberg and Hamm, the PCI Group is involved in a number of social projects.

### Business-education partnership

Transparency for people in the region and support for young people are the objectives of the business-education partnership between PCI Augsburg GmbH and Hermann-Schmid-Akademie Augsburg, a secondary and vocational school specializing in technology, business management and information technology. The partnership allows students to familiarize themselves with the company through visits and guided tours of the plant. In addition, PCI apprentices provide the young visitors with information on the features and requirements of the various training vocations. The business-education partnership is an important way of counteracting the lack of skilled workers.

### In dialog with apprentices

An important date in our management's calendar is the exchange with the apprentices at the Augsburg location:

Marc Köppe and Frank Rösiger give our junior staff an overview of various current topics and projects.

### For the health

The health day as part of company health management is always something special. Under the motto „Live consciously“, the PCI Group offers all employees a diverse program with numerous stations and information stands: From yoga to progressive muscle relaxation and autogenic training to skin screening, everything is offered that is beneficial to health. A special highlight: ICAROS, a combination of fitness equipment and flight simulator, on which reflexes, balance and concentration can be tested.

The health day is a great success every year. Lively participation and the large amount of positive feedback encourage us to continue to offer the concept at all locations.



PCI sponsoring the pavement in front of the reptile house in the Augsburg Zoo.



The management in dialog with our trainees. Here in the new brand experience world at the Augsburg location.



Producing PCI display samples at Ulrichswerkstätte.

### Inclusive

The Ulrichswerkstätten in Augsburg operated by the Caritas charity offer more than 600 employees a wide variety of individual workplaces and development possibilities. Employees of the Ulrichswerkstätten regularly provide services for PCI. Once a year, PCI offers a guided tour of the plant for 10 employees of the workshops. The employees with physical and mental disabilities not only learn about the company but also have an opportunity to become active themselves and try out products such as tile adhesives.



Testing the ICAROS

### For the region

As a general principle, the PCI Group does not make donations to political parties but contributes to other projects in the region. For example, PCI has supported Augsburg Zoo for many years.

### PCI supports the CMI House

PCI is also supporting the volunteering project CMI House. CMI (Chronic Multisystem Illness) sufferers require a living environment that is especially free from pollutants. The objective is to promote the creation of living space for CMI patients and to develop suitable construction materials and methods. A demonstration house is being built for this purpose.



# Our motivation

The PCI Group actively engages in dialog to identify its stakeholders' concerns. For this purpose, the PCI Group has not only conducted analyses but also organized comprehensive surveys. In preparation for the surveys, the sustainability team prepared a stakeholder and materiality matrix and investigated measures in the four areas of corporate social responsibility – the environment, employees, society and the market – in greater detail.

As part of sustainability reporting, the sustainability team conducted an analysis and identified all the stakeholder groups relevant for the PCI Group. The key groups identified were: building owners/investors, planners/architects, craftspeople, wholesalers/retailers and the specialist press. PCI's survey on sustainability (pages 14 and 15) focused on the topic of "building a healthy living environment", which includes key areas such as "reducing emissions during the utilization phase" and "safety for craftspeople". In addition, the PCI Academy is a platform for a continuous dialog with the stakeholder groups. Furthermore, regular employee surveys are held throughout the PCI Group. Dialog with distributors, craftspeople, planners and investors takes the form of personal contact between the stakeholders and our field sales team. The PCI Group regularly informs the public about current developments within the company via specialist journals.

IMPORTANCE FOR STAKEHOLDERS  
VERY HIGH  
HIGH



HIGH  VERY HIGH  
IMPORTANCE FOR THE PCI GROUP



# Our objectives – what we want to achieve

Sustained commitment is a continuous process. Within its reporting process, the PCI Group has set itself comprehensive objectives. The reporting team concentrates on key topics and the results of the stakeholder survey. The main focus is on the areas of the market, the environment and employees.



## Our objectives in the area of the market

### Key indicators

• Safeguarding the German plants (products made in Germany)	
• Regular publication of sustainability reports	
• Replacement of a 2-component reaction resin product by a physiologically harmless single-component product	
• Complaint rate	< 0.5 %
• Announcement of additional application area for an existing product in the field of cementitious joint grouts	
• Exploration of possibilities of including the topic of building for a healthy living environment in the PCI Academy	
• Training of a further employee as a DGNB consultant to improve consultancy competence for planners and architects	
• Continuation of participant surveys in the PCI Academy	
• Launch of an entirely low-emission laying system for natural stone coverings	
• Percentage of delivery complaints	Maximum 1.5 %
• Delivery availability	At least 98.5 %
• Improvement of digital support for planners and architects with the digitalization of existing EPDs	
• Increased use of digital media tools in advice for customers	



## Our objectives in the area of employees

### Key indicators

• Continuous expansion of company health management campaigns	
• Number of apprentices per year	> 31
• Number of apprentices offered continuing employment	> 75 %
• Employee fluctuation rate	< 0.5 %
• Share of permanent employment contracts	> 95 %
• Share of women in PCI workforce	> 20 %
• Number of interns per year	> 10
• New employee survey	
• Number of accidents at work with lost time (LTI = lost time injury) on average	< 1.0
• Increase in STOP reports per employee on average	> 0.9 per year
• Number of safety briefings completed	2,300 per year



## Our objectives in the area of the environment

### Key indicators

• Increasing the number of products with individualised EPD	20 per year
• Increasing the number of products with a GEV-EMICODE® EC 1 or EC 1 PLUS seal of approval	> 216
• Increasing the number of products with a Blauer Engel seal of approval	> 18
• Reduction in volume of each waste type (special waste, powder waste, packaging waste, etc.)	3 % per year
• Increasing the recycling share of packaging and reduction in the use of plastic material	> 200 Tonnen
• Reduction in carbon dioxide emissions caused by shipment by optimizing the relation of "number of supplies vs. gross weight of total yearly supplies"	By a further 1 % per year
• Reduction in the specific power consumption of PCI (kWh/year)	By a further 2 % per year
• Increase in the share of power from renewable sources used at the Augsburg facility	100 %



## Cross-reference: the criteria of the German Sustainability Code



Area	Pages	GST	Criterion	Pages GRI reference
<b>Strategy</b>	5 - 9	1	Strategic analysis and action	G4-1, DMAs
	28 - 29	2	Materiality	G4-2, G4-19, G4-DMA
	30 - 31	3	Objectives	G4-DMA
	5 - 6, 20 - 23	4	Depth of the value chain	G4-12, G4-20, G4-21, G4-EN33, G4-SO10
<b>Process management</b>	9	5	Responsibility	G4-36, G4-42, G4-48, G4-56
	8	6	Rules and processes	G4-45, G4-DMA, G4-56
	8	7	Control	G4-47, G4-DMA, G4-56
	8, 24	8	Incentive schemes	G4-44, G4-51, G4-54
	28, 14 - 15	9	Stakeholder engagement	G4-25, G4-24, G4-25, G4-37, G4-50, G4-PR5, G4-27
	19, 20 - 21	10	Innovation and product management	G4-PR1, G4-EN27, G4-EN10, G4-FS11
<b>Environment</b>	20	11	Usage of natural resources	G4-DMA, G4-EN2, G4-EN4, G4-EN5, G4-EN10, G4-EN11, GB4-EN13, G4-EN1, G4-EN3, G4-EN8, G4-EN23
	20	12	Resource management	G4-DMA, G4-EN6, G4-EN7, G4-EN1, G4-EN3, G4-EN8, G4-EN23
	16 - 18, 23, 31	13	Climate-relevant emissions	G4-DMA, G4-EN18, G4-EN20, G4-EN30, G4-EN15, G4-EN16, G4-17, G4-EN19
<b>Society</b>	24 - 25	14	Employment rights	G4-11, G4-49, G4-6, G4-DMA, G4-LA6, G4-LA8, G4-LA9, G4-LA12, G4-HR3
	24 - 25	15	Social processes	G4-52, G4-LA2, G4-LA13, G4-DMA, G4-LA3, G4-LA6, G4-LA8, G4-LA9, G4-LA12, G4-HR3
	24 - 25	16	Qualifications	G4-LA7, G4-LA10, G4-LA6, G4-LA8, G4-LA9, G4-LA12, G4-HR3
	24	17	Human rights	G4-HR3
	26 - 27	18	Corporate citizenship	G4-LA15, G4-HR2(4,5,6), G4-HR12; G4-HR1, G4-HR9, G4-HR10
	26	19	Political influence	G4-HR10
	24	20	Conduct that complies with the law and policy	G4-SO1, G4-EC, G4-16, G4-SO6







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Für Bau-Profis

# THOMSIT

make it!

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