



Papier- und Kartonfabrik
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Sustainability Report 2022



The
SUSTAINABILITY
Code
Signatory 2022

CONTENTS

Editorial	3
The Heart of your Packaging	4
Strategy	
Strategy	6
Materiality	8
Objectives	10
Depth of the Value Chain	12
Process Management	
Responsibility	15
Rules and Processes	16
Control	17
Incentive Schemes	18
Stakeholder Engagement	19
Innovation and Product Management	20
Environment	
Usage of Natural Resources	23
Resource Management	24
Climate-Relevant Emissions	30
Society	
Employee Rights	33
Equal Opportunities	36
Qualifications	37
Human Rights	39
Corporate Citizenship	40
Political Influence	41
Conduct that Complies with the Law and Policy	42

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EDITORIAL



The clock is ticking. The time for decisions has come. Corporate decisions for rapid decarbonisation of the paper industry – but also political decisions to ensure the transformation is economically viable.

We have recycled waste paper since 1950 and invested for decades in energy efficiency, so our business model and starting position are strong. It is our firm conviction that fibre-based, recyclable packaging delivers game-changing advantages in various areas of sustainability.

As a well-established industrial company, we were quick to invest in highly efficient combined heat and power generation in conjunction with a gas and steam power plant. Now, though, we urgently require clarity about when the necessary infrastructure will be available to enable a switch to alternative fuels so that we can continue along the path to climate neutrality we explicitly want. We need energy prices that enable us to preserve well-paid jobs governed by collective agreements and a secure supply of fibre-based, sustainable packaging materials in Germany, even after the inescapable heat transition of energy-intensive industries. And we need a reduction in stifling red tape for SMEs so that we can concentrate on our core concern: building a carbon-neutral economy.

In view of these challenges, this report uses the 2022 data to document the status quo in regard to our responsibility for people, society and sustainable production. Other plans have long been underway, and their results will shed light on our path to decarbonisation, among other things. No longer are we standing at a crossroads. We have left it behind and embarked on an exciting and challenging journey. We would like to share our experience along the way – here and with regular updates going forward!

Kristian Evers
 Shareholder at Papier- und
 Kartonfabrik Varel GmbH & Co. KG

THE HEART OF YOUR PACKAGING

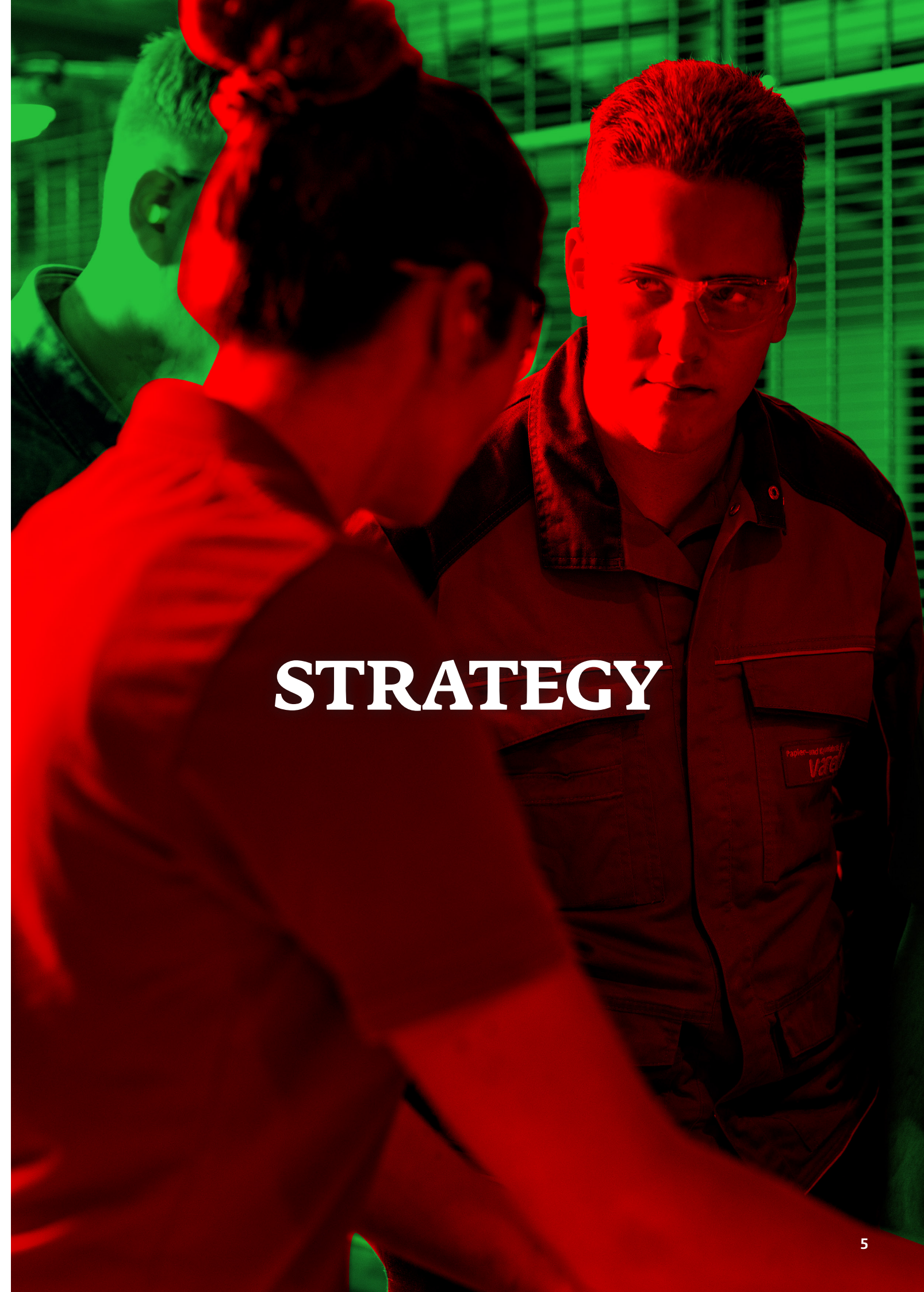
Papier- und Kartonfabrik Varel (PKV) is a German manufacturer of paper and cardboard made from waste paper for use in the packaging industry. The company is based in Varel, Lower Saxony. With an annual production capacity of 930,000 tonnes, we are one of the largest production sites in the German paper industry. We achieved turnover of €547 million in 2022 and employed more than 600 people.

We produce Fluting and linerboard (white/brown) from waste paper, as well as gray and brown board in pigmented, white coated and laminated grades.

Our company holds the following certificates:

- **FSC®-C074387**
(Forest Stewardship Council – Sustainable Management of Wood Fibres)
- **DIN EN ISO 9001**
(quality management)
- **DIN EN ISO 14001**
(environmental management)
- **DIN EN ISO 22000**
(food and product safety management)
- **DIN EN ISO 45001**
(occupational health and safety management)
- **DIN EN ISO 50001**
(energy management)
- **Specialist waste management company**
(according to Section 56 Circular Economy Act – KrWG)

In the year under review, 66% of our products were sold in Germany and 34% abroad. Our customers from the German and international packaging industry use them to produce cardboard boxes made of corrugated board and cardboard, which can be used e.g. for food, consumer goods, industrial goods, pharmaceutical products or in online trade and then recycled again.



DNK criterion 01

STRATEGY

“We have been using waste paper as a raw material since 1950 and are deeply convinced that the sustainability of our products and processes, their convincing quality and our economic success are inextricably linked.”

DNK requirement: The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

Harnessing continuous improvement for the sustainable and competitive production of high-quality packaging papers and board grades is the most important goal of our company. We have been using recovered paper as a raw material since 1950 and are deeply convinced that the sustainability of our products and processes, their convincing quality and our economic success are inextricably linked. We are part of a closed-loop recycling system that has been established worldwide for decades and thus make a valuable contribution to resource-efficient development. Our sustainability strategy has therefore always been part of our DNA and is also an integral element of our corporate strategy.

This strategy defines how our company contributes to sustainable development in several strategic fields of action. We will briefly outline these contributions at this point and go into more detail in the rest of the report.

We have been fulfilling our responsibility to contribute to sustainable development for many decades as a manufacturer of high-quality packaging paper and cardboard made from recycled waste paper. It is our firm conviction that fibre-based, recyclable packaging delivers game-changing advantages in various areas of sustainability.

Building on this self-perception, we have always viewed sustainability aspects as vital to our investments, products and processes. Certification of all products according to the relevant FSC® standards and our voluntary classification according to the EcoVadis standard underpin these approach even further. As a family business with strong roots in the region, we unfailingly embrace our responsibility for people and the environment.

Our vision is to maximise climate-neutrality in the production of our papers and cardboards – and in doing so make a strong contribution to environmentally perfect packaging.

We believe that this vision is consistent with the goals of the Paris Climate Agreement of 2015 and the 17 Sustainable Development Goals (SDGs) of the United Nations.

Aside from recycling waste paper as the foundational aspect of our activities, we as a company are fully equipped to make other important contributions to sustainable development.

We can and intend to continue increasing our energy efficiency by means of process optimisation and technical innovation and in doing so will reduce energy input per tonne of finished product.

In view of the ambitious European climate targets, we are working hard to design potential transformation pathways and prioritised technological options to switch to alternative fuels on our road to climate neutrality. Supported by an external team of consultants with expertise in the energy market and technology, we launched a project to develop this pathway and an overarching decarbonisation strategy in December 2022.

Based on our location, our highly efficient water management system achieved a top position in the industry ranking. Nonetheless, we intend to harness technical innovation to continue reducing our consumption of fresh water and retain our excellent standing.

We always consider environmental impact and increased energy efficiency when making investments and procurements. Wherever possible, we give precedence to greener options that make a positive contribution to sustainable development. These principles apply equally to cooperation with suppliers and contractual partners. To ensure compliance with the German Supply Chain Due Diligence Act, we will place a strong focus in 2023 on fulfilling the human rights and environmental due diligence obligations within our supply chains and hence in procurement processes as well. Our work in this regard will also prepare the ground for the anticipated European Supply Chain Directive.

Healthy and motivated employees are the cornerstone of a successful company. This potential must be preserved. Among our top priorities is to avoid placing our employees, suppliers or visitors at risk.

We are committed to the continuous improvement of all processes, both to safeguard our company and out of responsibility for sustainable development. Employees from all levels are involved in our decision-making processes. The following management systems are implemented and maintained in order to ensure this practice:

- Occupational health and safety according to DIN EN ISO 45001
- Environmental management according to DIN EN ISO 14001
- Quality management according to DIN EN ISO 9001
- Energy management according to DIN EN ISO 50001
- Food and product safety according to DIN EN ISO 22000

In the pursuit of all these objectives, we remain aware that as a company within an energy-intensive industry we can control many – but not all – of the levers to fulfil our vision.

Our industry's path to climate neutrality will hinge to a large extent on policy frameworks and technical decisions, especially with regard to the purchase of renewable energies. In our view, the challenges are found less on the technical side and refer instead to the availability of 'green' energy, regulatory and infrastructural issues, as well as the general business environment.

These framework conditions must enable us to produce economically and market our products both nationally and internationally – also outside the EU – in order to secure the viability and continued development of our company. We cannot create these conditions on our own. It is therefore our firm belief that the opportunities and requirements for climate-neutral paper production must be communicated transparently at all societal and political levels.

DNK criterion 02

MATERIALITY

“However, the most important factor on the road to ecologically perfect packaging will be how [...] greenhouse gas emissions in paper production can be substantially reduced even further.”

DNK requirement: The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

Packaging made from recycled waste paper is a functionally persuasive and ecologically purposeful solution for a variety of industrial requirements or consumer wishes. Drawing on this conviction, Papier- und Kartonfabrik Varel has been producing paper and cardboard from waste paper since 1950. In doing so, PKV also attaches importance to fair partnership with its employees, which it achieves by paying salaries in line with or even above collective agreements, among other things

In Germany, packaging paper and cardboard are now made almost exclusively from recycled waste paper. By using this valuable raw material, PKV also conserves significant quantities of natural resources. Recent studies indicate that recovered paper fibres can be reused in packaging materials 25 times or more without any significant loss in quality (Eckhart, Rene (2021): Über die Rezyklierbarkeit von Faltschachtelkarton. Wochenblatt für Papierfabrikation 11/2021).

PKV impacts material sustainability issues within this environment, while others affect its own business operations. A company classifies an issue as material based on its strategic alignment as defined by management and with particular consideration of the opportunities and risks.

Opportunities and risks are regularly analysed at various levels. A spreadsheet tool is used to collect corporate opportunities and risks in the management review prepared by the Executive Board. The information is then visualised in an opportunity and risk matrix and reviewed regularly. The findings are then used to infer suitable actions. The process descriptions reflect their inherent opportunities and risks, while responsibility for their monitoring and control rests with the process owners.

Furthermore, stakeholder management – so the consideration of what interested parties expect – is another key factor to enable appropriate responses to the business environment. A spreadsheet tool is used to analyse stakeholder groups as part of the annual management review and to infer (communication) measures.

The identification of environmental aspects belongs in the category of environmental planning and is a basic requirement for preparing relevant targets and programmes. Environmental aspects that can be influenced and the associated environmental impacts are

regularly identified for the principal activities within paper and cardboard production and along the product life cycle. Unintended circumstances and unforeseeable emergencies are also considered in this context.

Papier- und Kartonfabrik Varel has adopted a systematic procedure to identify all relevant legal, regulatory and customer requirements pertaining to occupational health and safety, quality and product safety, environmental protection and energy (mandatory obligations) that apply to its activities and services. The currency of these obligations is regularly reviewed and any changes are assessed.

These analyses and the business model itself indicate how PKV's business operations positively impact material sustainability issues. Of particular note in this regard is the substantial contribution that PKV makes to a functioning circular economy and hence to resource efficiency in the production of packaging materials. Nevertheless, even the production of packaging material from recycled waste paper is not without its challenges and risks in regard to material sustainability issues. The use of energy and water resources warrant particular mention in this regard. Despite a 43% reduction in energy consumption per tonne of paper across the sector since 1980 (bifa Umweltinstitut (2020): Nachhaltiger Papierkreislauf – eine Faktenbasis), the paper industry remains energy-intensive, which is due in

particular to the drying process during production. Natural gas is currently the main source of energy at PKV and is used in the company's own power plant, which generates greenhouse gas emissions (→ refer to criterion 12). At the same time, water is a necessary part of the production process, where it is used as a solvent and transport medium. PKV's geographic location means that the extraction of fresh water from deep wells is the only way to accommodate these requirements in a process that is strictly monitored by the authorities. Technical tests on the use of additional alternatives such as purified wastewater have been completed successfully. This option will continue to be pursued going forward (→ refer to criterion 12).

Material sustainability issues emanating from outside the company affect business operations at PKV as well. The analyses outlined above indicate that the huge rise in demand for PKV products over recent decades should be viewed as the most significant opportunity in this regard. This trend has been driven of late by the increasing consumer awareness for the ecological benefits of recyclable packaging compared to plastic solutions. Representative surveys (e.g. Simon-Kucher & Partners, March 2021) show that more than two thirds of German consumers attach importance to sustainable packaging. 70% of respondents state that they view paper

and cardboard as the most sustainable materials. As described in the last paragraph, this perception is naturally associated with risks as well. We are convinced that our business model presents the opportunity to create products for environmentally perfect packaging. It is our belief that we are ideally prepared for this role thanks to our sustainable raw materials and the steadily evolving resource efficiency of our business cycles. However, the most important factor on the road to ecologically perfect packaging will be how greenhouse gas emissions in paper production can be substantially reduced even further based on the threefold factors of in-house efficiency, technical innovation and government policy (especially in regard to energy sources). The planned European Packaging and Packaging Waste Regulation (PPWR) may present risks, as it defines mandatory reuse quotas for certain types of packaging in its current form. In our view, this harbours the risk that established recycling loops may be placed at a disadvantage in favour of reuse loops, although these prescribed reuse loops would be associated with a clearly negative environmental impact due to plastic usage, transport, storage and cleaning.

The issues defined as material remain valid for the 2022 financial year. Their monitoring will continue based on suitable targets and actions as part of our sustainability strategy. Driven among other things by various pieces of upcoming legislation (including the European Supply Chain Directive, EU Taxonomy and CSRD), the Executive Board and sustainability management plan to introduce an update and expansion of the materiality analysis in the first quarter of 2024.

The conclusions we draw from these analyses for our sustainability management are described primarily in → criteria 01, 03 and 12.

Refer in this regard also to → **criterion 01**
→ **criterion 03**
→ **criterion 12**

DNK criterion 03

OBJECTIVES

“[...], the objective to continue increasing our energy efficiency by means of process optimisation and technical innovation and in doing so to reduce energy input per tonne of finished product remains the top priority.”

DNK requirement: The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

Our vision is to maximise climate-neutrality in the production of our recycled papers and cardboards – and in doing so make a strong contribution to environmentally perfect packaging. We believe that this vision, as reported in → criterion 01, is consistent with the goals of the Paris Climate Agreement of 2015 and the 17 Sustainable Development Goals (SDGs) of the United Nations. Building on this long-term and most vital objective, we have derived a variety of medium-term goals as part of our strategic objectives. The Executive Board analyses their impact and level of fulfilment in the annual management review and evaluates the findings with senior managers. In addition, implementing and auditing our management systems are essential factors in the fulfilment of our sustainability goals. The Executive Board is responsible for the achievement of our strategic goals.

Given the energy intensity within our industry, the objective to continue increasing our energy efficiency by means of process optimisation and technical innovation and in doing so to reduce energy input per tonne of finished product remains the top priority.

This high priority is also derived from the regular evaluation of opportunities and risks, which we describe in → criterion 02.

The most notable approaches that warrant mention in this regard include

- **efficient power plant technology**
- **increasing the availability of our production facilities**
- **minimising rejects**
- **optimised utilisation of the raw material**
- **procurement and sales strategy that draws to the greatest possible extent on regional sources to keep energy input in the transport sector at the lowest level of economic viability**
- **as well as various energy saving and efficiency projects in all production facilities.**

Our company has defined detailed short- and medium-term goals for all of these and other approaches. Building on our current investment programme, we aim to achieve an up to 10% reduction in our carbon emissions per tonne of finished product (current energy sources: natural gas, biogas and

electricity) by 2025 compared to 2018. We recorded a 2.7% reduction in 2022 compared to 2018 by engaging in this process (→ refer to criterion 13). At the same time, we are currently working on a decarbonisation roadmap for our company that extends beyond exclusively energy efficiency measures.

Based on our location, our highly efficient water management system achieved a top position in the industry ranking with a use of just 4.2 m³ of fresh water per tonne of finished product in 2022. We intend to harness technical innovation to continue reducing our consumption of fresh water where possible.

Moreover, we have defined targets for our purchasing department which will guide our actions in the attainment of our sustainability vision. Today already, we are engaging in detailed dialogue with our strategic suppliers to guarantee sustainable procurement. We have launched collaborative projects for process optimisation, resource efficiency and innovation to trigger positive developments along the entire supply chain. As described in our last report, our plans still include the introduction of a comprehensive supplier assessment system to review proper environmental and social governance in the long term.

We took the first steps along this path in 2022:

- in 2022, 51% of our key strategic suppliers to our three purchasing departments were reviewed as part of an initial sustainability survey.
- Also in 2022, 87% of our key strategic suppliers to our three purchasing departments signed our Code of Conduct.
- We ensure that all colleagues from the individual purchasing departments at our company receive regular sustainability training so that they are equipped to make responsible procurement decisions.
- Our preparations for compliance with the obligations enshrined in the German Supply Chain Due Diligence Act (LkSG) include plans to perform a systematic risk analysis and assessment of our suppliers in late 2023/early 2024. This will be adapted and expanded where necessary under the expected European Supply Chain Directive. Relevant measures will feature the inclusion of climate-related due diligence obligations such as the preparation of a transformation pathway that is consistent with the 1.5°C target.

Furthermore, our strategy includes documentation of our standards in all areas of occupational safety, which we uphold through implementation of our occupational health and safety management system in accordance with DIN EN ISO 45001 and seek to improve continuously going forward. One of the clear goals in this context was to cut the number of work accidents to the level enshrined in the BG RCI paper (employer's liability association for the raw materials and chemical industries) by the end of 2022. Although we fulfilled this goal, we have not yet reached the level stipulated by BG RCI overall (or better).

Our aim is to be 30% lower than the BG RCI values by the end of 2025, and are already preparing measures to this end.

DNK criterion 04

DEPTH OF THE VALUE CHAIN

“We almost exclusively use recycled waste paper as raw material for the production of paper and cardboard at our plant.”

DNK requirement: The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

We almost exclusively use recycled waste paper as raw material for the production of paper and cardboard at our plant. On average, we receive 3,500 tonnes of raw material every day from Monday to Friday, which is available in 17 different qualities and which we source from 16 different countries worldwide (in 2022, 72% of our purchase volume came from Germany and 99.5% from Europe, including Great Britain, Norway and Switzerland). Naturally, we also receive numerous other deliveries with auxiliary materials, laminated paper, technical components and much more.

Today already, we are engaging in detailed dialogue with our strategic suppliers to guarantee sustainable procurement. In this context, we also keep an eye on potential risks to sustainable development in social, ecological and ethical dimensions, including

- impacts of logistics transport (emissions from transport)
- labour conditions upheld by suppliers (compliance with social and ethical standards) and
- raw material quality criteria (ecological dimension of resource conservation).

We have introduced a variety of initiatives, rules and processes to address these potential risks. They are communicated to suppliers by our purchasing departments when the need arises in order to prepare joint solutions.

At the time of this report

- many of our suppliers – as we do ourselves – have certified management systems that codify equitable environmental and social business practices.
- we only purchase FSC®-certified pulp for our paper and cardboard production.
- our procurement of logistics services builds on compliance with EU standards in regard to cargo services. The use and combination of ship, road and rail carriers are considered from a strategic perspective in order to ensure the efficient transport of goods.
- compliance with human rights and labour law standards in logistics procurement is viewed as an inalienable requirement.
- a large proportion of purchasers receive training in sustainable procurement.
- we have our procurement policy reviewed as part of the EcoVadis rating.

As described in the previous chapter, our plans still include the introduction of a comprehensive supplier assessment system to review proper environmental and social governance in the long term.

We took the first steps along this path in 2022:

- **In 2022, 51% of our key strategic suppliers to our three purchasing departments were reviewed as part of our sustainability survey.**
- **Also in 2022, 87% of our key strategic suppliers to our three purchasing departments signed our Code of Conduct.**
- **We ensure that all colleagues from the individual purchasing departments at our company receive regular sustainability training so that they are equipped to make responsible procurement decisions.**
- **Our preparations for compliance with the obligations enshrined in the German Supply Chain Due Diligence Act include plans to perform a systematic risk analysis and assessment of our suppliers in late 2023/early 2024. This will be adapted and expanded where necessary under the expected European Supply Chain Directive. Relevant measures will feature the inclusion of climate-related due diligence obligations such as the preparation of a transformation pathway that is consistent with the 1.5°C target.**

Our own production is the next key point in our value chain. We process our raw material into paper webs on rolls and cardboard on pallets or rolls at our plant. The sustainability aspects of this production are described in detail in → criterion 12 Resource Management.

Since 2010, PKV has been able to offer its customers Forest Stewardship Council (FSC®) chain of custody certification for all its products. Established 1993, FSC® has created an internationally recognised certification system to ensure sustainable forest management. PKV is able to sell its entire product portfolio with an FSC® mark thanks to the predominant use of recycled waste paper as a raw material and the purchase of FSC®-certified pulp, mechanical pulp and laminated paper for individual grades. We can offer our customers FSC® Recycled Credit, FSC® Recycled 85%, FSC® Mix Credit and FSC® Mix 70%, depending on the composition of the individual products. Naturally, the processes and policies at PKV are also certified according to the FSC® standards. This certificate is regularly reviewed by external auditors and renewed.

Our customers then use our finished products in packaging solutions for the food and consumer goods sector, the pharmaceutical industry or mechanical engineering, to name just a few. Once this is complete, our PKV products are 100% recyclable. This means they can be collected in waste paper containers and reprocessed into new paper and cardboard products according to the EN 13430 standard.

Refer in this regard also to → **criterion 12**

PROCESS MANAGEMENT



DNK criterion 05

RESPONSIBILITY

“[...] It goes without saying that sustainability is not just a matter for the boss. All of our employees are kept up to date with sustainability issues at the company [...] and encouraged to do their part.”

DNK requirement: Accountability within the company's management with regard to sustainability is disclosed.

The Executive Board placed an even greater focus on sustainability in 2022. We recruited our first sustainability manager in October 2022. Her remit is to take overarching responsibility for the continuous development and optimisation of the company's holistic sustainability strategy in cooperation with the relevant departments and Executive Board. Sustainability issues will become even more embedded within the overall strategic corporate process going forward, so the position is defined as a staff unit reporting directly to commercial management.

As one of our most pressing issues for the future, sustainability is still a matter for senior management (as well). PKV's shareholders and management prepare and update the company's sustainability strategy in close cooperation with the sustainability manager. In doing so, they remain in regular dialogue with the heads of department, who carry operational responsibility for implementation and also report on target achievement. The internal officers for our management systems provide vital support within this oversight structure. Occupational health and safety management (ISO 45001), environmental management (ISO 14001), energy management (ISO 50001) and certification by the Forest Stewardship Council (FSC®) warrant particular mention in the area of sustainability. All officers advise and support the company in complying with these strict voluntary standards. They also participate in regular internal and external audits (conducted by accredited certification bodies).

It goes without saying that sustainability is not just a matter for the boss. All of our employees are kept up to date with sustainability issues at the company – on the social intranet and in the leseStoff staff magazine, among others – and encouraged to do their part. Consultation and participation procedures are organised to ensure that employee representatives remain involved. At the same time, each department has specific targets to make sure that all employees are closely involved in implementation of the sustainability strategy. Our suggestions scheme also encourages them to submit regular ideas to support the strategy, for instance in the area of energy efficiency.

DNK criterion 06

RULES AND PROCESSES

“[...] there are management systems/standards in place at PKV to define or establish processes that are geared at implementing the sustainability strategy.”

DNK requirement: The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

PKV's sustainability goals (as an integral component in the strategic objectives) are a firm part of the internal rules, processes and standards – across all hierarchical levels, from the partners and Executive Board to the regular dialogue at operational level and vice versa.

Aside from the sustainability strategy itself, the company has introduced a variety of policies to provide basic guidance in this process. They include a Code of Conduct, internal management principles, a policy on working conditions and human rights and a policy for sustainable and responsible procurement.

PKV draws on its established system of short, medium and long-term work and safety instructions, various regular reports, information on the "PULS" social intranet and other management and reporting formats to fulfil its goals.

At the same time, PKV controls its activities using management systems and standards in the following areas

- Quality (since 1994, certified according to ISO 9001)
- Environment (since 2009, certified according to ISO 14001)
- Forest Stewardship Council (FSC®), certified since 2010
- Occupational health and safety (certified according to BS OHSAS 18001 from 2012 to 2019 and according to ISO 45001 since 2019)
- Energy (since 2013, certified according to ISO 50001)
- Food and product safety (certified according to INREKA since 2008/switch in certification to ISO 22000 since 2021)

and regularly engages certified external auditors to review its procedures. These management systems/standards have defined or established processes at PKV that are geared at implementing the sustainability strategy.

DNK criterion 07

CONTROL

“Much of this data is integral to reporting and auditing of our management systems and, for this reason alone, must fulfil the strictest requirements in regard to reliability, consistency and comparability.”

DNK requirement: The company states how and what performance indicators related to sustainability are integrated into its periodical internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

Like with all strategic goals, PKV also logs and reports a large number of metrics and performance indicators concerning its sustainability goals. This data is used by managers, the Executive Board and shareholders for steering and control purposes. Much of this data is integral to reporting and auditing of our management systems and, for this reason alone, must fulfil the strictest requirements in regard to reliability, consistency and comparability.

This applies equally to the metrics and performance indicators that relate to our energy input. We will now examine this issue in more detail, in line with the principle of materiality.

Among others, we use energy input per tonne of finished product as a performance indicator to measure our target achievement. This enables us to state, expressed in kilowatt hours, how much energy was needed to produce one tonne of marketable paper or cardboard. The indicator is based on measured energy input (according to our energy management system) and weight data for our finished products. It allows us to see the progress we have made towards our reduction target.

However, we still require significant amounts of additional data and various indicators to control this progress. This is due to the large number of factors that impact our energy input. These influences include, among others, raw material utilisation, the power efficiency of our power plant and production facilities, the availability of these facilities (energy input increases if availability is higher) and the volume of waste (lower waste quantities result in less energy input per tonne of finished product).

Within this framework, we consider not only the pure energy input from our current energy sources of natural gas, biogas and electricity, but also their associated emissions. Accordingly, we calculate our corporate carbon footprint based on the principles enshrined in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. For more information, refer to → criterion 13.

Refer in this regard also to → **criterion 13**

DNK criterion 08

INCENTIVE SCHEMES

“In addition, management has decided to provide financial support for voluntary work by employees.”

DNK requirement: The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

PKV's sustainability goals (as described in → criterion 03) are firmly integrated into the strategic goals of the company and as such are also part of the regular management evaluations conducted by the shareholders. We report on the corresponding management review as a control instrument at management level in → criterion 02, and on more detailed control mechanisms at the level of individual performance indicators in → criterion 07.



PKV has established two monetary incentive schemes that relate to sustainability issues:

The management and works council established the company suggestion scheme, which remains in place today, as far back as 2001. Among others, the sustainability goals of occupational safety, health protection and environmental protection were part of this scheme from its inception. The energy efficiency goal was then added later on.

All PKV employees are invited to submit relevant suggestions, which are checked for feasibility and then classified by an evaluation committee (representatives from the management, works council and various departments). If a suggestion is adopted, bonuses are paid out that reflect the value of the suggested improvement.

In addition, management has decided to provide financial support for voluntary work by employees.

Our aim in this regard is to emphasise how much we value cohesion and commitment – in professional and personal life. PKV established the PKV Extra programme in 2020 to provide annual funding for donating to/sponsoring projects in which our employees are actively involved.

Refer in this regard also to → **criterion 02**
→ **criterion 03**
→ **criterion 07**

DNK criterion 09

STAKEHOLDER ENGAGEMENT

“PKV has appointed primary contacts and introduced communication channels for all these stakeholder groups [...]”

DNK requirement: The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

A structured record detailing the most important stakeholder groups with which PKV has always engaged was prepared during implementation of the PKV management systems in 2017. It was drafted during a management workshop under external leadership and also set out the interests these stakeholders have in the company and which demands they place in PKV.

The currency of this system is regularly reviewed during the annual management evaluation and any necessary changes are then made.

These main stakeholders are (in no particular order)

- Shareholders
- Employees/works council
- Customers
- Neighbours/residents
- Applicants
- Contacting persons (service providers, suppliers, utility companies, certifiers)
- Professional associations
- Local media
- Schools
- Interested members of the public
- Emergency services
- Government authorities
- Legislative institutions
- Chambers and associations
- Insurance companies
- Banks
- Investors
- Societies
- NGO

PKV has appointed primary contacts and introduced communication channels for all these stakeholder groups. These communication channels can be extremely varied (face-to-face meetings, events, digital formats, press and public relations, other formats for internal and external corporate communication, company suggestion schemes, audits, inspections, reports...). PKV's system of occupational health and safety management also includes numerous opportunities to consult and involve employees.

Feedback from the various forms of dialogue with these stakeholders is also used in different ways for the ongoing development of sustainability management.

As part of the envisaged update of the materiality analysis described in → criterion 02, a transparent process will be introduced to ensure that the main stakeholder groups at PKV will again be involved in the process of determining material sustainability issues that currently affect PKV and will impact the company going forward.

The complaints process in regard to aspects of the management systems and/or FSC®-certified products is an apt example. Each complaint that PKV receives is logged and forwarded to the competent office without delay. In addition, complaint management liaises with complainants during and after the processing of their concern.

Complaints regarding FSC®-certified products are handled according to a process defined in the FSC® manual; this also applies to interim status reports and final feedback to the complainants. In addition, the establishment of a whistleblower system in early 2023 will enable all external and internal stakeholders to submit anonymised reports on legal violations or abusive behaviour across a wide range of areas.

The company suggestion scheme is another example of a process to manage feedback from our stakeholders. It is described in more detail in → criterion 08.

Refer in this regard also to → **criterion 8**

DNK criterion 10

INNOVATION AND PRODUCT MANAGEMENT

“Harnessing the best available technology has always been integral to our corporate strategy. This has positive knock-on effects in regard to resource preservation. [...]”

DNK requirement: The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

Papier- und Kartonfabrik Varel makes an important contribution to sustainable development by means of its business model alone. Compared to other materials, packaging paper and cardboard made from recycled paper yield significant benefits in regard to ecological aspects of sustainability that extend from production and use to recycling. Processing waste paper as the raw material conserves natural resources, and the collection systems established in Germany ensure that used products can be easily returned to the circular economy. Among other things, a carbon footprint is calculated for each of our products in order to assess their specific environmental impact. Moreover, our management systems regularly identify environmental aspects that can be influenced and the associated environmental impacts for the principal activities within paper and cardboard production and along the product life cycle. Unintended circumstances and unforeseeable emergencies are also considered in this context. We report on how other opportunities and risks are considered in → criterion 02.

Naturally, innovation processes along the value chain affecting established goods such as paper and cardboard play an important role, also with regard to sustainable development. Broken down individually, these processes include, firstly, external technical innovations exploited by our

company, and, secondly, proprietary product and process innovations as well as, thirdly, investments in industry-wide innovation processes.

Technical innovation has always played a central role at our company. Harnessing the best available technology is integral to our corporate strategy.

This yields a steady stream of positive knock-on effects in the area of resource conservation – for instance when innovative technology is used for machine conversions that increase dewatering of paper in the machine's press unit to save energy during steam drying. In addition, PKV is, broadly speaking, open to revolutionary methods of steam production and in 2019 commissioned a power-to-heat module that draws on wind energy (purchased from the market) to generate steam. PKV has planned to install two new photovoltaic systems with a combined output of around 6.1 megawatts (MWp) in 2022. This is set to begin in 2023 and will increase total solar power output on PKV roofs to 7.9 MWp.

We are also strongly involved in the continuous improvement of our own products and processes, along with innovation and optimisation. Our integrated management systems (quality, environment, occupational health and safety, food and product safety, energy) provide a suitable framework for this purpose that is regularly assessed by external auditors. The company suggestion scheme is another example of an innovative process. It is described in more detail in → criterion 08.

Furthermore, our internal product development department, for example, contributes to industry-wide research projects that aim to exploit previously unusable fibre material for recycling and integration in packaging materials.

PKV co-founded Modellfabrik Papier in Düren in 2019 to work on industry-wide solutions to reduce greenhouse gas emissions, improve resource conservation and increase energy efficiency going forward. Comprising a large number of partners from industry, universities and associations, this research network will use the coming years to conduct intensive basic research in the interests of sustainable, climate-neutral paper and cardboard production.

Refer in this regard also to → **criterion 02**
→ **criterion 08**

ENVIRONMENT

DNK criterion 11

USAGE OF NATURAL RESOURCES

“[...], PKV has been contributing for decades to a successful circular economy consisting of paper and cardboard production, the use of its products in industry and private holds and recycling and by doing so is conserving natural resources.”

DNK requirement: The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

PKV has almost exclusively used waste paper as the raw material in the production of paper and cardboard since 1950. The only exceptions are small quantities of pulp from sustainable forestry, which are added to special grades for technical reasons, and virgin fiber-based laminating papers made of pulp from sustainable forestry, which we purchase from external sources. PKV was one of the first paper factories in Germany to rely exclusively on waste paper as a raw material.

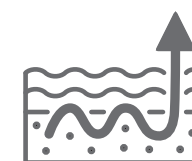
By doing so, PKV has been contributing for decades to a successful circular economy consisting of paper and cardboard production, the use of its products in industry and private households and recycling and by doing so is conserving natural resources. Fibres used in the production of corrugated base paper and cardboard can be recycled to a high standard and reused more than 25 times. In Germany, these packagings consist, on average, to over 80 percent of recycling paper. The return rate for waste paper is similarly high: around 80 per cent of paper, cardboard and carton products are disposed of properly. PKV purchased 854,382 tonnes of waste paper in total during 2022.

At the same time, the recycling of waste paper also requires natural resources – mainly water and energy. However, these resources can be used more sparingly in the processing of waste paper compared to the production of virgin fibre products.

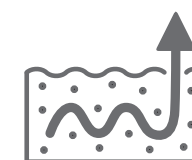
Water is the most important pulping, transport and sorting medium and is hence indispensable for paper and cardboard manufacturers. This applies from the preparation of raw materials to web creation and the finished web to comply with specific strength and appearance requirements. In 2022, PKV used 4.2 m³ of fresh water per tonne of finished product (3.4 million m³ in total) in multiple and cascade scenarios for its production processes. Our water management system is explained in more detail in → criterion 12.

The production of paper and cardboard from waste paper also requires energy. This comes in particular in the form of steam to dry the paper and cardboard webs, but also in the form of electricity to operate the systems. As energy sources, PKV currently uses natural gas (2022: 1,472,891,537 kWh) and biogas (2022: 57,469,000 kWh) generated in the process water treatment to create process heat (in the form of steam) and electricity. For reasons relating to process engineering, we also purchase electricity from external sources (2022: 9,816,241 kWh), but also feed electricity we generate but do not use into the public grid (2022: 23,799,667 kWh). Our energy management system is described in detail in → criterion 12.

ENERGY SOURCES 2022



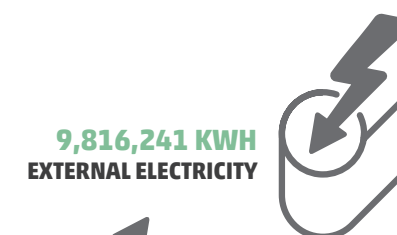
**1,472,891,537 KWH
NATURAL GAS**



**57,469,000 KWH
BIOGAS**



**= PROCESS HEAT
AND ELECTRICITY**



**9,816,241 KWH
EXTERNAL ELECTRICITY**



**23,799,667 KWH
ELECTRICITY FED INTO THE
PUBLIC GRID**

Refer in this regard also to → **criterion 12**

DNK criterion 12

RESOURCE MANAGEMENT

Building on our current investment programme, we aim to achieve an up to 10% reduction in our carbon emissions per tonne of finished product by 2025 [...].”

DNK requirement: The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

ENERGY

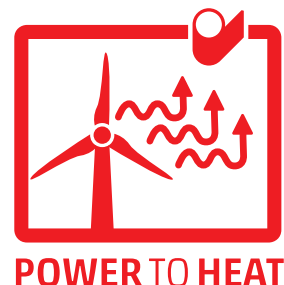
PKV has its own power plant and is almost entirely self-sufficient in regard to energy requirements. The power plant systems are rigorously designed for combined heat and power generation and hence virtually complete exploitation of the energy source. Among other things, our ISO 50001-certified energy management system maximises efficiency in the use of resources.

Our four gas turbines, five high-pressure steam boilers and four steam turbines use a highly efficient combined heat and power (CHP) process to generate up to 200 tonnes of steam per hour and more than 50 MW of electricity, depending on the steam off-take.

Natural gas is the principal energy source, along with biogas generated in the process water treatment system. It is primarily converted into electricity in two gas engines with a combined electrical output of almost 2 MW. The flue gas heat is used to generate steam and the engine heat to heat water fed into the boiler. Another quantity of biogas is used as a substitute for thermal purposes in a steam generator otherwise powered by natural gas. This enables over 90% utilisation of the energy obtained from natural gas and biogas.

By harnessing natural gas and biogas as energy sources, the power plant makes PKV largely self-sufficient. Only rarely is it necessary to purchase electricity from third parties.

PKV has planned to install two new photovoltaic systems with a combined output of around 6.1 megawatts (MWp) in 2022. This is set to begin in 2023 and will increase total solar power output on PKV roofs to 7.9 MWp. The two new systems comprise over 16,000 solar modules on a roof area of almost 50,000 square metres. The first of these systems was mounted in spring 2023. A second system will be added in the coming years.



Furthermore, our new power-to-heat module (electricity to heat/steam) eases the strain on the public grid – especially in the case of increased wind power – and can hence save primary energy and CO₂ at the same time.

The energy performance indicators are recorded and evaluated monthly based on our energy management system. We then conduct an annual comparison with the matching energy baseline from 2012 to review the continuous improvement process.

As part of the paper industry, we belong to an energy-intensive sector. This comes with the risk of producing emissions that harm the climate and have a negative impact on sustainable development.

This area has experienced considerable progress over recent years and decades – data released by Die Papierindustrie e.V. industry association indicates that the specific energy consumption per tonne of finished product in the paper industry fell from 3,413 kWh in 1990 to (still more than) 2,250 kWh in 2021. At PKV, we can report natural gas energy input of 1,590 kWh per tonne of finished product in 2022 (natural gas input Hu, based on ready-for-sale

goods, weighed quantity with inherent moisture), and total energy input of 1,663 kWh per tonne. This places us well below the average. It is important to note nonetheless that this average also includes companies that, for technical reasons relating to the products they make, are compelled to use more energy, for instance in the processing of virgin fibres. Recycling of waste paper (like at PKV) is less energy-intensive by comparison. We have nevertheless set ourselves ambitious goals to progress from where we are now.

Building on our current investment programme, we aim to achieve an up to 10% reduction in our carbon emissions per tonne of finished product (current energy sources: natural gas, biogas and purchased electricity) by 2025 compared to 2018.

We recorded a 2.7% reduction in 2022 compared to 2018 (→ refer to criterion 13) by engaging in this process. At the same time, we are currently developing a plan for how to achieve further reductions. It will also set out what our decarbonisation pathway may look like with absolute reductions in greenhouse gas emissions on the way to carbon neutrality.

Today and for the foreseeable future, we will be able to draw mainly on efficiency measures to approach this goal through our own efforts. Moreover, a switch in energy source to, for example, green hydrogen would bolster our efforts tremendously, but implementation in this regard will depend on many factors outside our company.

The following will therefore merely outline some of our projects that aim to achieve our reduction goal through improvements in energy efficiency.

We planned a project in 2022 that will enable us to improve the recycling of process heat from paper production. The new systems will be introduced in 2023. It involves building new water circuits to permit the use of heated cooling water as preheated process water for the machines – instead of the cold fresh water that has been used until now. This new procedure largely eliminates the need to preheat the fresh water with steam, leading to savings in natural gas – equivalent to than 16,700 megawatt hours per year or the annual energy consumption of around 950 average households. These systems are scheduled to go into operation in the first quarter of 2024.

We are also reducing emissions by converting our vehicle fleet to electric drive. PKV current has 14 company vehicles, of which five are equipped with combustion engines, eight with hybrid drives and one with a fuel cell (H₂). Around 65% of the fleet can therefore run on electricity. It remains our declared goal to convert all industrial trucks and equipment, such as wheel loaders and excavators, to electric drives by 2025. Today, 110 of the 140 vehicles are already fitted with this kind of drive.

WATER

We use water for a variety of purposes in the production of paper and cardboard from almost 100% waste paper: for cooling, preparation, dilution, and cleaning, as a pulping, sorting and transport medium in raw material preparation and as a production medium for high-quality, homogeneous web formation.

Exclusively groundwater has been available for these tasks at PKV's site in Varel since the plant was established. But this always comes with a risk of conflicted use. This fact alone encourages us to install a necessary water management system that ensures efficient use of this natural resource. At present, we are able to use just one litre of water up to thirty times in various stages and cascades before it is purified and returned to the ecosystem.

Based on our location, this highly efficient management system enabled us to achieve a top position in the industry ranking with a use of just 4.2 m³ of fresh water per tonne of finished product in 2022. The most recent data indicates that the German paper industry used an average of around 6.7 m³ of fresh water per tonne of fresh product. It is important to note, however, in regard to this comparison that, for technical reasons alone, our recycling processes will always require less water than other production processes in the paper industry (e.g. the processing of virgin fibres).

Although our current water management system operates at the lower level of what would be technically feasible, we remain tireless in our efforts to achieve continuous improvement. Our aim is to harness technical and process solutions to keep fresh water consumption consistently below or at 4 m³ per tonne of finished product. Moreover, we are currently testing how a share of purified municipal wastewater could be added to the groundwater in order to preserve resources going forward. To this end, a technical pilot project has been brought to a successful conclusion with the Oldenburgisch-Ostfriesische Wasserverband (OOWV). The follow-on project in 2023 to plan a large-scale technical facility has been awarded funding of €500,000 from the state of Lower Saxony as part of the Water Management for Climate Impact Adaptation funding programme. OOWV and PKV are now pressing ahead with the next steps in project planning and approval.

We obtain groundwater from 15 wells situated in a radius of up to 5 kilometres. In 2013, after extensive testing, we received a corresponding permit from the district of Friesland, which is valid for 30 years. It permits us to extract 4.5 million³ per year. We utilised 3.3 million m³ of this quota in 2022, as our current production is still below the volume targets set out in our investment strategy.

Our permit also imposes regular reviews of various issues that may be associated with the extraction of groundwater (impact on agriculture and forestry, impact on soil settlement and impact on the saline/freshwater boundary etc.). This means that we are subject to extremely strict monitoring. Our more than 200 groundwater measuring points are inspected monthly. None of the inspections to date have returned anomalous measurement values.

How do we handle water at our plant? The groundwater comes in a temperature of between seven and ten degrees Celsius and is used initially to cool the turbines in the power plant, the switch rooms, the control rooms and the hydraulic stations. Doing so eliminates the need for a large number of refrigeration machines or cooling circuits with evaporative coolers and hence reduces electricity, coolant and water consumption.

We aim to bring the water as close as possible to the ideal temperature for use in the wet section of the paper and cardboard machinery – also by harnessing additional heat from the recirculation condensate in the dryer section and waste heat from the exhaust air. This water temperature allows us to cut primary energy consumption in the form of steam (by a reduction in heating energy and through a higher dewatering speed and greater dry contents after the wire and press sections).

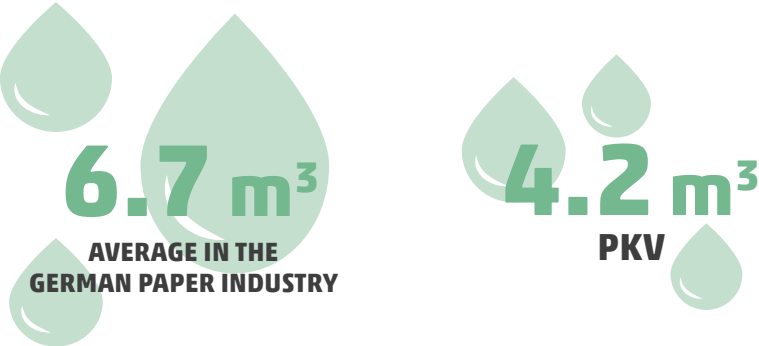
In the dryer section, some of the process water is discharged as steam through the exhaust vents in the hall roof during the production of our cardboard and paper. During the production process, the remaining process water acquires a greater carbon load (COD) in particular. This load must be removed by purification, which is repeated around 30 times before the water is discharged into the North Sea or reused in parts of the production process. This task is performed by our process water treatment plant, which has a current daily capacity of 90 tonnes of COD. The system has an anaerobic and an aerobic part, which means that the carbon loads are eliminated by means of bacteria and sedimentation processes. We then reuse around 20% of this water in production. Completely purified water (2022: 2.73 m³ per tonne of finished product) is discharged into the North Sea via a seven-kilometre-long pressure pipeline. We measure wastewater values on a daily basis. They are also checked twelve times a year during unannounced inspections by the Lower Saxony Water Management, Coastal Defence and Nature Conservation Agency (NLWKN).

WASTE MANAGEMENT

PKV operates facilities in accordance with the Federal Immission Control Act (BImSchG) with appropriate waste management. This guarantees lawful disposal at all times in cooperation with certified specialist waste management companies. PKV is also a certified specialist disposal company. The internal waste management officer advises management and other competent persons. The officer also prepares an annual report documenting waste pathways from generation to recycling or disposal, certificate review, waste performance indicator trends as well as compliance with legal requirements, mainly by conducting regular inspections of the

company's own accumulation points, notifying the company of any deficiencies and suggesting ways for their elimination. Continuous improvement approaches are also an integral part of waste management.

Unfortunately, the non-recyclable fraction of waste paper as our raw material has risen in recent years. Included in this are, for example, plastic bags, foils, stickers and much more. This waste now accounts for around three percent of the raw material, which is equivalent to almost 26,300 tonnes per year (based on the waste paper purchased in 2022) or more than 1,050 truckloads.



FRESH WATER INPUT PER TONNE OF FINISHED PRODUCT



PLASTIC WASTE AND SCRAP METAL IN WASTE PAPER 26,300 TONNES/1,050 TRUCKLOADS

We use various systems to sort this waste out of the recovered paper that is dissolved in water. These rejects consist of wet, shredded plastic waste mixed with paper fibres or even scrap metal and sand. This waste was disposed of directly in the past (the plastic was generally sent to waste incinerations plants), which required a significant number of transports and incurred high costs.

We have decided to transform these rejects as far as possible into a useful product. The reject processing system we built in 2018 is able to break down, crush, sort, dry and compact those parts of the waste that are suitable for further processing. We use waste heat from paper and cardboard production for drying. Then we press the rejects into pellets. They have the capacity to replace fossil fuels, as they are used as fuel in the cement industry and elsewhere or in power stations that generate electricity and/or district heating.

NOISE

Our plant is an industrial facility that will inevitably generate noise, whatever we do. We have been issued an operating licence by the Trade Supervisory Office on the basis of the Federal Immission Control Act, which provides the legal framework to mitigate this potential risk. This licence sets out a variety of limit values for

noise perception at different points outside the factory premises, all of which we comply with. Compliance must be checked every three years by a measuring centre notified in accordance with Section 29b BImSchG.

In addition, a noise specialist prepared a noise forecast model for our entire premises, which involved more than 300 individual measurements. The expert uses this forecast model to determine necessary noise protection measures in the case of modernisations or investments. This forecast model is updated regularly following changes. We take any reports from neighbours concerning disturbing noises seriously and eliminate the sources. At the same time, we are constantly reducing the noise emitted at our plant, for example by using electric stackers in the waste paper yards and new power plant technology.

ODOUR

PKV manufactures paper and cardboard almost exclusively from waste paper. Unfortunately, odours cannot be entirely excluded in this process. But we make regular investments in new technologies to reduce odour levels as far as possible. We are also subject to strict limit values, and our compliance with these requirements is checked by external experts according to the intervals stipulated by law.

Starchy waste paper as raw material, water and warm temperatures provide an ideal habitat for acidifying bacteria that produce naturally occurring organic acids. This cannot be eliminated entirely in the production of paper. Paper and cardboard machines use sieves, felts, rollers and drying cylinders to produce a homogeneous web from a liquid mixture (paper fibres and water). Most of the water is drained mechanically. The rest must evaporate during the drying process. Some of this water vapour passes through vents and escapes above our factory. People are able to smell even the slightest concentrations of the natural substances dissolved in this vapour. We are therefore unable to entirely prevent an odour of 'wet paper' emanating from our plant. But it does not present any health risk. Our company is required to comply with the Federal Immission Control Act. This means that a permit or notice must be obtained from the competent authorities for any change to the facilities. This applies in particular if it potentially impacts noise, odour, soil protection, immissions/emissions of substances, wastewater discharge and groundwater extraction. These permits and notices include regular monitoring to ensure compliance with emission/immissions guide values, which are measured by officially approved measuring stations and independent experts. We are therefore able to infer that we do not release any emissions in concentrations that may present a health risk.

There are a variety of ways in which we can counteract odour development. Some are mechanical, while others involve the addition of lime milk and soda lye to stabilise the pH value and hence worsen the conditions for the growth of acidifying bacteria. Broadly speaking, though, we encounter another dependency at this point: it is our aim to reduce the consumption of fresh water as far as possible at our plant – but reducing odour development requires the use of more fresh water (dilution effect).

A suitable additive to reduce microbiological activity is also added at key points in the production process. In doing so, we strictly adhere to the principle of 'as much as necessary, as little as possible' in order to ensure optimised operation of the downstream microbiological process water treatment system at our plant. The auxiliaries we use degrade completely in the water cycles, which prevents any impact on the environment.

As a final step, the previously unwanted process (acidification) is deliberately induced in the process water treatment system in order to break down the dissolved starch fraction in a controlled setting. Among other things, ongoing modernisation of the process water treatment system also involves the installation of cutting-edge technologies to replace older components. This contributes to minimising odours and enables the

return of more biologically purified process water to the production process for dilution purposes.

BIODIVERSITY

The slogan 'Blossoming Friesland' is the name for several projects that are being organised in the district of Friesland with the aim of preserving and promoting biodiversity.

PKV is participating in the 'Blossoming Trade' project in 2022 and 2023. It encourages companies in the district of Friesland to sow a small area of flowering plants and to allow other areas to grow and develop naturally. The aim is to help counteract the alarming and progressive loss of native flora and fauna. This will create a very tight network of natural structures and biotopes that will allow native plants to flourish and hence ensure the development and sustainable survival of insects and animals that depend on them.

PKV has defined a variety of measures that are currently underway within the project:

- Flowering meadows, approx. 7,000 m²
- Flowering/natural meadow with two insect hotels, approx. 3,000 m²
- Natural meadows, approx. 16,800 m²
- Orchard meadow with eleven apple trees (old varieties)
- Fruit trees and natural tree population with natural meadow, approx. 4500 m²
- Beehives on the company premises in cooperation with a local beekeeper since 2018
- Kestrel box in collaboration with NABU since 2013
- Stork nest in collaboration with NABU since 2021

In addition to its participation in the 'Blossoming Trade' campaign, PKV also launched a customer campaign in 2023 that again raised the bar for sustainability and biodiversity: PKV is covering the annual costs of maintaining over 4,780 square metres of flowering meadow on behalf of its customers, and has also sent out seeds from a certified regional source to encourage others to follow suit. The campaign is supported by partners at Immerbunt, a start-up from Oldenburg, and the additional flowering meadow sponsored by PKV is situated on the outskirts of Oldenburg.



DNK criterion 13

CLIMATE-RELEVANT EMISSIONS

“[...], the objective to continue increasing energy efficiency at PKV by means of process optimisation and technical innovation and in doing so [...] to reduce the use of fossil energy sources per tonne of finished product remains the top priority.”

DNK requirement: The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions.

Our company mainly produces climate-relevant emissions through the use of natural gas. Its energy is converted in our power plant into electricity and process heat in the form of steam. The paper industry is an energy-intensive sector, in particular due to the process heat used to dry the paper and cardboard webs. The principal challenge in this regard is the need to use water to produce the paper, which then has to be removed from the product once a paper web has been formed. Mechanical and thermal methods are used in this context, all of which require substantial quantities of energy. “At PKV, the top priority, as described in → criterion 03, is to continue increasing energy efficiency by means of process optimisation and technical innovation and in doing so [...] to reduce the use of fossil energy sources

per tonne of finished product.” The most notable approaches that warrant mention in this regard include

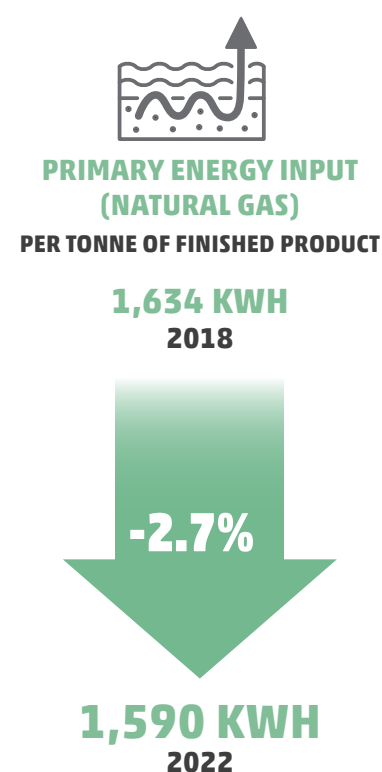
- **efficient power plant technology**
- **increasing the temporal availability of our production facilities**
- **minimising rejects**
- **optimised utilisation of the raw material**
- **as well as various energy saving and efficiency projects in all production facilities.**

Overall, we aim to achieve an up to 10% reduction in our carbon emissions per tonne of finished product by 2025 compared to 2018. We are supported in this undertaking by our ISO 50001-certified energy management system and the ongoing development of additional measures (→ refer to criterion 12) to continue reducing the use of fossil fuels.

We chose the base year 2018 as, at 1,634 kWh, it recorded the best (lowest) primary energy input per tonne of finished product (natural gas use Hu, based on ready-for-sale goods,

weighed quantity with inherent moisture) in the five-year period of 2014 to 2018 prior to implementation of the current PKV strategy programme. It is our intention to measure our performance based on the best values of 2014–2018.

We achieved a value of 1,590 kWh per tonne of finished product in 2022, the reporting year, and hence a reduction of approximately 2.7 percent compared to 2018.



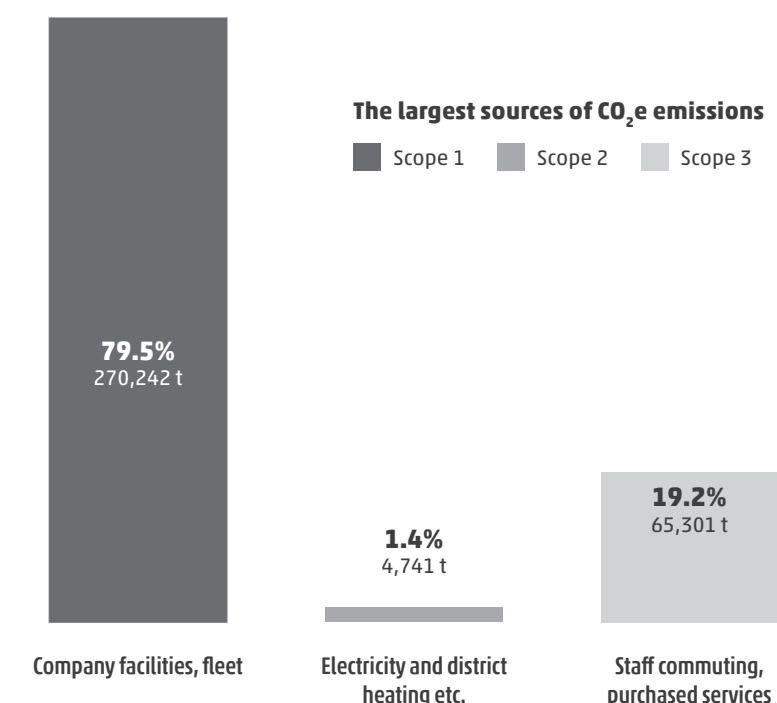
We again calculated our corporate carbon footprint (CCF) in Scopes 1–3 for 2022 based on the guidelines set out in the Greenhouse Gas Protocol (GHG). Our calculated total greenhouse gas emissions for 2022 were 340,284 tonnes of CO₂ equivalents.

All relevant greenhouse gases according to the Kyoto Protocol were included in the calculated CCF. The emissions were obtained using consumption data and emission factors. Primary data was used as far as possible. Where no such primary data was available, we used secondary data from recognised sources. The emission factors were sourced from internationally recognised databases such as DEFRA, Gemis or the German Environment Agency (UBA).

Refer in this regard also to → **criterion 03**

Total emissions were divided into three categories (Scopes):

- **Scope 1 contains all emissions directly generated by Papier u. Kartonfabrik Varel GmbH & Co. KG through, for example, company facilities or vehicle fleets (= 79.5% of emissions).**
- **Scope 2 lists emissions generated by purchased energy, for example electricity and district heating etc. (= 1.4% of emissions).**
- **Scope 3 includes indirect emissions, such as staff commuting or purchased services. (= 19.2% of emissions)**



SOCIETY

DNK criterion 14

EMPLOYEE RIGHTS

“We are committed to social responsibility and accountable corporate governance.”

DNK requirement: The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

We are committed to social responsibility and accountable corporate governance. Compliance with applicable laws is the basis for our actions, which are shaped by the principles of integrity, fairness, sustainability and environmental protection.

Our purchasing and sales departments operate internationally. We comply with all laws, standards and other legal provisions and also adhere to the relevant social rules that apply in the countries in which we are present. These principles are enshrined in our Code of Conduct (www.pkvarel.com/wp-content/uploads/2023/09/Code-of-Conduct_0523.pdf) and elsewhere. We are absolutely and irrevocably committed to respecting and guaranteeing human rights as the greatest asset of our legal system in everything that we do.

We strictly reject any form of compulsory labour. We define forced labour as any type of work that is performed involuntarily or under threat of punishment. The work of any employee at our company is based on a contract of employment that is concluded voluntarily by the contracting parties. The employee's remit and their principal tasks are set out in the contract of employment and supplementary documents or explanations.

We strictly reject child labour in any form. We fully comply with the provisions of the Protection of Young People At Work Act (JArbSchG) and all associated regulations. Young persons only work the hours that are permitted by law.

We believe that sustainable management and sustainable corporate success are inextricably connected not only to productivity, quality and efficiency, but also to humanitarian standards. In our view, sustained business success is not possible without qualified and committed employees. The working conditions described in the following make a significant contribution to this and are firmly embedded in the corporate culture at PKV.

WAGES AND SOCIAL BENEFITS

PKV guarantees that all employees receive remuneration that is fully compliant with the applicable laws and collective agreements (in particular the general collective agreement for employees in the paper industry and the associated wage and salary agreements). The Minimum Wage Act (MiLoG) should be perceived as the absolute minimum standard and is exceeded by far in our various collective agreements. Included in this is are a collectively agreed holiday entitlement of 30 days per year, special leave for particular, collectively agreed occasions, a full monthly salary as Christmas bonus, a separate holiday bonus, performance bonuses, premiums for work at night or on Sundays and public holidays and overtime pay. We also offer an additional 15 days' holiday per year for shift employees aged 55 and over as part of our semi-retirement plan.

We have acknowledged the significance of a company pension scheme as another important building block in this regard. There are two company plans in place – either by employer contributions or deferred compensation – through which our employees can supplement their pension provisions.

We believe it is self-evident that each employee should receive a monthly payslip so that they can document and check their correct payment.

WORKING HOURS

We fully comply with the provisions of the Working Hours Act (ArbZG) and associated regulations. Our working week according to the relevant collective agreement is 38 hours, which is well below the limits of the Working Hours Act.

It will never be possible to eliminate overtime completely. But we do pay attention that it does not become routine at any workplace and always remains the exception. We have installed a company policy stipulating that specific justification must be provided if working hours exceed 10 hours in one day. This ensures that we proceed in accordance with the strict exceptions afforded under the Working Hours Act. We have a time clocking system to ensure transparent documentation of overtime and its settlement by means of free time or payment.

At PKV, we have concluded a company agreement on part-time work with various models that allow each employee to reduce their working hours by up to 50%. This increases the compatibility of professional and family life and improves the work-life balance.

In addition to industry standards, we have part-time models for shift work that enable our employees to work fewer days per year and therefore reconcile their professional lives with personal needs.

OCCUPATIONAL SAFETY

We believe that occupational health and safety are extremely valuable assets that take precedence over production targets. We strictly adhere to the provisions of occupational health and safety legislation and all other regulations that are intended to protect the health of our employees. Our compliance is monitored regularly by the authorities, internal audits and external inspectors. Our occupational health and safety management system is certified according to DIN EN ISO 45001.

In order to adhere to our high standards and go beyond mandatory requirements, we use our own occupational safety officers, regular consultation hours as well as mandatory and optional examinations by our company medical service, a large number of safety officers and first aiders, fire protection assistants, regular meetings of the occupational safety committee and other committees on occupational safety and an extensive system of authorised representatives (e.g. for fire protection, emission control and water protection). In addition, all persons employed in our production or related areas are given full, high quality professional apparel, subject to a very small co-pay.

Our company sport is another aspect that makes an important contribution to protecting health. We stay fit and enjoy athletic times together in the six disciplines of football, volleyball, running, table tennis and sports badges. In addition, PKV has offered its employees membership of the Hansefit company fitness network since May 2023 and covers the monthly costs except for a co-pay. Water dispensers are installed throughout the company and are available to our staff at any time. What is more, employees are also entitled to lease up to two bicycles or e-bikes from our partner Jobrad. We also endorse accompanying campaigns such as 'Cycle to Work'.

Our specific goal in the area of occupational safety was initially to cut the number of work accidents to the level enshrined in the BG RCI paper by the end of 2022. Although we fulfilled this goal, we have not yet reached the (even lower) level stipulated by BG RCI overall. Our aim is to be 30% lower than the BG RCI values by the end of 2025, and are already preparing measures to this end.

We fully respect the fundamental right to freedom of association. Every employee is at liberty to join a trade union and will not experience any disadvantages as a result. We maintain a cooperative and constructive relationship with our works council and – together with the employer representatives – with our collective bargaining partner, the IG BCE trade union for mining, chemicals and energy.

Several sections of this report outline the various ways in which our employees are involved in the company's processes, for example → criterion 05, and → criterion 08 in relation to sustainability management in particular. We report on our targets and processes in regard to occupational health and safety in → criterion 15.

Building on the core labour standards of the International Labour Organization (ILO), an internal policy on labour and human rights was introduced at PKV in 2022 to enshrine these principles again in writing. Implementation of this policy involves additional goals, for instance to ensure attractive working conditions that exceed the scope of previous measures.

One of the quantitative goals involves

- the introduction of additional measures to promote employee health.

Our risk analysis described in → criterion 02 did not identify any material risks associated with our business operations, business relationships, products and services that are likely to negatively impact the employee rights.

Refer in this regard also to → **criterion 05**
→ **criterion 08**
→ **criterion 15**

DNK criterion 15

EQUAL OPPORTUNITIES

“We are explicitly committed to the principle of equal treatment at our company and to equal opportunities. In particular, no one [...] may experience discrimination or be placed at a disadvantage.”

DNK requirement: The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

Recruiting, hiring and promotion procedures take place exclusively on the basis of professional qualifications and competences and do not include any other form of assessment. Wage and salary agreements apply equally to all genders in accordance with our collective agreement and do not include any wage differentials in relevant pay scale categories.

We do not tolerate any form of harassment or intimidation of employees, business partners, suppliers, service providers or other persons. Instead we are firmly committed to providing all employees with a working environment that is free of mental, physical or sexual harassment. We reserve the right to impose sanctions under labour law if we become aware of harassment in any form.

We are explicitly committed to the principle of equal treatment at our company and to equal opportunities. In particular, no person shall experience discrimination or be placed at a disadvantage due to their race, nationality, ethnic origin, gender, religion or ideology, disability, age or sexual identity. We therefore hold that equal opportunities and equal treatment are not tasks but a matter of course.

The high standards in this area are also reflected in the activities of our works council, which represents the interests of the company employees in a variety of ways. Among other things, the works council is involved in matters that relate to encouraging a work-life balance and the implementation of actual equal rights for women and men in recruitment, employment, training and continuing education. In regard to the establishment of representation for severely disabled employees, the works council actively promotes the employment and integration of severely disabled and sick employees and supports their concerns through integration agreements, preventative measures and company integration management, among other things.

Aside from a number of committees and working groups to discuss issues and reach joint agreements, the establishment of a representative body for severely disabled employees, young persons and trainees to act as a mouthpiece between the works council and management plays a key

role in safeguarding co-determination rights and empowering employees to express their interests.

At PKV, we have concluded a company agreement on part-time work with various models that allow each employee to reduce their working hours by up to 50%. Furthermore, there is a simple process in place that enables employees to take family or parental leave for a certain period.

Building on the core labour standards of the International Labour Organization (ILO), an internal policy on labour and human rights was introduced at PKV in 2022 to enshrine these principles again in writing.

Implementation of this policy involves additional goals, for instance to create attractive working conditions that exceed the scope of previous measures. These goals include:

- the introduction of an official policy for mobile work at the beginning of 2023 to continue promoting the compatibility of family and professional life and to improve the work-life balance.

DNK criterion 16

QUALIFICATIONS

“Qualified employees and lifelong learning are vital to success due to our complex processes and systems.”

DNK requirement: The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

Qualified employees and lifelong learning are vital to success due to our complex processes and systems. This is why we offer a variety of in-service training courses, for example master courses for industrial supervisors specialising in paper production, further qualification as paper technicians or as industrial and business specialists (IHK). In total, we invested €330,578 in further training and education in 2022.

Our Studio e-learning platform has supported our internal training and education programmes since 2019. We have achieved the following number of completed courses on this platform per year:

2019	464
2020	1,096
2021	8,786*
2022	2,988

Apprenticeships are also very important at our company, and we provide training in six professions in total. Apprentices and persons completing retraining receive particular support from expert trainers and are given special protection. In doing so, we ensure full compliance with the provisions enshrined in the Vocational Training Act (BBiG). We believe that providing a wide variety of internal courses in many (particularly labour-intensive) areas of the company is a crucial response to demographic change.

Work experience for school students and other company internships represent a special form of training offered at PKV. Its main purpose is to offer career guidance and to foster the personal development of our interns. All requirements defined by the individual educational institutions are complied with in full during our internships.

In addition to apprenticeships, our company attaches immense significance to in-company and part-time further training. We believe it is self-evident that all employees must regularly receive the compulsory training they require for their work.

Moreover, a wide variety of other courses are organised to enable employees to acquire additional qualifications. Aside from regular, needs-based master courses – for which our employees are granted special leave with full pay – we also offer further training courses for technicians, business economists and business specialists, among others. Dual curriculum degree courses are frequently offered, depending on our needs. We offer employees without specific training in the paper industry, especially those working in production, the opportunity to complete a distance learning course to gain theoretical expertise and qualification as paper technicians. On average, this opportunity is given to two eligible employees from the various subunits within production each year. After earning this qualification, they can then progress to their next career stage in our production departments.

*unusually high number due to the launch of many one-time mandatory courses

These varied training programmes enable us to fill many senior and managerial vacancies and new positions at our company with our own employees. We see this as another suitable response to demographic change.

We report on our strategies and measures in the area of health management in → criterion 15.

Building on the core labour standards of the International Labour Organization (ILO), an internal policy on labour and human rights was introduced at PKV in 2022 to enshrine these principles again in writing.

Implementation of this policy involves additional goals, for instance to create attractive working conditions that exceed the scope of previous measures. These goals include:

- compliance with a long-term training quota of at least 5% full-time equivalents (FTE)
- intensification and increased needs-based organisation for the wide range of further training opportunities

Our risk analysis described in → criterion 02 did not identify any material risks associated with our business operations, business relationships, products and services that are likely to negatively impact qualifications.

Refer in this regard also to → **criterion 14**

DNK criterion 17

HUMAN RIGHTS

“Sustainability and the protection of our environment are essential principles that guide all our actions.”

DNK requirement: The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.

PKV is committed to social responsibility and good corporate governance. Our Code of Conduct, which is accessible to all interested persons, describes the principles that we believe should guide us and are essential to good corporate governance. As a rule, all of our actions in each area, in particular towards customers, suppliers, business partners and employees, should build on the principles of integrity and fairness. Sustainability and the protection of our environment are essential principles that guide all our actions. Compliance with applicable laws is the basis for our actions. In our Code of Conduct, we are absolutely and irrevocably committed, among other things, to respecting and guaranteeing human rights as the greatest asset of our legal system in everything that we do. This Code of Conduct describes our underlying strategy in this area. Examples of relevant measures are described in → criteria 04, 14, 15 and 16.

In addition to this general commitment, we have also set ourselves the goal of establishing suitable ways of defining measurable targets. The qualitative goal of implementing the envisaged internal policy for labour conditions and human rights, about which we report in → criteria 14, 15 and 16, was achieved in 2022. Implementation of this policy also involved the definition of quantifiable targets for the various issues. Taken together, their purpose is to contribute towards compliance with labour and human rights at PKV. We report on these areas in → criteria 14, 15 and 16. Additional goals in the area of human rights, in particular with regard to sustainable and responsible purchasing (including the best possible coverage of any risks in the supply chain), are described in → criterion 03. As set out in → criterion 03, we will continue to build on these goals as part of our compliance with due diligence obligations relating to human rights and the environmental pursuant to the Supply Chain Due Diligence Act (LkSG).

Our risk analysis described in → criterion 02 did not identify any material risks associated with our business operations, business relationships, products and services that are likely to negatively impact human rights.

Refer in this regard also to → **criterion 03**
→ **criterion 14**
→ **criterion 15**
→ **criterion 16**

DNK criterion 18

CORPORATE CITIZENSHIP

“The Barthel Foundation has become a reliable supporter of many projects with a broad impact.”

DNK requirement: The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

Company founder Hellmut Barthel established the non-profit Gertrud and Hellmut Barthel Foundation in 1991. Its aim is to maintain a focused and expert shareholder structure within the PKV Group, while at the same time allowing the general public to share in the company's success. This foundation was endowed with adequate financial resources in the terms of his will from 1999. As chairs of the foundation at the time, Jürgen Evers and Günter Dieball accepted the challenge of establishing a network of support to ensure ideal use of the available funds in the spirit of the goals set out by the founder (heritage protection, scholarships, environmental protection, art/culture, education and teaching/research). Kristian Evers and Lutz Dieball now chair the foundation.

The Barthel Foundation has become a reliable supporter of many projects with a broad impact. Project funding is mainly focused on the Varel and Friesland regions, although support frequently extends beyond these areas as well. In 2022, the foundation distributed a funding volume of more than €1.5 million to support 77 projects and 30 scholars.

Furthermore, PKV itself supports charitable projects geared at safe, healthy and equitable cohesion at its location, primarily by making a sizeable donation at the end of the year. This is consistent with our self-perception as a family-owned, medium-sized company that adheres to the highest standards of occupational safety and environmental protection.

PKV sponsors projects in the vicinity of its location – even beyond the region in exceptional cases – that address a target audience that is or might be interested in career prospects in the paper industry. Moreover, we feel deeply committed to projects at our location that investigate the protection and efficient use of natural resources. Doing so reflects our self-image as a producer of sustainable raw materials for packaging that uses resources as sparingly as possible. We provide sponsoring funds for this kind of project as well.

Barthel Stiftung

And last but not least, we have adopted a very positive approach to the personal commitment to good causes shown by many of our employees. We are happy to support persons who volunteer in the interests of others. Cohesion and commitment are important professional values in our view.

This is why we established the PKV Extra programme in 2020 to provide annual funding for donating to/sponsoring projects in which our employees are actively involved.

We outlined all of these activities in a company-wide donation and sponsorship policy, which we implemented in 2021 and which has been the subject of annual reports to the Executive Board since 2022.

DNK criterion 19

POLITICAL INFLUENCE

“Political engagement builds on our appreciation of opportunities and risks [...]. The shareholders decide on this form of commitment.”

DNK requirement: All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

National and EU legislative procedures are relevant for PKV, especially where they relate to all economic and legal frameworks in the industrial SME sector, climate protection and issues regarding packaging products. We hold talks on these and other topics at irregular intervals with local, regional and national politicians from democratic parties. Political engagement builds on our appreciation of opportunities and risks (→ cf. criterion 02). The shareholders decide on this form of commitment.

In addition, our interests are primarily represented by business and industry associations as well as sustainability initiatives. A prime example is DIE PAPIERINDUSTRIE e.V. The principal task of this association is to pool and represent the interests of member companies in the areas of energy and climate policy, environment and technology, research and research funding at universities and institutes, business and export trade, raw materials and law, social and collective bargaining policy, as well as media liaisons and public relations and recruitment of young talent.

Another apt example is the work of the KlimaWirtschaft Foundation, of which we are a member. The foundation supports projects in the area of climate policy within politics and administration and also calls for reliable political frameworks for companies that assume a pioneering role in the area of climate protection. The foundation acts as an intermediary between climate science and the business community and in doing so cultivates a spirit of mutual understanding. As a ‘source of inspiration’, the foundation provides best-practice examples and organises dialogue formats that help companies inside and outside the funding circle to develop innovative approaches to low-carbon business

We are members of the following and other organisations:

- Oldenburg Chamber of Industry and Commerce
- KlimaWirtschaft Foundation
- Bundesdeutscher Arbeitskreis für Umweltbewusstes Management (B.A.U.M.) e.V.
- Industry association DIE PAPIER-INDUSTRIE e.V.
- Verband Nord- und Ostdeutscher Papierfabriken (VNOP) e.V.
- Fachverband Faltschachtel-Industrie (FFI) e.V.
- INGEDE e.V.
- Verband der Industriellen Energie- und Kraftwirtschaft e.V.
- Verband der Wellpappen-Industrie (VDW) e.V.
- Verband Vollpappe-Kartonagen (VVK) e.V.
- Verein der Zellstoff- und Papier-Chemiker und -Ingenieure (Verein ZELLCHEMING)
- Arbeitgeber- und Wirtschaftsverband Jade e.V.

Refer in this regard also to → **criterion 02**

DNK criterion 20

CONDUCT THAT COMPLIES WITH THE LAW AND POLICY

“This corporate culture thrives on the principle of personal responsibility based on shared values.”

DNK requirement: The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. It depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

We define compliance as adherence to all relevant laws, regulations, internal policies, contractual obligations and voluntary commitments which we or authorised third parties have entered into. This means far more than just lawful conduct. Instead, we also draw guidance from the ethical principals underpinning our corporate culture. This corporate culture thrives on the principle of personal responsibility based on shared values.

Our Code of Conduct, as approved by the Executive Board, sets out our commitment to comply with all laws, standards and other legal provisions and also adhere to the relevant social rules that apply in the countries in which we are present. We are fully committed to engaging exclusively in fair competition with other market players and our competitors. We comply with all applicable antitrust and competition laws in this area. Under no circumstances do we accept agreements on prices and conditions or arrangements aimed at inhibiting competition or dividing up markets and customer groups. Deliberate acts or omissions that cause fraud in relationships with partners are strictly prohibited.

The same applies to all forms of bribery and corruptions. Under no circumstances will PKV tolerate this conduct in any form. PKV employees must not offer, grant or accept any unauthorised benefits to or from business partners in the course of their work. The acceptance of gifts is prohibited. The only exceptions are customary hospitality or occasional low-value gratuities. Gifts in the form of money are prohibited in every case and in any amount.

We explain the action we take to influence compliance with sustainability principles in our supply chain in → criterion 04. Our business partners are also expected to comply with all principles and applicable laws and regulations when working with PKV. We advise our business partners to introduce comparable principles at their companies as well. Any identified violation of our principles will attract consequences.

PKV is currently trialling the introduction of a compliance officer from the shareholder group, namely Lutz Dieball, to oversee all aspects of compliance.

Our whistleblower system that was introduced in early 2023 enables persons to submit complaints and report anomalies within an anonymous process. Internal and external whistleblowers can use this whistleblowing system to make an anonymous report that is forwarded to an external ombudsman's office, treated confidentially and passed on to the internal compliance manager for further action.

We are guided by current and pending legal regulations in our implementation of the Whistleblower Protection Act (HinSchG). In doing so, we take into account both German and European requirements. Moreover, we believe that the continued development of a compliance system must build on strong links between the whistleblower system and related issues such as the EU Supply Chain Due Diligence Act (LkSG).

We are also planning regular training in compliance issues to raise awareness among our staff. In 2020, we trained relevant persons at managerial and head of department level on the topics of 'Compliance in general' and 'Competition/antitrust law'. Our goal is still to expand the portfolio of available courses to include all affected employees. We did not quite reach this goal in 2022. This is due to our current considerations to roll out a holistic compliance system to reflect its importance in connection with various sustainability regulations. Training courses will be adapted suitably once this system has been prepared.

EcoVadis Rating ensures regular external review in the area of compliance. Some compliance issues are investigated in other audits (e.g. product safety, data protection, information security).

Refer in this regard also to → **criterion 04**

