

Sustainability Report
2023

UNFOLDING SUSTAINABLE PACKAGING

English



FOLBB



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Foreword

Dear readers,

FOLBB's slogan is "virgin fiber cartonboard made personal". We also take the topic of sustainability equally personally. As one of the leading European producers of virgin fiber cartonboard, sustainability has always been a central concern for FOLBB. Our aim is to manufacture a sustainable product as sustainably as possible.

Recyclability, circular economy and the careful use of resources, as well as social and corporate responsibility, are therefore not new buzzwords for us, but deeply rooted in our corporate culture. The cartonboard and paper industry has been working intensively on the topic of sustainability for a long time, and at FOLBB we are proud to do our bit.

**"virgin fiber cartonboard
made personal"**

Franz Pehn
CEO



Our ambition to publish this first sustainability report goes far beyond the future EU reporting requirements of the Corporate Sustainability Reporting Directive (CSRD). We want to show our customers, suppliers and employees in a transparent way what measures we take every day to improve our resource efficiency and minimise our environmental footprint. Although the obligation to report does not apply to us until 2025, we have decided to take this path already – according to the motto: “Do good and talk about it”.

We faced various challenges in preparing this report. One of the greatest was to gather and transparently present the multitude of ideas and sustainable optimisations already implemented by our employees. Sustainability is a task that can only be mastered together. Our employees are thus a central part of our transformation into an even more sustainable company.

Our long-term sustainability strategy is based on the use of wood from sustainably managed forests, primarily from our region. With our virgin fiber cartonboard, we offer our main customer base, folding box manufacturers, an environmentally friendly and recyclable alternative to plastic packaging. To this end, we continuously invest in energy-efficient drive systems and work to keep process losses as low as possible.

A key focus of our future actions is the “closing” of the water cycles in our plants. The aim is to collect as much of the process water used as possible, purify it and re-supply it to the production process. The first pilot projects are already well underway and represent our determination to think further about sustainability.

We hope this report will give you many more insights into our sustainability efforts and successes and inspire you to take the next steps together with us.

A handwritten signature in black ink, appearing to read 'Franz Pehn', written over a light blue horizontal line.

Franz Pehn
CEO



FOLBB at a glance

Revenue

172

million EUR

Consolidated water consumption

21.7

m³ per t

Consolidated CO₂ consumption

2018 – 2023



62,219

t CO₂

Investments



9

million EUR

Employees



410

Accident rate¹



3%

¹number of accidents x 100/number of employees (for both sites).



About this report

This statement for the 2023 financial year is FOLBB's first sustainability report. With it, we provide all stakeholders – from customers to employees, partners and suppliers to the interested public – with a transparent insight into how we take sustainability into account in the company and along our supply chain.

This report is the start of regular annual sustainability communication. Although we are not yet subject to a legal reporting obligation, sustainability has always been a central focus for FOLBB as one of the leading European virgin fiber cartonboard manufacturers. With our introduction to sustainability reporting, we want to present our sustainability management in a transparent and comprehensive manner.

We are guided by the EU Corporate Sustainability Reporting Directive (CSRD), which has required companies to report on their environmental, social and corporate governance impacts since the beginning of 2024. This is based on the European Sustainability Reporting Standards (ESRS).

This report already follows these standards, even though we are only obliged to report in accordance with them from the 2025 financial year. The content is based on the materiality analysis we also carried out for the first time according to double materiality and the decisive sustainability aspects from the areas of environment, social responsibility and governance identified in the process.

Our data situation for the 2023 reporting year does not yet permit a complete presentation. We also want to make this transparent and use it as an incentive for improvements in the coming reporting years. However, our goal for 2023 was to cover the requirements of the standards as well as possible.

This sustainability report has been approved by the management of FOLBB and the company's advisory board. The content has not been reviewed by an auditor. The report is available online as a PDF in German and English at [+ www.folbb.com/nachhaltigkeitsbericht](https://www.folbb.com/nachhaltigkeitsbericht). In the event of textual deviations, the German version shall be binding.



Location with centuries-old history: Folding Boxboard Eerbeek B.V.

Around 360 years ago, a traditional paper production facility was founded in Eerbeek in the Netherlands. Today, the site in Gelderland province is part of the FOLBB Group. The plant in Eerbeek employs around 200 people who produce around 150,000 tonnes of high-performance virgin fiber cartonboard for various products each year. FOLBB relies on modern high-tech processes and high quality standards.

Our locations in the heart of Europe

Tradition and innovation in the Black Forest: Baiersbronn Frischfaser Karton GmbH

FOLBB's cartonboard mill in Baiersbronn can look back on over 85 years of history. Originally founded as the Foundation W. Brüggmann and Son Lightweight Panels, the factory in the Black Forest is now part of the FOLBB Group, which also has its holding company headquarters in Baiersbronn. Around 95,000 tonnes of high-quality virgin fiber cartonboard are produced here each year by around 210 employees.



Our products in the highest virgin fiber quality

Fruit and vegetables

Protection for sensitive peels and shells from moisture and cold.



Fast food and Food Service

Virgin fiber cartonboard ready for fast food and take-away.



Pharma and healthcare

Assurance that even the most demanding packaging requirements can be met with our cartonboard.



Chocolate and confectionery

Form follows creativity, looks and sweet enjoyment.



Chilled food

Assurance that take-away products are always ready.



Cosmetics and personal care

Naturally suitable for packaging premium brands.



Frozen food

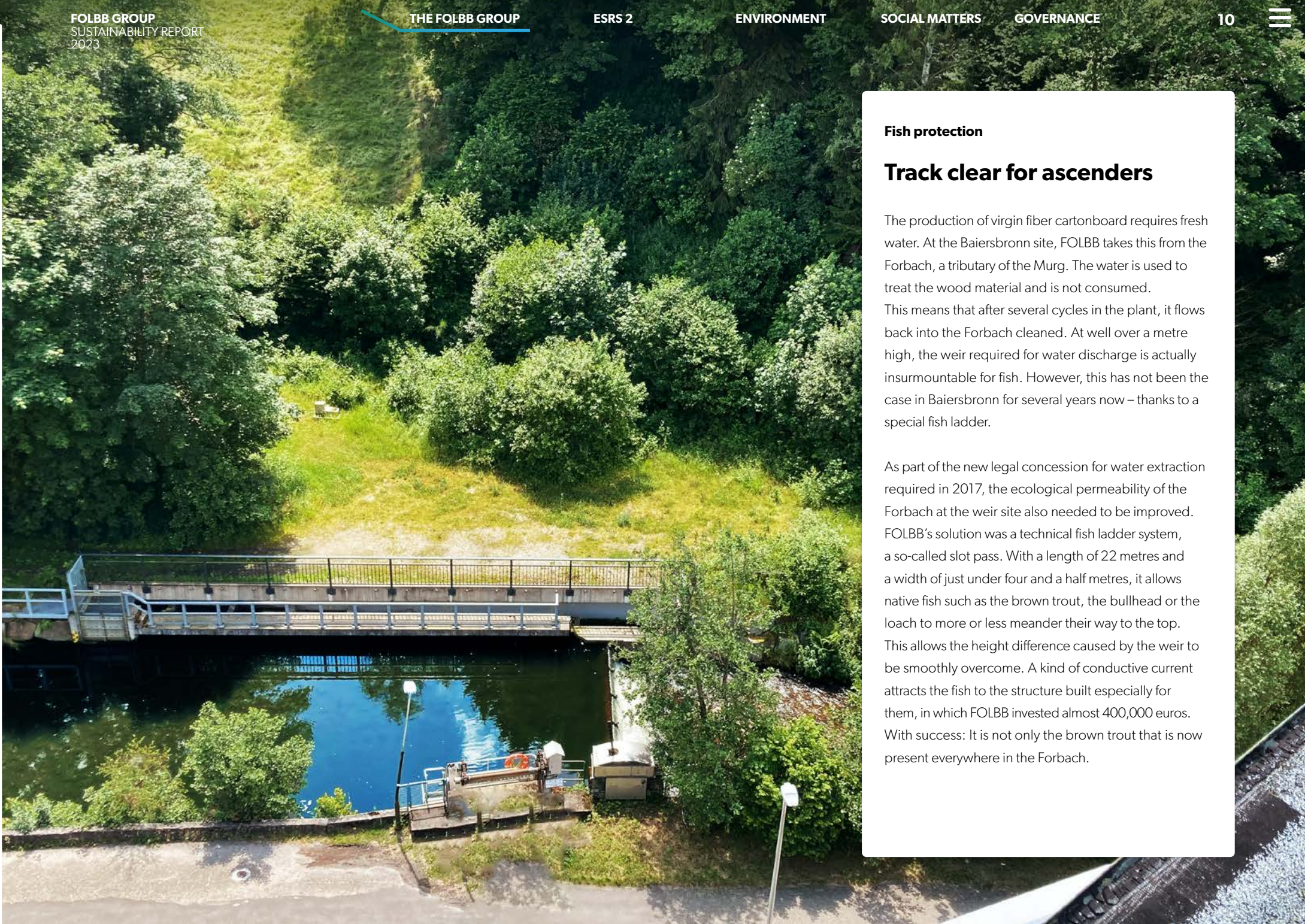
Coolness preserved along the entire supply chain.



Dry food

Our cartonboard that ensures the best and most sustainable packaging for dry food products.





Fish protection

Track clear for ascenders

The production of virgin fiber cartonboard requires fresh water. At the Baiersbronn site, FOLBB takes this from the Forbach, a tributary of the Murg. The water is used to treat the wood material and is not consumed.

This means that after several cycles in the plant, it flows back into the Forbach cleaned. At well over a metre high, the weir required for water discharge is actually insurmountable for fish. However, this has not been the case in Baiersbronn for several years now – thanks to a special fish ladder.

As part of the new legal concession for water extraction required in 2017, the ecological permeability of the Forbach at the weir site also needed to be improved. FOLBB's solution was a technical fish ladder system, a so-called slot pass. With a length of 22 metres and a width of just under four and a half metres, it allows native fish such as the brown trout, the bullhead or the loach to more or less meander their way to the top. This allows the height difference caused by the weir to be smoothly overcome. A kind of conductive current attracts the fish to the structure built especially for them, in which FOLBB invested almost 400,000 euros. With success: It is not only the brown trout that is now present everywhere in the Forbach.



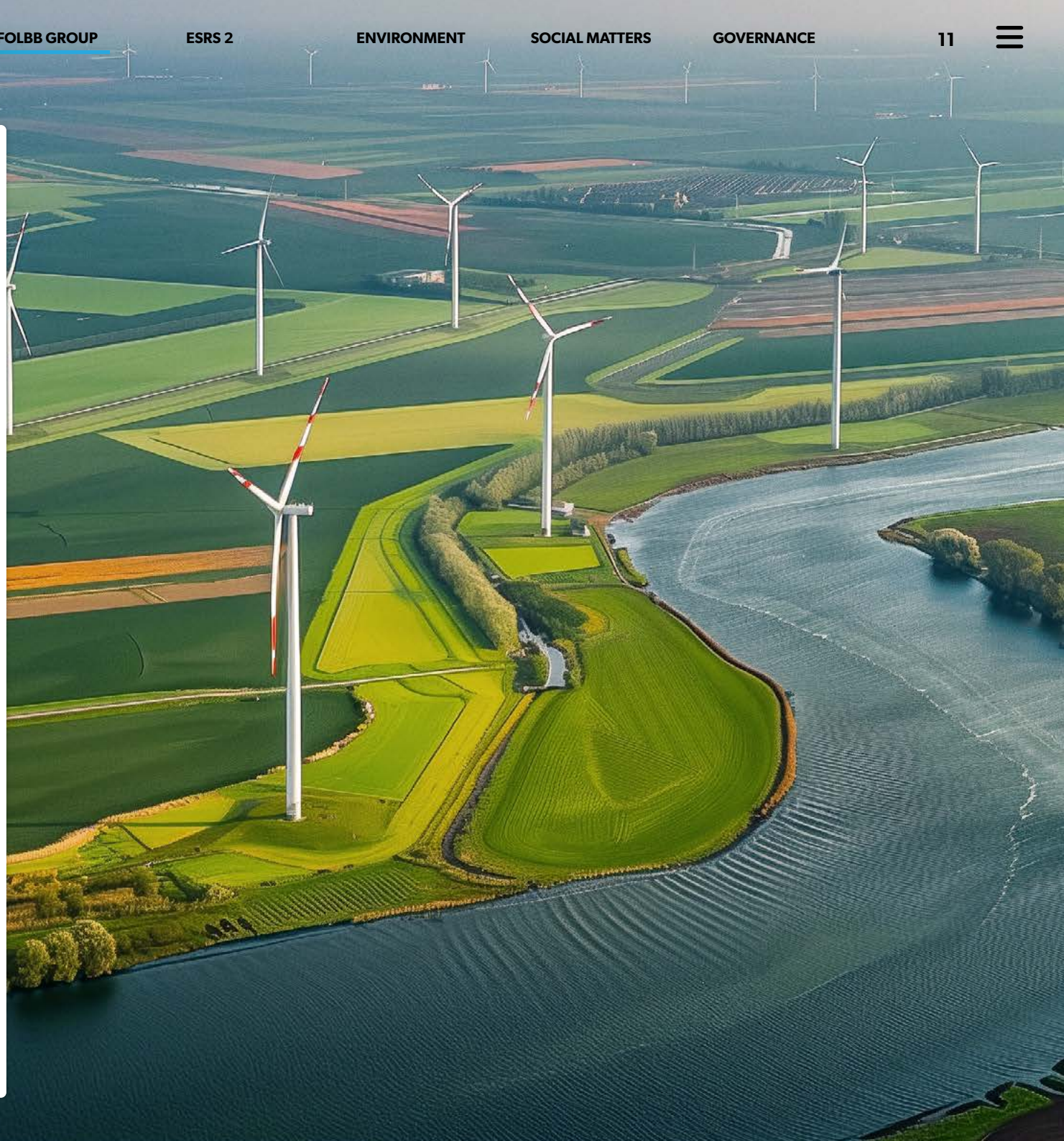
Energy usage

Showcasing flexibility

The paper industry is energy-intensive. Cartonboard production plants run around the clock – including at FOLBB in Bairsbronn and Eerbeek. In-house power plants are in use for the vast majority of the electricity supply.

In Eerbeek in the Netherlands, we have been supporting transmission grid operator Tennet in keeping the electricity grid stable with our gas power plant since the end of 2023. This is increasingly falling into an imbalance due to the expansion of renewable energy in recent years. For this purpose, the grid operator can regulate the power plant's output by up to 50% in either direction when there is electricity demand or surplus in the grid.

This means, for example, that on days with high surpluses of wind energy, we draw electricity from the grid and significantly reduce the output of our gas turbine within five minutes. Our own power plant, which generates around 300 megawatts per day and covers more than 90% of the energy requirement, then runs at only half the power. This not only reduces gas consumption and thus the use of fossil fuels, but also significantly reduces CO₂ emissions. Precise data on this flexible use of sustainable electricity, which also contributes to grid stability, will be available at the end of 2024 at the earliest.





Water usage

Closing the loop

Efficient water use is one of the major challenges for the paper industry. Closed loop systems are considered the optimal solution here. Research is underway at FOLBB in both Bayersbronn and Eerbeek. In the Netherlands, an initial pilot project for a circular system like this was already successfully completed in 2023. This would make the extraction of groundwater there superfluous. In addition to FOLBB, other paper mills from the region, the province of Gelderland, the municipality of Brummen and the water association of Vallei and Veluwe are involved.

The potential of the research project is enormous: This saved 3.6 million cubic metres of groundwater annually – the consumption of 22,000 households. Only small amounts of water would have to be removed from the ground for plant cooling. Following the positive pilot project, the water circulation system is due to be put into operation by 2030 at the latest. However, FOLBB has also been active in recent years to reduce groundwater withdrawal. Currently, 30% of water is already reused at the Eerbeek plant.





Resource use

Down to the smallest residue

Wood has remained an irreplaceable resource in the paper and cartonboard industry to date. This makes it all the more important that this valuable raw material is used as fully as possible in production and that no waste is generated.

This is how we do it in Baiersbronn, where we only use trees in the form of deforestation timber in cartonboard production. These are debarked in the first work step. Around 18,000 tonnes of bark are produced in this way, but are fully reused. They are either thermally used in a biomass power plant or materially recycled, for example as bark mulch. In both cases, this is CO₂-neutral. When the bark is burned, it only releases as much carbon dioxide to the environment as it previously absorbed in nature during tree growth. And during material recycling, the CO₂ even remains bound directly in the bark.





ESRS 2

15 **ESRS 2** General information



ESRS 2 General information

BP-1 General principles for the preparation of the Sustainability Statement

This Sustainability Statement applies to the entire group of companies, which includes Baiersbronn Frischfaser Karton Holding GmbH, Baiersbronn Frischfaser Karton GmbH, Eerbeek Folding Boxboard B.V. and Folding Boxboard Eerbeek Holding B.V. With regard to the scope of consolidation, there are no deviations compared to the annual financial statements.

The company's upstream and downstream value chain was included in the materiality analysis and is covered as far as possible by the sustainability report. In preparing the report, we have not made use of the option to omit certain information, nor of the further option to omit certain disclosures.

BP-2 Disclosures related to specific circumstances

In preparing the Sustainability Statement, we have only slightly deviated from the definitions in "ESRS 1 General requirements" for the short, medium and long-term time horizons. For the short-term periods, we assume 1 to 2 years instead of one year and thus a period that is more feasible for our company and our industry. In the short term, we want to invest more in sustainable production processes and technologies and increase our spending on training and health programmes. In the medium term (3–5 years), FOLBB is primarily concerned with stabilising cash flow through efficiency gains and improved market acceptance. In the long term (5+ years), we are planning to optimise our financial performance through a leading position in the market for sustainable products.

The parameters for the downstream value chain are also partly based on indirect sources. For example, the data on transport emissions and recycling dates are taken from industry standards. Estimates made were validated by comparison with these standards and by the involvement of external experts. The degree of accuracy of the estimates submitted is 95%. We want to make the leap to 100% in the future with additional measures such as improved data quality through regular audits and the implementation of advanced analysis tools.

There is no high measurement uncertainty for any of the mentioned quantitative parameters or monetary amounts. Changes in the presentation of sustainability information compared to a previous period could not be examined as this is FOLBB's first sustainability report. Similarly, there is no need to correct past errors or misstatements.

In addition to the ESRS, this Sustainability Statement also includes information based on our ISO certification. We do not make use of the option of incorporating information into this sustainability report by means of reference. Similarly, as a company with fewer than 750 employees, we waive the option of omitting the E4 and S1 to S4 standards in the reporting year.

GOV-1 What control bodies does the company have?

FOLBB is supervised by a five-member advisory board consisting of external consultants. It includes shareholders, bank representatives and industry experts. None of the members is in a business management role at FOLBB, which guarantees their independence. In addition, the employees in both plants are represented by a works council. Both control bodies are made up of women and men and are 100% independent.

The tasks and responsibilities of the management and supervisory bodies are as follows:

Management bodies

Operational management:

- Implementation of strategic plans and management of daily business activities
- Agreement on operational decisions to ensure efficiency and effectiveness
- Recruitment of qualified personnel
- Promotion of professional training and development for employees
- Creation and management of the company budget
- Monitoring of expenditure and assurance of financial health



- Assurance of a high product and service quality through quality standards
- Development and introduction of new products, services and business models to strengthen competitiveness
- Monitoring and analysis of key performance indicators (KPIs) to assess progress and efficiency
- Building and maintenance of relationships with key stakeholders
- Safeguarding of clear and transparent communication

Advisory Board (supervisory body)

Overarching tasks

- Strategic advice: Support management with expert advice on strategic issues and important business decisions
- Experience and expertise: Provide expertise and industry knowledge to help the company navigate complex challenges
- Control of corporate management: Monitor management decisions and activities to ensure they are in the best interests of the company and its stakeholders
- Risk management: Identify and evaluate risks and monitor management measures to mitigate risks

- Contacts and networks: Tap into Advisory Board members' personal and professional networks to identify and promote business opportunities
- Transparent communication: Ensure clear and open communication between the Advisory Board and management

The Advisory Board thus acts as an advisory body that supports the management with its expertise and networks, while the management body bears operational responsibility and manages the daily business activities. In management, the CFO is responsible for Finance and IT, the CEO for operational business and all other areas. The Advisory Board and management bodies work closely together to achieve the company's long-term vision and objectives. In this sense, the entire Advisory Board is also responsible for monitoring impacts, risks and opportunities (IROs).

In setting objectives, FOLBB bodies monitor possible material impacts, risks and opportunities through a range of instruments:

- Strategic planning: Our management bodies develop the long-term corporate strategy, taking into account material impacts, risks and opportunities.

- Risk management: Identification and evaluation of risks and opportunities as part of strategic planning
- Definition of objectives: Definition of concrete, measurable and achievable objectives in line with the corporate strategy

Monitoring by the management bodies includes in particular the following instruments:

- Implementation: Management implements the objectives set in the operational business plans
- Monitoring: Implementation of monitoring systems to regularly review the progress in achieving objectives
- Reporting: regular reports to the Advisory Board (supervisory body) on progress and any deviations

In order to ensure the bodies' suitability for monitoring sustainability issues, training and presentations are held regularly. In addition, external sustainability experts can be used, who are available with their specific expertise both as individuals and as a committee. Through the training courses, the relevant bodies of FOLBB were also able to acquire in-depth knowledge of sustainability topics themselves. This expertise is essential for effectively identifying, managing and communicating material IROs. They also

ensure that the company's strategy includes sustainability goals and supports both the short-term and long-term success of the company.

GOV-2 Sustainability aspects addressed by the administrative, management and supervisory bodies

The bodies are informed about the IROs themselves, the implementation of the due diligence obligation in the area of sustainability, as well as the results and effectiveness of decided measures as part of the budget process and the sustainability report. During the reporting period, our management and supervisory bodies dealt in particular with IROs related to energy efficiency in production, CO₂ emissions and the use of renewable energies.



GOV-3 Inclusion of sustainability-related performance in incentive schemes

Sustainability-related bonuses or incentive systems are not provided for the members of management and supervisory bodies at FOLBB. Since this report is a voluntary report and the reference to the elements of the sustainability due diligence process required by GOV 4-32 does not currently offer the reader any additional value, we have waived this reference. Similarly, as this is also our first sustainability report, we have not yet taken the reporting into account in the risk management system and internal control procedures. However, this will happen in the following years.

SBM-1 Disclosures on elements of the corporate strategy that relate to or affect sustainability

FOLBB's corporate strategy encompasses the following elements that relate to or affect sustainability: sustainable sourcing of raw materials, the development of environmentally friendly products and the continuous improvement of the environment through technological innovations and energy efficiency measures.

FOLBB offers virgin fiber cartonboards as a product, which are used for packaging and other applications. In the reporting year, we continued our research into the development and introduction of new environmentally friendly, plastic-free packaging solutions. Our customer base consists of international B2B customers from the packaging and printing sectors. In the financial year that ended, we expanded our market radius in Africa and Latin America and increased our focus on sustainable markets. As of 31 December 2023, we had a total of 419 employees. FOLBB is headquartered in Germany. Production facilities are located here and in the Netherlands. There are no sales restrictions for the virgin fiber cartonboard we offer in the markets served.

FOLBB's total sales amounted to EUR 175 million in the reporting year. Packaging accounted for 100% of these sales. In addition to cartonboard production, we are also involved in R&D to drive innovation projects to produce more environmentally friendly packaging materials.

As a company, FOLBB is not active in the field of fossil fuels such as coal or oil, nor in chemical production, in the field of controversial weapons or in the cultivation or production of tobacco.

Our sustainability targets for the most important groups are as follows:

- Products: Development of 100% recyclable and plastic-free cartonboard
- Customer categories: offering sustainable packaging solutions for B2B customers
- Geographical areas: Reducing the carbon footprint in all production facilities plus reducing the use of fresh water in production
- Stakeholder relations: working more closely with suppliers to promote sustainable practices

There is a high level of interest in greater sustainability for both our virgin fiber cartonboard product and our main customer groups from the packaging industry and printing industry.

The following elements of our company strategy affect sustainability aspects: the use of sustainable raw materials, the implementation of energy-efficient production processes and the promotion of recycling and the circular economy. Future challenges arise primarily from regulatory requirements that require adaptation to stricter environmental regulations and from market demands for more sustainable products. Currently planned projects relevant to sustainability reporting relate to increased investments in sustainable production processes and technologies, as well as increased spending on training and health programmes.



The following ESRS sectors are relevant to FOLBB's revenue:

- **Packaging sector:** FOLBB produces virgin fiber cartonboard products for packaging purposes, which makes this sector the most important.

And from our upstream/downstream value chain:

- **Forestry and wood production:** As FOLBB produces virgin fiber cartonboard, sustainable forestry and the procurement of wood raw materials are an important part of the value chain.
- **Logistics and transport:** The transport of raw materials and finished products is crucial for the operation of the plants and is handled by external partners.

Our upstream value chain includes raw material procurement and transport activities. Raw material procurement involves the supply of raw materials such as wood, chips, chemicals and fibers such as pulp and wood grinding by suppliers, while transport involves the logistical processing of raw material deliveries to our production facilities. For the collection of raw materials, we work with certified suppliers

who operate according to sustainable forestry. Quality control structures provide for regular checks of the condition and sustainability standards of raw materials. In the area of innovation, we develop new environmentally friendly materials and procurement techniques.

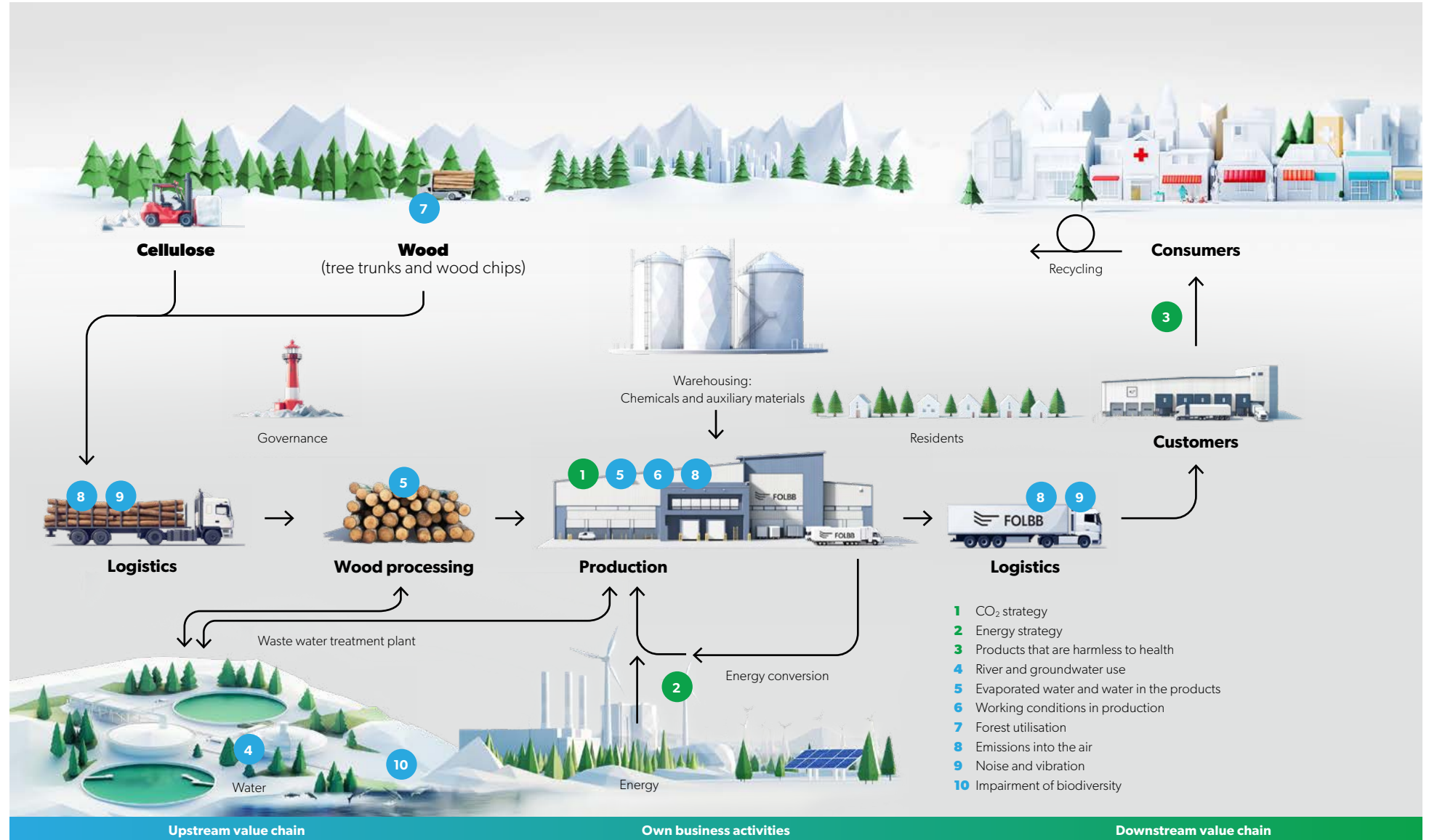
FOLBB plays a central role in the value chain as the main producer of virgin fiber cartonboard. The company maintains a close relationship with its key economic players. On the one hand, we work intensively with our raw material suppliers and, on the other hand, we have direct business relationships with our main end users, folding boxboard manufacturers. The main business relationships are based on long-term contracts with the supplier and customer companies to ensure stability and quality in the supply chain.

Downstream activities in the value chain are the distribution and sale of different types of virgin fiber cartonboard to our customers. Customers as stakeholders benefit from access to sustainable and high-quality cartonboard products. This creates jobs for society and strengthens the local economy. After all, the environment is less polluted thanks to sustainable practices and sustainable products. The markets we serve in this way are located in Germany, the EU and other international countries and regions.

The entire value chain has an impact on ecological, social and economic sustainability aspects: Ecological points are the use of sustainably managed forests and the reduction of CO₂ emissions, water consumption and waste volumes. Social aspects concern working conditions in the supply chain, fair wages, and the health and safety of employees. Economic aspects revolve around cost-efficiency, ability to innovate and market adaptability. The resulting effects for us are environmentally friendly production, assumption of social responsibility and economic success. Risks such as supply chain interruptions, regulatory requirements and market volatility are offset by opportunities such as competitive advantages through sustainable products and a possible market leadership in a green economy.



Value chain infographic



- 1 CO₂ strategy
- 2 Energy strategy
- 3 Products that are harmless to health
- 4 River and groundwater use
- 5 Evaporated water and water in the products
- 6 Working conditions in production
- 7 Forest utilisation
- 8 Emissions into the air
- 9 Noise and vibration
- 10 Impairment of biodiversity



SBM-2 Description of stakeholder involvement

FOLBB's most important stakeholders include:

- Customer companies: Companies that purchase cartonboard products for packaging and other applications from FOLBB
- Suppliers: forestry companies and other raw material suppliers
- Employees: all employees of the company who are directly or indirectly involved in production
- Society: local residents close to the production facilities
- Investors: the company's owners

Of these stakeholders, the following are involved, for example through dialogue:

- Customer companies: through regular dialogue and feedback
- Suppliers: through negotiations and partnership programmes
- Employees: through internal communication and participation programmes
- Society: through public meetings and consultations
- Owner: through regular communication

FOLBB uses appropriate forms of communication for the target groups:

- Customer companies: customer surveys, feedback forms, regular business meetings
- Suppliers: contract negotiations, joint development projects
- Employees: employee meetings, surveys, training and works council
- Society: public relations, community meetings, information events

The reason for involving the various stakeholders is that they are affected in different ways by FOLBB's business activities and the associated impacts.

The results of stakeholder communication are incorporated into the strategy and business model as follows:

- Customer feedback: Adaptation of product development and services
- Supplier feedback: Optimisation of procurement processes and contracts
- Employee feedback: Improvement of working conditions and training programmes
- Society feedback: Development of joint projects and improvement of local infrastructure

There were no changes to FOLBB's corporate strategy or business model in the 2023 financial year. However, we are constantly monitoring market developments, which may lead to adjustments in the future.

The FOLBB Advisory Board is informed of the views and interests of stakeholders through regular reports and meetings. This information is simultaneously incorporated into strategic planning and decision-making processes. This ensures that the company's measures meet the expectations of stakeholders and that sustainability-related impacts are taken into account.



SBM-3 Description of the material effects, risks and opportunities arising from the materiality assessment

The impacts, risks and opportunities (IROs) described below arise from FOLBB's own activities as well as from upstream and downstream business processes.

Ecological

IROs	Upstream and downstream value chain	Business processes
Forestry utilisation	Forests and thus the timber industry are affected by climate change; drought, storm damage and bark beetles can lead to procurement and price risks.	
CO ₂ emissions (neg. impact and risk)	Transport to the factory and the customer generates climate damaging CO ₂ .	Costs may arise due to CO ₂ pricing and new regulatory requirements. In addition, a lack of a CO ₂ strategy could lead to reputational damage.
Air pollution (neg. impact and risk)		The production of virgin fiber cartonboard generates NOx and particulate matter in production as well as emissions from transport. Residents can feel affected by emissions. Costs may arise for remedial measures and due to new legal requirements.
Noise and vibrations (neg. impact)	Truck operation generates noise and vibrations at both locations. Risks can be burdens on residents, which lead to a lack of support in local communities. Noise protection costs are incurred.	FOLBB also generates noise and vibrations at its sites through production. Especially in Eerbeek, there are nearby residential buildings where residents can feel disturbed. Risks can also be strains on residents, which lead to a lack of support in local communities. Noise protection costs are incurred.
Energy (neg. impact and opportunity)		FOLBB uses large amounts of energy to produce virgin fiber cartonboard. There is a risk of price fluctuations and continuous price increases and, as a result, an impairment of competitiveness.
Water consumption and water withdrawal (neg. impact and risk)		The process of producing virgin fiber cartonboard requires water as an essential production medium. If drought persists, availability may be limited and water prices may rise.
Water pollution (neg. impact)		Mainly through production, water is polluted at both FOLBB sites, and its reprocessing continuously incurs costs. Both FOLBB plants have water treatment plants. Should these plants fail, there would be a risk to the waters into which the wastewater is discharged.



Social

IROs	Upstream and downstream value chain	Business processes
End-user safety and product quality (neg. impact and risk)	FOLBB manufactures packaging for food products, with end-user safety as a top priority. Recalls could lead to significant reputational damage, recourse claims and loss of trust.	
Working conditions/ working hours (neg. impact)		FOLBB offers fair working conditions and hours and pays allowances to keep attracting workforce.
Health and safety (neg. impact)		FOLBB observes the health and safety of employees in order to counteract the risks of absences due to illness and accidents.



Governance

IROs	Upstream and downstream value chain	Business processes
Attractive employer/corporate governance and culture (pos. impact)		By creating a trusting, open corporate culture, flat hierarchies and building up expertise, FOLBB increases employee satisfaction and counteracts labour shortages.
Protection of whistleblowers (pos. impact and risk)		Protecting whistleblowers firstly protects the individual, but also enables misconduct to be uncovered, which in turn can have positive effects on society and the environment.
Measures against corruption and bribery (pos. impact and risk)		Legal risks can arise from corruption and bribery.

The main IROs have an impact on the business model, value chain, strategy and decision-making at FOLBB. In the business model, sustainability requirements can lead to changes in the production process in order to produce more environmentally friendly products. In the value chain, IROs lead to the integration of sustainable practices at all points – from procurement to distribution. Our strategy is more focused on sustainable business practices and long-term environmental goals. When making decisions, we take sustainability criteria into account in all strategic decisions.

FOLBB is firmly committed to this sustainable approach. To this end, we are proactively introducing sustainability initiatives and their regular review in the company. In addition, we promote stakeholder engagement through their involvement in the decision-making process. Planned changes due to the IROs are strategy adjustments to mitigate risks and seize opportunities. We are also increasingly investing in environmentally friendly technologies and processes.

The decisive topics from the materiality analysis will have a positive impact on people and the environment. Our employees benefit from improved working conditions, while people generally benefit from better health and safety. The environment is exposed to fewer emissions and its resources are used sustainably. These impacts are directly related to the strategy and the business model,

as sustainability is a central component of both. We assume the following ranges for the time periods allowed for noticeable effects: In the short term (1–2 years), we are introducing new processes and technologies. In the medium term (3–5 years), we are strengthening our market position through sustainable products. In the long term (5+ years), we are establishing FOLBB as a leading sustainable company within the industry. FOLBB is directly involved in the expected impacts through its production processes and indirectly through its suppliers and partners.

The risks and opportunities derived from the materiality analysis and their effects on the financial position or cash flow of FOLBB cannot yet be quantified or measured.

The strong brand loyalty, good stakeholder engagement and overall sustainable corporate policy speak for the resilience of FOLBB's sustainable strategy against corporate risks and its simultaneous potential for opportunities. In addition, EU [⊕ regulations](#) specifically promote sustainable products such as virgin fiber cartonboard and the avoidance of plastic.

Since the IROs were only determined as part of the materiality analysis for this initial report, no comparison can be made with the previous reporting period. No company-specific information had to be provided in order to fully reflect the IROs of FOLBB .



IRO-1 Description of the methods and assumptions used to identify impacts, risks and opportunities

FOLBB identified the impacts, risks and opportunities (IROs) as part of a multi-day materiality analysis workshop held by external sustainability consultants.

Function holders from both plants initially discussed resource expenditures along the entire value chain and identified stakeholders involved in the various positions of the chain. The process of determining the IROs did not focus on specific activities, business relationships or geographical areas, but looked at the entire value chain.

The discussion served to supplement the long list previously drawn up by means of an industry comparison and top-down approach by consulting and management, which was thus completed. In thematically organised workshops, we assessed the impacts of the long list in accordance with the specifications of the ESRS and the guidelines from the Implementation Guidance. The potential and actual impacts and their severity were then determined based on the following characteristics:

- Dimensions: How serious or beneficial are the impacts?
- Scope: How far-reaching are the impacts (e.g. based on the number of people affected or the positive or negative environmental consequences)?
- Irreversibility: In the event of negative impacts, how difficult is it to compensate or make up for the damage caused?
- Likelihood: How likely is it that a potentially negative impact will occur?
- Special case of human rights: In the case of potentially negative impacts on human rights, the severity of the impact always takes precedence over its likelihood. Therefore, impacts on human rights were always queried.

The material sustainability concerns for reporting, including adverse impacts based on their relative severity and likelihood, and positive impacts based on their relative scale and likelihood, have been identified and prioritised as follows: During the internal stakeholder survey as part of the workshop, the surveyed specialist functions were able to give their assessment of previously identified relevant topics. The stakeholders were divided into the groups Social, Governance and Environment, with major overlaps.

First, participants were supposed to assess whether the sustainability aspect has a positive or negative impact. For this purpose, they were able to rate the topic with “-1” for negative and “+1” for positive. The dimension is assessed using a five-level scale. The answer to the question “How severe are the negative impacts or how useful are the positive impacts for people or the environment?” was 5: absolutely, 4: high, 3: medium, 2: low, 1: minimal, 0: none. To assess the scope, the participants were asked to answer the following question: “How widespread are the negative or positive impacts?” The following response options were available to the respondents for their assessment: 5: globally widespread, 4: widespread, 3: moderately widespread, 2: locally widespread, 1: limited, 0: not widespread at all. The irreversibility was assessed using the following question: “Can the negative impacts to restore the environment or affected people to their original state be corrected and if so, to what extent?” The scale provided for the response included the following classifications: 5: not repairable/irreversible, 4: very difficult to repair, 3: difficult to repair, 2: repairable with some effort, 1: relatively easy to repair, 0: very easy to repair.

The following rules were applied when evaluating the assessments by the internal stakeholders:

- Dealing with content outliers: If a trend was evident from the discussion and a deviating individual statement was nevertheless found, the sign was adjusted in line with the trend.
- Dealing with bipolarity as a result: Individual topics can be interpreted as opportunities as well as risks. Here, the answers were assigned to matching subtopics according to their valence. The total number of evaluators then decreased. We calculated this using the arithmetic mean.
- Handling missing data: If the topics were not rated, the person was removed from the overall score determined.
- Handling obvious errors: Obviously incorrect entries were eliminated from the total score determined.



To assess the financial materiality of the identified sustainability aspects, we also conducted an internal stakeholder survey as part of the workshop. First, the respondents were asked to indicate whether the respective sustainability aspect is an opportunity (= +1) or a risk (= -1). In order to assess the direct financial impact (EBITDA) of the sustainability aspect, costs, profits or continuation of business processes arising as a result were taken into account. In their answers, respondents were able to choose between the following options: 4: critical, 3: high, 2: medium, 1: low, 0: not present. The same scale was available to respondents when assessing indirect financial impacts. For example, reputational gains/ losses or business relationships with customers that are associated with the sustainability aspect were assessed.

We have put related impacts and risks or opportunities into a context and assessed them one after the other, so that it became clear which topics are particularly relevant from which perspective of dual materiality. For both evaluation perspectives, quantification allowed IROs to be prioritised (separated by impacts on the one hand and opportunities and risks on the other).

As part of the stakeholder survey, the participants were also asked to provide an assessment of the probability of occurrence of IROs. They assessed the likelihood of occurrence of identified impacts using the following scale: 1: actual, 0.75: very likely, 0.5: likely, 0.25: unlikely. The same scale was also used for the probability of occurrence of financial opportunities and risks.

The affected external stakeholders and experts were involved through online interviews. When selecting stakeholders, we aimed to involve all stakeholder groups that are directly or indirectly affected by our company processes in the survey. Sustainability risks were assessed separately as part of the materiality analysis. We did not initially relate these to other risk assessments.

The decision-making process and the associated internal control procedures for identifying and assessing risks and opportunities at FOLBB follow the following scheme:

- **Identification and assessment of risks and opportunities** Risk assessment: Regular review of potential risks that could affect the company's business operations, financial position or reputation.

Opportunity assessment: Identification of opportunities to increase efficiency, open up new markets and improve sustainability.

- **Strategic planning**

Objective: Setting of clear, measurable and achievable goals to minimise risks and maximise opportunities.

Resource allocation: Allocation of the necessary resources to implement the strategic plans.

- **Implementation and monitoring of**

measures: Implementation of specific measures to mitigate risks and exploit opportunities.

Monitoring: continuous monitoring of progress and adjustment of measures as necessary.

- **Internal control procedures**

Compliance management:

compliance with regulations:

Assurance of compliance with all relevant laws and regulations through regular audits and training.

Code of Ethics: Implementation of an ethical code that promotes ethical conduct and integrity.

Internal audits:

audits: Performance of regular internal audits to check the effectiveness of control procedures and to identify opportunities for improvement.

- **Reporting**

transparency: regular reporting to management and the Advisory Board on the risk assessments, measures and their effectiveness.

To identify, assess and manage the material IROs, we used the following six input parameters: likelihood of occurrence, extent, scope, remediability, human rights as well as direct and indirect financial impacts and their likelihood of occurrence. A comparison with the IROs procedure in the previous reporting period is not possible, as this is the first report of FOLBB.



IRO-2 ESRS disclosure requirements covered by the Sustainability Report

The IROs were assigned to the ESRS topics in a top-down approach and completed subsequently. Where a mathematical standard could be assigned to the IROs, we have included the information necessary for understanding the IROs and their handling.

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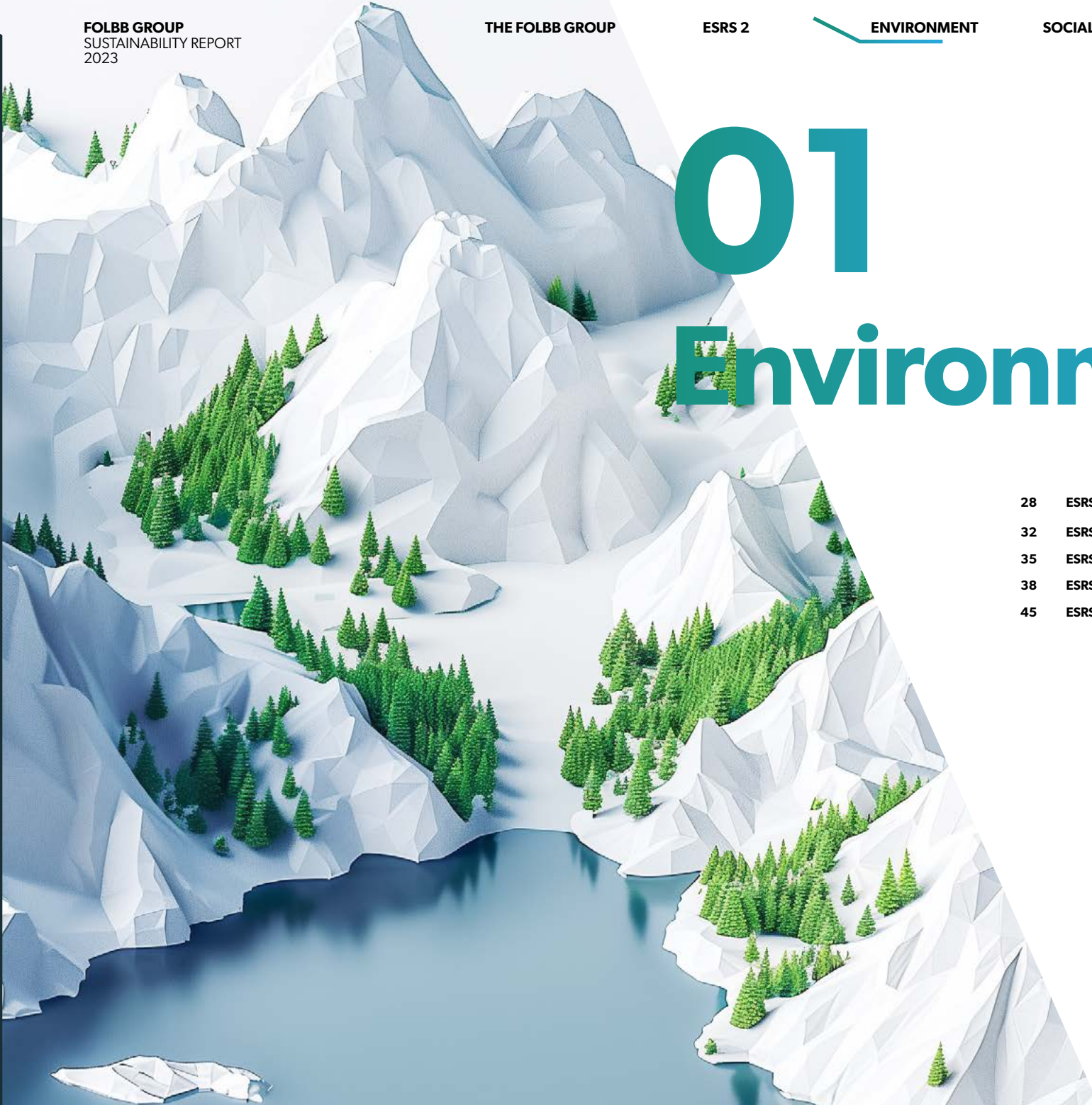
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¹x = not material/phase-in.



01 Environment

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ESRS E Climate change

E1-1 Transition plan for climate protection

Fighting global climate change is a societal task to which FOLBB also wants to contribute as a responsible producing company.

As part of the climate protection strategy, the recording of greenhouse gas emissions (GHG emissions) and in this case CO₂ emissions in particular is crucial. FOLBB measures this data regarding production, energy consumption and supply chain in scopes 1 and 2 as well as 3 in future in accordance with the Greenhouse Gas Protocol (GHG Protocol). Set climate targets are to reduce CO₂ emissions by 30% by 2030 and to achieve climate neutrality by 2045.

These scientifically substantiated targets are in line with the requirements of the Paris Climate Agreement, which stipulates that global warming should be limited to 1.5 degrees Celsius. The measures taken and planned at FOLBB range from the transition to renewable energies, to increasing energy efficiency and sustainable raw material procurement to the implementation of circular economy models. Regular monitoring and adjustment of our climate protection strategy ensures that our goals always correspond to the latest scientific findings.

Our potential for decarbonisation lies particularly in the energy sector. In order to achieve concrete results more quickly, we are currently developing an action plan with a catalogue of measures. Depending on this plan, we will then also determine the funds we will allocate in the form of operational expenditure (Opex) and capital expenditure (Capex) for implementation. These focus primarily on the reduction of carbon dioxide (CO₂) and nitrogen oxides (NO_x), which are typically generated in our plants.

Our attitude towards climate change excludes significant capital expenditure on coal, oil- or gas-related economic activities. As a company, FOLBB is subject to the EU limit values derived from the Paris Agreement. The measures of our strategic transition plan are still being agreed and will be taken into account in our financial planning later. They must first be approved by the FOLBB Advisory Board as the highest control body.

E1-2 Strategies in connection with climate protection and adaptation to climate change

As explained under point E1-1, our climate protection strategy focuses on reducing greenhouse gas emissions, increasing energy efficiency, switching to renewable energies, procuring sustainable raw materials, implementing circular economy models and continuously monitoring and adapting measures based on the latest scientific findings.

The scope of the strategy extends to all areas of the company – from logistics to procurement and production to product development and administration. To this end, it covers both internal processes and external cooperation with suppliers, customer companies and other partners.

Corporate management is responsible for implementing the strategy, supported by a dedicated sustainability team. Each department pursues its specific tasks and objectives in order to contribute to the achievement of FOLBB's overarching climate protection goals.

In implementing the strategy, we incorporate various standards and sustainability initiatives such as the [⊕ EU Deforestation Regulation \(EUDR\)](#), an ISO 14001-certified environmental management system in Eerbeek and the

international certification systems for legal and sustainable forestry FSC and PEFC. In defining the strategy, we also considered the interests of different groups, including our employees, customers and suppliers, as well as local communities and investors. In future, we will make greater use of workshops, surveys and consultation processes to ensure that the concerns and perspectives of these groups are taken into account even better in the strategy.

The strategy itself takes into account the four areas of climate change, climate change adaptation, energy efficiency and the use of renewable energies. We are strengthening climate protection by incorporating science-based emission reduction targets and switching to renewable energies. Both are likely to significantly reduce greenhouse gas emissions in the future. We also use sustainable raw material sourcing to ensure that all virgin wood fibers come from certified, sustainably managed forests. FOLBB has developed a number of measures to adapt to permanent climatic changes and has already integrated them into the company's processes.



This includes, for example, a risk management system that ultimately identifies and assesses climate-related risks to operations and extreme weather events and their possible impacts on the supply chain. More specifically, we are also working on improved water and waste management systems in this area to increase the company's resilience.

Employee training ensures that they are aware of the impacts of climate change and are informed of suitable adaptation measures.

Our approaches to improving energy efficiency focus primarily on three areas: The optimisation of existing production processes and the introduction of energy-efficient technologies are expected to reduce energy consumption. At the same time, we are improving the monitoring and control of efficiency by implementing further energy management systems. And we conduct regular energy audits to identify further savings potential. When using renewable energies, our strategy aims to cover the entire energy requirements in production in the long term via green electricity from solar, wind and biomass plants.

The on-site gas-fired power plants in Baiersbronn and Eerbeek would then no longer be needed.

E1-3 Measures and funds related to climate strategies

Our catalogue of measures is divided into short-term measures up to financial year 2025 and medium-term measures up to 2030. In the shorter time frame, we have four points in mind: The machine and production processes are to be optimised in terms of energy by taking into account an externally commissioned transformation concept. The switch to renewable energies at the production facilities or the further purchase of green electricity is to be examined. We also want to further reduce water consumption by introducing new technologies to reduce water in production. Such a circular system is currently being tested at the Eerbeek plant.

Another short-term project is waste management. This involves improved separation and higher recycling rates for production waste. In Baiersbronn, we have already achieved a separation rate of more than 99%.

The medium-term measures are divided into technological innovations and generally sustainable raw material procurement. In terms of technology, we want to invest in technologies for more efficient pulp extraction from virgin fibers in Eerbeek by 2030.

In addition, both plants focus on developing and using environmentally friendly chemicals in order to increase their use in production. Here, we want to achieve both lower emissions during the production of the chemicals and lower water pollution during their use. We see another opportunity in digitalisation, which can also make a positive contribution to the implementation of our climate protection strategy with corresponding solutions for monitoring and optimising the entire production process. There are three starting points for FOLBB:

Intelligent energy management systems: Digital systems can monitor and optimise energy consumption in real time.

- Example: Using sensors and IoT (Internet of Things) technologies to collect energy consumption data and analyse it to identify savings potential

Automation and control: Automated control systems can optimise machine and plant operation to reduce energy waste.

- Example: Use of intelligent control systems for demand-based control of lighting, heating and ventilation.

Predictive maintenance (PM): Continuous monitoring of machines and systems enables maintenance requirements to be detected early on and unplanned downtimes to be avoided.

- Example: Using data analytics and machine learning to predict maintenance needs and optimise maintenance cycles.

In the year under review, FOLBB did not take any climate protection measures that utilised a potential source of decarbonisation. As we are currently still working on the exact action plan for climate protection, there are no figures yet on the greenhouse gas reductions achieved and the investments made in the area of climate protection.



E1-4 Goals related to climate change mitigation and adaptation

Beyond the information provided in section E1-1 (reduction of CO₂ emissions by 30% by 2030 and achievement of climate neutrality by 2045), FOLBB has not yet defined any further targets and specifications. This will take place with the finalisation of the action plan that is still being implemented.

E1-5 Energy consumption and energy mix

The energy consumption values and the energy mix for both the Baiersbronn and Eerbeek sites are broken down in the following table.

Energy consumption and energy mix

	Baiersbronn	Eerbeek
Total energy consumption	178,451 MWh	207,923 MWh
Consumption of energy from fossil sources	167,108 MWh	198,621 MWh
Energy consumption from nuclear sources	7,146 MWh	582 MWh
Percentage of energy consumption from nuclear sources	4%	0%
Energy consumption from renewable sources	4,197 MWh, 100% from electricity received	8,720 MWh, 100% from electricity received
Percentage of renewable energy consumption in total energy consumption	2.4%	4.2%
Percentage of total energy consumption from fossil fuels in total energy consumption	93.6%	95.5%



E1-6 Gross GHG emissions in Scope 1, 2 and 3 categories as well as total GHG emissions

The following table shows the gross GHG emissions of Scope 1 and 2 categories for the Baiersbronn and Eerbeek sites in the reporting year. We do not yet have further figures, particularly on Scope 3 emissions.

Gross GHG emissions in Scope 1 and 2

	Baiersbronn	Eerbeek
Scope 1 gross GHG emissions	23,082 t, 100% in the EU trade system	39,173 t, 100% in the EU trade system
Scope 2 gross GHG emissions	33,916 t, 100% from market-related electricity purchases	9,126 t, 100% from market-related electricity purchases
Percentage of market-based Scope 2 GHG emissions from purchased electricity	100% from purchased electricity	100% from purchased electricity

E1-7 GHG reduction and GHG reduction projects financed by carbon credits

FOLBB did not use any emission credits for GHG reduction in the 2023 financial year.

E1-8 Internal carbon prices

FOLBB does not apply internal carbon pricing regulations within the company.



ESRS E2 Environmental pollution

E2-1 Strategies related to environmental pollution

FOLBB produces a sustainable product with virgin fiber cartonboard and therefore takes special responsibility for possible environmental impacts. Compliance with all legal requirements is therefore only considered a minimum requirement for us. We also rely on voluntary precautions, the use of environmentally friendly technologies and continuous systematic improvement of environmental efficiency. These strategic requirements are anchored in our company policy and the Code of Conduct. In particular, they aim to reduce our greenhouse gas emissions accounted for in accordance with the Greenhouse Gas Protocol (GHG Protocol), use raw materials responsibly and reduce water use and waste generation.

At our headquarters in Baiersbronn and at our Dutch office in Eerbeek, national legal requirements are also applied to avoid negative impacts on air, water and soil quality. In Baiersbronn and Eerbeek, energy management is certified in accordance with ISO 50001 in terms of sustainability. An ISO 14001 certified environmental management system is already in use at the Eerbeek plant and a continuous and verifiable improvement process is thus established. In Baiersbronn, everything is geared towards compliance with the German Ordinance on Plants for the Handling of Water-Hazardous Substances (AwSV) and the German Circular Economy Act (KrWG) for waste separation and compliance with all requirements at the waste water treatment plant. In Eerbeek, we comply with Dutch legislation on substances of very high concern (ZZS).

Substances of very high concern, such as those listed in the SVHC (Substances of Very High Concern) list, are still used to a very small extent in Eerbeek. However, we have reduced their use to the necessary minimum and their consumption is monitored in detail. No SVHCs are used in Germany .

Both plants are prepared for emergency situations with possible impacts on people and the environment. We have defined both

preventive measures and orderly responses to incidents such as a chemical accident or the leakage of hazardous substances. A separate crisis management plan is available in Baiersbronn for this purpose.

E2-2 Environmental pollution-related measures and resources

FOLBB relies on a whole range of concrete measures to prevent environmental pollution or to contain and eliminate it as quickly as possible:

Measures to reduce air pollution

- Use of low-emission technologies: Installation of state-of-the-art filter and emission control systems in the production facilities
- Increased efficiency of production processes: Optimisation of operations to minimise energy consumption and associated emissions
- Regular maintenance and inspections: Assurance of optimum functioning of all machines and systems to avoid unnecessary emissions

Measures to improve water quality

- Waste water treatment: Use of advanced waste water treatment technologies to remove pollutants before discharge to water

- Use of closed-loop systems: Implementation of water circulation systems to reuse process water and minimise fresh water consumption
- Regular monitoring: continuous monitoring of the water quality in the Forbach for early detection of contamination

Measures to reduce soil pollution

- Soil monitoring and analysis: regular checking of soil quality for early identification of pollution
- Renovation measures: Use of biological, chemical and physical methods to clean contaminated soils
- Avoidance of chemicals: Minimisation of the use of chemicals and substances in production processes
- Safe storage and disposal: Implementation of safe storage and disposal systems for waste and chemicals

General environmental management practices

- Environmental management systems: Implementation and certification of environmental management systems according to ISO 14001 for systematic management and improvement of environmental performance
- Training and awareness: Training of employees in the handling of chemicals and awareness of the risks of substances of concern



- Continuous improvement: regular review and improvement of environmental strategies and measures

The positive impacts from management systems, internal and external audits and inspections include reductions in water consumption, waste, energy and pollutants, as well as the introduction of e-forklift trucks. In the future, further optimisations are planned in the direction of electric boilers for steam production, energy-saving electric motors, LED lighting and insulation.

In addition, the two plants in Baiersbronn and Eerbeek rely on various other precautionary measures. In Eerbeek, in addition to the environmental management system in accordance with ISO 14001, internal and external audits as well as ongoing inspections take place here. The register of the environmental management system covers all important aspects, including risk assessment and preventive measures. In addition, an operational emergency plan enables a rapid response to environmental incidents. In Baiersbronn, a crisis management plan provides precise instructions for responding to environmental threats in a targeted manner.

Overall, we comply with the BREF (Best- Available-Technique-Reference) specifications

issued as part of the European “Directive on Integrated Prevention and Reduction of Environmental Pollution” (IVU) by continuously optimising the machines and equipment used for cartonboard production. In addition, we comply with all permit and introduction requirements.

To avoid environmental pollution, FOLBB works with the following means and resources:

- Financial resources: Budget for investments in low-emission technologies and environmentally friendly processes
- Technological resources: state-of-the-art filter and emission control systems, renewable energies and energy efficiency technologies
- Human resources: Environmental management specialists and engineers for the implementation and monitoring of measures
- Educational resources: regular training and awareness programmes for employees

Our action plans for this are:

- Implementation of low-emission technologies: Introduction of modern filter and emission control systems to reduce emissions

- Conversion to renewable energy: Use of solar, wind and hydropower to reduce dependence on fossil fuels
- Increased efficiency of production processes: Optimisation of operations to minimise energy consumption and associated emissions
- Regular maintenance and inspections: Assurance of the optimum functioning of all machines and systems to avoid unnecessary emissions
- Waste water treatment: Use of advanced waste water treatment technologies to remove pollutants before discharge to water
- Use of closed-loop systems: Implementation of water circulation systems to reuse process water and minimise fresh water consumption
- Regular monitoring: continuous monitoring of water quality for early detection of contamination
- Green areas and buffer zones: Creation of green areas and vegetation strips around waters to filter surface run-off and reduce nutrient inputs

One concrete approach in the water sector is waste water recovery and prevention in our plants. In Baiersbronn, a continuous improvement process is underway, which is regularly enhanced through tests and new

technological findings. In Eerbeek, we successfully completed a pilot project for waste water recovery during the current financial year. In the future, we will need to use almost no groundwater for the production process. The exact implementation date for the water circulation system in Eerbeek has not yet been determined, but implementation is being sought as soon as possible.



E2-3 Targets related to environmental pollution

FOLBB has set itself the basic goal of meeting all legally prescribed requirements for the purification of water, soil and air at EU and national level. We have not yet finalised the definition of voluntary targets that go beyond this. Compliance with regulatory targets relates primarily to air pollutants, emissions to water and soil pollution and not to substances of concern, as these are practically non-existent in FOLBB's production.

E2-4 Air, water, soil pollution

FOLBB tries to keep any type of environmental pollution as low as possible. Air pollution is mainly NO_x (nitrogen oxides), CO₂ as well as dust from boiler operation and from production plant exhaust air. Water produces small amounts of phosphate, ammonium and heavy metals, but these are degraded by up to 99% in the connected sewage treatment plants based on COD values (chemical oxygen requirement) and by up to 93% in the connected sewage treatment plants based on BOD₅ (biochemical oxygen requirement in 5 days). There is no soil contamination.

Microplastics do not occur in FOLBB's cartonboard products, as we do not process any waste paper types with plastic content. Styrene butadiene latex (SBR) used as a binder in Baiersbronn is completely absorbed in the plant's own sewage treatment plant.

Overall, the environmental values at the German and Dutch plants have improved significantly in recent years. The key figures were calculated on the basis of legal requirements in accordance with the European Pollutant Release and Transfer Register (E-PRTR).

E2-5 Substances of concern and substances of very high concern

We only use substances from the SVHC (Substances of Very High Concern) list to a very low extent in our production facilities in the Netherlands. Our products do not contain any of these substances. A separate declaration of laws and regulations transparently lists which additional laws and regulations we observe for all production processes and cartonboard types. These are binding for FOLBB in addition to the declaration on food safety, the declaration on chemicals and the declarations on the plants.

E2-6 Expected financial impact of risks and opportunities associated with environmental pollution

FOLBB has provisions for environmental protection to finance the remediation of contaminated sites and the recultivation of landfill sites. These provisions ensure the continuous follow-up and monitoring of the landfill sites in Baiersbronn and Eerbeek. The Maienplatz landfill site in Baiersbronn has been under extensive control for years, with regular measurements and reports ensuring that no pollutants are released into the environment. In Eerbeek, the Stort-Doonweg landfill site is also monitored and maintained according to the highest environmental standards. In addition, there is a plan in Eerbeek to optimise the closed-loop water trench in order to expand the buffer capacity due to climate change and increasing extreme rainfall. While the necessary measures for optimising environmental standards will be completed in Baiersbronn in 2024 and only ongoing operating costs for the maintenance and operation of the filter systems will be incurred. In Eerbeek we aim to implement the water circulation system technically in a timely manner.

These comprehensive measures and financial precautions reflect FOLBB's commitment to consistently managing both risks and opportunities to improve environmental performance.



ESRS E3 Water and marine resources

E3-1 Strategies related to water and marine resources

Water is essential for the entire manufacturing process in the paper industry. In the plants, it is mainly used for the preparation of pulp or wood pulp and to a lesser extent for machine cooling, but not consumed: Approximately 90% of the fresh water used is returned to the body of water after extensive cleaning, the remaining 10% evaporates into the atmosphere as water vapour or remains in the virgin fiber cartonboard. Nevertheless, fiber industry companies are constantly working to reduce the annual water consumption in their plants in the interests of sustainability. With demonstrable results: Between 1995 and 2022, the litre per kilogram of product required almost halved: from 14.7 to 8.6 litres.

As part of its water strategy, FOLBB is also pursuing several approaches at its headquarters in Baiersbronn and at its Dutch branch in Eerbeek to significantly reduce the consumption for its virgin fiber cartonboard. In this way, we want to contribute to an overall improvement in water quality from waste water via rivers to the sea and reduce groundwater consumption. On the one hand, the key points

are absolute product safety for consumers: As we work a lot for the food and pharmaceutical industries, we are always dependent on fresh water during production from a hygiene point of view and can not only work with service water. On the other hand, we pay special attention to the 100% recyclability of the paper fibers of our boxes and cartonboard packaging at the end of their life cycle. EU and national law serve as legal guidelines. For several years now, we have been working with a fluorine-free barrier in the so-called line layer on the back of our cartons, which reliably prevents migration between the cartonboard and, for example, frozen or fatty foods. Without the use of fluorine, the waste water in production is already less polluted and no fluorine is released into the environment even when the cartonboard fibers are recycle after use.

In Baiersbronn, the water is taken from the nearby Forbach and used for machine cooling and fiber processing in the plant. It then passes through an internal circuit several times until it is cleaned in the company's own sewage treatment plant. By erecting a cooling tower, it was already possible to reduce water consumption by a third from 3 million to almost 2 million cubic metres from 2017 to 2018.

Additional process optimisations resulted in a further reduction of almost 50% to around 1.1 million cubic metres from 2018 to 2023. Initial water treatment is already carried out in the internal water circuit with the aid of a disc filter, which screens out paper fibers. This also means that we regularly achieve high purification performance at the sewage treatment plant, such as up to 99% of waste water pollution load value BOD5 (biochemical oxygen requirement in 5 days).

The fish ladder built in Baiersbronn at the water tapping point in the Forbach through which the weir can be bypassed, contributes to the sustainability of the waters connected to the Forbach. Since 2017, it has been ensuring the necessary ecological flow of river fauna and flora.

In contrast to Baiersbronn, in Eerbeek all the process water is taken from the groundwater. Since it originates from the nature conservation area (Natura 2000) and drought is an increasing challenge in the region, all groundwater users from the industrial and agricultural sectors have had to become active in recent years. The waste water from the plant goes to a joint industrial sewage treatment plant in the town. From there, it reaches the IJssel, the northernmost delta distributary of the Rhine into the North Sea. In Eerbeek,

we have invested heavily in process optimisations to reduce groundwater extraction and to ensure sustainable water management. As a result, the absolute amount of groundwater used has fallen since 2005 from 2 million cubic metres per year to 1.1 million in the year under review. Specific consumption per tonne increased from 9 to 13.6 cubic metres in 2023 only because we were unable to take advantage of efficiency benefits in the year due to significantly lower production.

The starting points for the desired process optimisations were in particular improvements to the water cycle so that fewer hazardous substances could enter the water here. In Eerbeek, for example, we have been using disc filters for clarifying paper fibers since 2013. We also replace biocides with less environmentally harmful alternatives wherever possible. Another important point is more stable processes in production. The aim is to avoid cartonboard tears on the machines, as every restart consumes unnecessary water and energy. We have also made tremendous progress in this area in recent years.



E3-2 Measures and resources related to water and marine resources

Both sites have their own power plant capacities. In addition to the measures already mentioned in the strategy section for less water use, better treatment, for example, in the water cycle, and optimum final waste water treatment, we are also using air condensers instead of water for cooling at the company's own power plant in Baiersbronn. In addition, we are constantly improving the steam and condensate systems at both plants, which also reduces water requirements.

E3-3 Company objectives related to water and marine resources

FOLBB is working to further reduce water use without compromising the quality of its products. For the required certification of our cartonboard packaging for direct food contact, we only use approved raw materials in accordance with specification 36 of the Federal Institute for Risk Assessment (BfR). As before, we are taking a proactive approach to water protection.

A particularly promising approach to significantly reducing fresh water use is waste water recovery in a closed-loop system. Research is currently underway here, and we expect to see the first results in 2026.



E3-4 Water consumption

In times of climate change and increasing regional drought, the authorities in Germany and the Netherlands will enact further tightened limit values for water withdrawals and ultimately water protection. We want to actively address this and consider the envisaged closed-loop system as a possible solution.

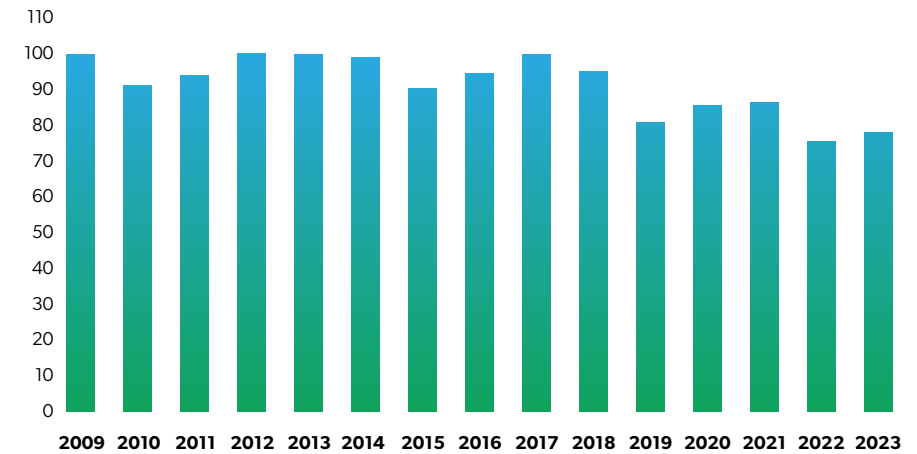
So far, no water storage has taken place in either plant and the purified water from the sewage treatment plants cannot yet be directly reused. The consumption data comes from our own measurements.

E3-5 Expected financial impact of material risks and opportunities related to water and marine resources

In both Germany and the Netherlands, stricter water protection measures are foreseeable, which will also increase the costs of reprocessing. Irrespective of this, FOLBB will invest in the expansion of the sewage treatment plants in both countries. We do not expect this to have a material impact on the company's financial profitability or cash flow.

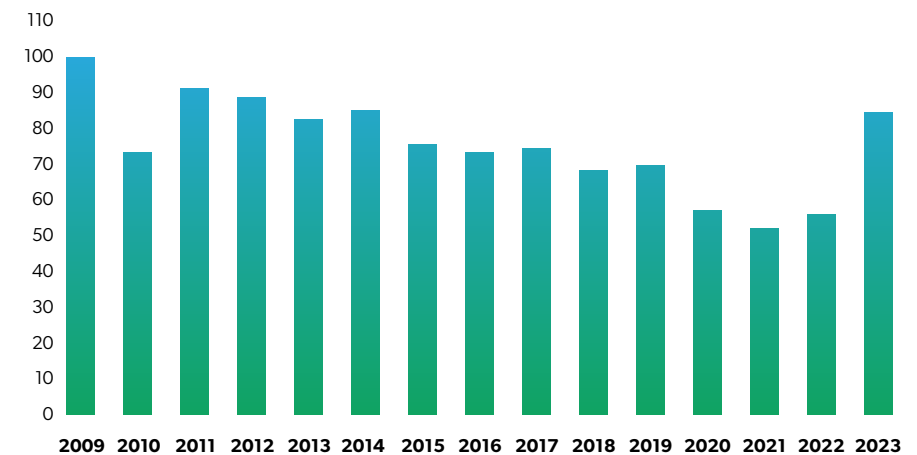
Water consumption in Baiersbronn

l/m³ cartonboard – standardised %



Water consumption in Eerbeek

l/m³ cartonboard – standardised %





ESRS E4 Biodiversity and ecosystems

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

FOLBB has also geared its business model and strategy towards preserving biodiversity and ecosystems. This is achieved through voluntary precautions, the use of environmentally friendly technologies and a continuous systematic improvement of environmental efficiency and climate protection. Our company is prepared for physical, transitional and systemic risks related to biodiversity and ecosystems:

- **Physical risks**

Natural disasters such as flooding have a direct and indirect impact on local biodiversity and ecosystems. FOLBB regularly assesses the vulnerability of production sites to such natural disasters. To minimise the negative impact on biodiversity, we have taken specific measures, such as building flood protection facilities and creating contingency plans to increase resilience. Climate change: Climate change is a significant threat to biodiversity and

ecosystems. Rising temperatures, changing rainfall patterns and more frequent extreme weather events lead to damage to forests, water scarcity and degradation of habitats. In view of the impact of climate change, FOLBB relies on FSC forest sustainability and efficient water use technologies to strengthen ecosystem resilience and protect biodiversity.

- **Transition risks**

Regulatory changes in the environment, in particular those affecting the protection of biodiversity and ecosystems, represent significant transitional risks. FOLBB continuously monitors these regulatory developments and proactively adapts its strategies to ensuring not only compliance with new environmental regulations, but also to making a positive contribution to protecting biodiversity. This includes early implementation of more sustainable production processes, strengthening partnerships with certified suppliers and continuous training of employees to meet the new standards and minimise impact on natural habitats.

- **Systemic risks**

FOLBB minimises these risks by implementing sustainable sourcing practices that ensure raw materials come from certified, environmentally friendly sources such as FSC and PEFC certified wood. In the production phase,

FOLBB uses climate-friendly and low emission technologies to reduce air and water pollution. In addition, watercourses are being renatured to restore natural habitats and promote biodiversity. Within the entire value chain, both upstream and downstream, we optimise logistics processes to minimise the ecological footprint and protect biodiversity. By continuously monitoring these processes and adapting to climatic and regulatory changes, FOLBB ensures that biological resources are preserved in the long term and that the market for sustainable and environmentally friendly products continues to grow.

Our strategic assumptions are based on the recognition that climate change will lead to frequent and more intense weather events, which in turn will have a significant impact on ecosystems and biodiversity. We expect stricter environmental regulations to be enacted in the coming years, putting the protection of these natural resources at the forefront. These assumptions drive our decision to further expand sustainable production methods and actively shape the market for environmentally friendly products.

FOLBB strives to not only address these challenges through innovative solutions, but also to create new opportunities to promote biodiversity while strengthening competitiveness. The time horizons covered comprise three sections:

- Short-term (1–3 years): Focus on immediate actions to comply with new environmental regulations and improve the environmental footprint
- Medium term (3–10 years): Implementation of larger infrastructure projects to adapt to climate change and introduction of new sustainable products
- Long-term (10+ years): Development and implementation of comprehensive strategies to fully integrate sustainability into all business processes



The results of the analysis are:

- Increased resilience: The implementation of flood protection systems and emergency plans has increased FOLBB's resilience to natural disasters.
- Reduced CO₂ emissions: Investments in energy-efficient technologies and sustainable logistics processes have significantly reduced CO₂ emissions.
- Successful market adaptation: The introduction of new sustainable products has generated a positive market response and strengthened FOLBB's competitiveness.

Stakeholder involvement takes place at three levels. In terms of suppliers, we are expanding our close cooperation with certified companies to ensure sustainable procurement. Local communities – namely the municipalities of Baiersbronn and Eerbeek – are involved in renaturation projects and initiatives to promote biodiversity. Customers are considered by incorporating their feedback into the development of new sustainable products and services.

E4-SBM 3 Key impacts, risks and opportunities and their interaction with strategy and business model

FOLBB undertakes to transparently disclose the impact of its two sites on biodiversity, especially in particularly sensitive areas. The following points provide an overview of the relevant information according to the ESRS requirements:

- **Baiersbronn site**

Activities that have a negative impact on biodiversity in particularly sensitive areas:

The site discharges waste water into a nearby body of water, which could potentially affect water quality and thus local aquatic fauna.

Impacts: high nitrogen emissions and waste water discharges.

Dependencies: The site is dependent on water resources and natural raw materials from the affected areas.

Ecological status: The area shows signs of impact from waste water emissions and biodiversity loss due to habitat loss.

Affected areas: Forbach/Baiersbronn

Competent authority: Freudenstadt district council, Environmental Protection Agency

- **Eerbeek site**

Activities that have a negative impact on the biodiversity in particularly sensitive areas:

emissions from production processes: The emission of pollutants can affect air quality and local flora and fauna.

Groundwater extraction: The extraction of groundwater can have a negative impact on flora and fauna in the nearby Natura 2000 site.

Impacts: Air pollution due to emissions and loss of soil habitats.

Dependencies: Dependence of the location on soil resources and stable ecological conditions to ensure production processes.

Ecological status: The Natura 2000 site shows impacts from groundwater extraction and pollutant emissions, which have led to a reduction in biodiversity and a burden on habitats.

Affected areas: Natura 2000 area

Competent authority: Gelderland Province

Negative impacts in relation to soil deterioration or sealing are not known. FOLBB is currently not planning any structural measures. There are also no negative signs of desertification.

We have identified FOLBB activities that affect the population of endangered species and initiated appropriate protection and restoration measures. Examples include the construction of a fish ladder, the establishment of swallow nesting sites in Baiersbronn and the renaturation of a stream in Eerbeek.

The measures also include reducing pollutant discharges to minimise their negative impact on the environment and protect biodiversity.



E4-IRO-1 Description of the procedures for identifying and assessing the significant impacts, risks, dependencies and opportunities with regard to biodiversity and the ecosystem

To assess biodiversity and the ecosystem, FOLBB measures a variety of waste water parameters such as temperature, pollution load value BOD5, phosphate, AOX (adsorbable organic halogen compounds), ammonium and TOC (total organic carbon). The measurements are carried out in the form of internal controls and monthly external controls by the analysis laboratory specialist Eurofins. In addition, we regularly check the function of the fish ladder and cooling tower in Baiersbronn. Special valuation criteria were not yet applied in the reporting year.

FOLBB is dependent on biodiversity and ecosystems in terms of the availability of wood and pulp as well as fresh water. Here, too, we have not yet developed any evaluation criteria. In Baiersbronn, we identified temperature increases in the Forbach as physical risks that could lead to poor water quality or species death from a maximum of more than 1.5 Kelvin. In order to identify

systemic risks, FOLBB is also in regular dialogue with municipalities and competent authorities at both locations as part of stakeholder dialogues.

With its Eerbeek site in the province of Gelderland in the Netherlands, FOLBB has a branch close to the Veluwezoom National Park, an area with high biodiversity and significant natural resources. These protected zones are home to many protected bird species, plant species and other wildlife whose habitats could be affected by industrial activities.

Several international and national directives are therefore binding for Eerbeek:

- **Directive 2009/147/EC of the European Parliament and of the Council Conservation of wild bird species**

Measures: Establishment of protective measures to minimise disturbance to bird species in the environment. This includes reducing noise and light pollution, especially during incubation.
Implementation: Installation of sound barriers, adjustment of lighting systems and provision of buffer zones around the production site.

- **Council Directive 92/43/EEC: Conservation of natural habitats and wildlife**

Measures: Actions to preserve and restore natural habitats that could be affected by production activities.

Implementation: Implementation of renaturation projects, planting of native plant species and creation of replacement habitats.

- **Environmental Impact Assessment (EIA) in accordance with Directive 2011/92/EU of the European Parliament and of the Council**

Measures: Execution of comprehensive environmental impact assessments for all new projects and extensions of the site.

Implementation: Production of detailed environmental reports, assessment of potential environmental impacts and involvement of the public in the decision-making process.

- **Dutch environmental protection laws**

Compliance with Dutch environmental protection and biodiversity conservation laws as well as Natura 2000 maintenance plans.

Compliance with the requirements in the permits for nature protection and groundwater extraction.

Measures: Implementation of measures required by the Rijkswaterstaat (Dutch water authority) to reduce environmental impact and improve water quality. Reduction of nitrogen emissions, reduction of groundwater withdrawal.

Implementation: regular review and adjustment of production processes to meet legal requirements.

- **Further specific planned measures at the Eerbeek site**

Reduction of fossil fuels by means of electric steam generation, further optimisation of the water cycle

Separation of rainwater and process water: measures: Introduction of a system for the separation of rainwater and process water to improve water quality and prevent the discharge of pollutants into the surrounding waters.

Implementation: Construction of special dewatering systems and treatment plants for the treatment of process water.



Renaturation projects:
measures: Participation in local renaturation projects such as the restoration of streams to promote biodiversity, for example the Eerbeek stream.

Implementation: Cooperation with local environmental organisations and authorities to plan and implement renaturation measures .

Monitoring and reporting:
measures: Establishment of monitoring programmes for the continuous monitoring of the environmental impacts of production activities.

Implementation: regular preparation and publication of environmental reports that document the progress and challenges in implementing the measures.

In regulating material impacts, risks, dependencies and opportunities with regard to biodiversity and ecosystems, FOLBB relies on the following guidelines and assessments:

- **Environmental and Biodiversity Protection Directive**

Objectives and principles:
Protection and conservation:
The protection and conservation of biodiversity and ecosystems are central objectives of corporate policy.

Sustainable development: promoting sustainable development through environmentally friendly production processes and use of resources.

Focus areas:
minimising negative impacts: Measures to reduce negative environmental impacts from production activities.
Promotion of positive effects: Initiatives to promote biodiversity and restore natural habitats.

- **Assessment and monitoring**

Regular environmental assessments:
environmental impact assessments (EIAs): FOLBB carries out EIAs specifically for new projects or significant changes to existing projects. These audits aim to identify potential environmental and biodiversity risks and determine appropriate measures to mitigate them.

Project-related monitoring:
in addition to the EIAs, FOLBB implements specific monitoring programmes for each project, in order to continuously monitor the environmental impact and the effectiveness of the measures taken.

In addition to the provisions of ESRS 2 MDR-P, FOLBB also refers to the following points of ESRS E4 AR4 in its biodiversity and ecosystem-related policies:

- **Climate change**

Measures: Implementation of energy efficient technologies and use of renewable energy to reduce greenhouse gas emissions.

Monitoring: continuous monitoring and reporting of the company's CO₂ footprint.

- **Land use changes**

Measures: Minimisation of surface sealing by optimising the use of existing production areas.

Monitoring: Assessment of the impact of land use changes on local ecosystems and performance of environmental impact assessments.

- **Changes in freshwater and marine use**

Measures: efficient use of water resources and investment in water treatment and reuse technologies.

Monitoring: regular measurement and reporting of water consumption and quality.

- **Direct exploitation**

Measures: sustainable sourcing of raw materials and adherence to best practices to reduce exploitation of natural resources.

Monitoring: Assurance of traceability of raw materials to avoid illegal or unsustainable practices.

- **Contamination**

Measures: Reduction of pollutant emissions through clean production technologies and effective waste management systems.

Monitoring: continuous monitoring and reporting of air, water and soil pollution.

FOLBB considers the material impacts on biodiversity and ecosystems through project-related environmental impact assessments and specific risk assessments. We are adapting our business strategy to sustainably manage our dependence on natural resources such as water,



wood and energy while minimising the risks posed by climate change, regulatory adjustments and market changes. By using certifications such as FSC and PEFC, we ensure that our raw materials are sourced sustainably and actively contribute to the preservation of biodiversity.

E4-2 Biodiversity and ecosystems guidelines

FOLBB does not yet have its own guidelines here.

E4-3 Measures and resources related to biodiversity and ecosystems

Our most important measures in relation to biodiversity and ecosystems are:

- **Measures to reduce the environmental impact**
Waste water treatment and management:
Measure: Implementation of advanced waste water treatment systems for rainwater and process water to prevent mixing, optimise treatment and thus contribute to reducing pollutant discharges to local waters. Reduction of the amount of water taken to minimise total water consumption.

Resources provided: Investment in modern sewage treatment plants and continuous monitoring of water quality.

Air pollution control:

Measure: Installation of air purification systems to minimise emissions; as well as low-NOx systems in the energy sector to minimise nitrogen emissions to the atmosphere.

Resources provided: financial resources for the acquisition and maintenance of the air purification technology.

Waste management:

Measure: Implementation of comprehensive recycling and reuse programmes to reduce waste.

Resources provided: Employee training and investment in recycling infrastructure.

- **Protection and restoration of natural habitats**
Renaturation projects:
measure: Implementation of projects to restore natural habitats, such as the renaturation of streams and the construction of fish stairs. One example of this is the planned renaturation of the Eerbeek stream, which will be implemented

as part of the new development plan in 2025 in order to restore natural habitats and improve water quality. Installation of nesting boxes and other protective measures for birds and other animals to protect and expand their habitats.

Resources provided: Work with environmental organisations and provision of financial resources and specialist personnel for the projects.

- **Sustainable use of resources**

Sustainable procurement:

Measure: Preference for suppliers who supply sustainable and environmentally friendly materials, in particular FSC and PEFC certified wood.

Resources provided: Establishment of partnerships with certified suppliers and training of procurement teams.

Water management:

Measure: Implementation of water-saving technologies and systems to separate rainwater and process water.

Resources provided: Investments in water management systems and continuous monitoring of water consumption.

FOLBB systematically applies the mitigation hierarchy in all these measures to manage the impact on biodiversity and ecosystems. This hierarchy consists of the following two steps:

- **Prevention**

Measures: Adaptation of production processes and choice of location to avoid negative impacts on sensitive ecosystems.

- **Minimisation:**

Measures: Implementation of technologies and practices to reduce the environmental impact during production.

Example: At the Eerbeek site, the press section was modernised, introducing low-emission technologies.



E4-4 Objectives related to biodiversity and ecosystems

FOLBB has set itself the following objectives, starting from the 1990 base year:

- **Reducing environmental impact**

Objective 1: Reduction of CO₂ emissions by 30% by 2030

Measures: Implementation of energy-efficient technologies, use of renewable energy.

Indicators: annual CO₂ emissions in tonnes.

Monitoring: regular monitoring and reporting of emissions.

Objective 2: Reducing water consumption by 25% by 2030

Measures: Introduction of water-saving technologies, reuse of process water.

Indicators: annual water consumption in cubic metres.

Monitoring: monthly measurements and reports on water consumption.

- **Sustainable use of resources**

Objective 1: Increasing the proportion of sustainable fiber raw material to 95% by 2030

Measures: Preference for FSC and PEFC certified suppliers for wood and cellulose.

Indicators: Percentage of sustainably sourced raw materials.

Monitoring: bi-annual review of supply chains and sourcing practices.

Objective 2: Reducing waste by 25% by 2030

Measures: Reduction of material consumption and reduction of waste in production and packaging. At the same time, we are increasing the proportion of recycled materials in our packaging.

Indicators: annual waste generation in tonnes.

Monitoring: quarterly reports on waste management.

- **Transparent communication**

Objective: Publishing annual sustainability reports

Measures: Production and publication of comprehensive reports documenting progress and challenges in relation to environmental objectives.

Indicators: Number of published reports.

Monitoring: Review of the content and quality of the reports by internal and external auditors.



E4-6 Expected financial impact of material risks and opportunities related to biodiversity and the ecosystem

The exact costs for FOLBB in connection with the conservation of biodiversity and ecosystems cannot yet be quantified. With regard to CO₂ emissions, we expect the costs of corresponding certificates and emission compensation payments to increase significantly. This can cause significant financial burdens due to regulatory changes and higher market prices for emission allowances. In the case of water, its increasing scarcity and stricter regulations on water use can lead to higher operating costs. These costs result from the need to invest in water-saving technologies and improved water management systems. Finally, waste management can create additional operating costs by introducing enhanced recycling and waste prevention programmes. This includes investments in infrastructure as well as ongoing operating costs for waste recovery.

The effects and impacts considered and the probable time horizons are broken down as follows:

- **Effects and impacts**

Climate change: Rising temperatures and more frequent extreme weather events can cause production interruptions and increased operating costs.

Regulatory changes: Stricter environmental regulations can lead to higher compliance costs and investments in environmentally friendly technologies.

Resource availability: Dependence on natural resources such as water and wood, whose availability can be affected by environmental changes and regulatory measures.

- **Time horizons**

Short-term (1–3 years): immediate adjustment costs and investments in compliance measures.

Medium-term (3–10 years): continuous cost increases due to increased environmental requirements and necessary investments in sustainable technologies.

Long-term (10+ years): potentially severe impacts on business operations and supply chains due to environmental changes and resource scarcity.

In addition, we have assumed the following critical assumptions when considering biodiversity and ecosystems:

- Regulatory scenarios: Assumption that environmental regulations will be gradually tightened based on current trends and announced policy measures
- Market development: Assumption that demand for sustainable products is increasing and companies that comply with environmental requirements can gain competitive advantages
- Technological advances: Assumption that technological innovations in the field of environmental protection and resource efficiency can lead to cost reductions

The degree of uncertainty in these assumptions is high, particularly with regard to future regulatory developments and technological breakthroughs. Our uncertainty is based on unpredictable economic fluctuations and innovation successes, political decisions and environmental events.

We have used the following as the basis for our assumptions:

- Scientific studies and reports: Use of current scientific research and reports from environmental organisations and governments as the basis for assumptions such as the WWF Living Planet Report (2022), World Economic Forum: “The Future of Nature and Business” (2020), McKinsey & Company: “The Next Normal: How Companies Are Adapting to Climate Change” (2020)
- Industry analyses: Consideration of industry reports and market research to assess market trends and technological developments
- Internal audits and expert opinions: Involvement of internal environmental and financial experts to assess impacts and uncertainties



ESRS E5 Resource use and circular economy

E5-1 Strategies related to resource use and circular economy

In principle, the circular economy and the reuse of resources represent a major asset for FOLBB. For our business model, the production of virgin fiber cartonboard, we are constantly reviewing how recycling and resource utilisation can be optimised. However, we cannot use waste paper in the production of our virgin fiber cartonboards, as it comes from the circular economy and is often chemically polluted. These contaminants can impair the quality and purity of our products, which is contrary to our high quality standard. In addition, each recycling process shortens the fiber lengths, which would not meet our strict requirements for product stability.

All the more reason for us to emphasise sustainability and efficiency in the use of wood, a resource that is indispensable for us. Our sourcing strategy for wood aims to only use wood from forests in the immediate vicinity of our plants in Baiersbronn and Eerbeek. Both are certified according to the international certification systems for legal and sustainable forestry FSC and PEFC.

E5-2 Measures and funds related to resource use and circular economy

FOLBB uses pulp and groundwood pulp as a resource for its paper fiber requirements, as well as what is known as deforestation timber in Baiersbronn, which is produced as part of forest maintenance. In Eerbeek, no deforestation timber is used to produce the fibers, but instead saw waste in the form of wood chips, which are left there as waste.

Deforestation timber is the product of ecologically and economically functioning forestry. In the case of the spruce trees – our main source for production – it can take 80 years or more before a tree can be used as timber, i.e. as logs or sawn timber for the construction industry or furniture industry. At the beginning, spruce forests are very densely planted. The weaker trees are then gradually felled and used as forestry timber to give more space to the stronger ones. After several rounds of thinning out, around 10 to 15% of the original plants are still in the forest as mature trees. Sources such as the [⊕ Federal Association of the German Saw and Wood Industry \(DeSH\)](#) confirm the importance of deforestation for sustainable forestry.

The local forestry industry is currently facing major challenges. Due to climatic changes and pest infestations such as bark beetles, a disproportionate amount of damaged wood had to be felled. In Baiersbronn, experiments are therefore also underway with beetlewood and the addition of up to three percent pinewood as a substitute for spruce. This demonstrates our proactive approach to finding sustainable solutions that make sense both environmentally and economically. FOLBB remains committed to researching innovative techniques and solutions to optimise the use of resources while maintaining the high quality standards of our products.

The use of valuable wood resources at FOLBB has been geared towards maximum efficiency for decades. In Baiersbronn, all of the wood used for forestry, except for the bark, is used for cartonboard production. However, the bark is not considered waste. Instead, we sell it to another company that recycles it thermally. This is how we create additional value. No more trees are processed directly in Eerbeek. In the interests of efficiency, we plan to increase our own wood fiber production and reduce external purchases of ground wood as the basis for the fiber pulp. This strategy aims to minimise both the environmental impact and the dependence on external suppliers.

In order to reduce the overall use of wood in the long term, we are also experimenting in Baiersbronn with substitutes such as Silphie fibers, which are obtained naturally from the Silphie plant and can function as a new raw material for fiber-based products such as our cartons. This is part of our efforts to find innovative and sustainable solutions that further reduce the impact on the environment.

A comprehensive circular economy is not possible in connection with FOLBB's products, as the fresh fibers required for our quality standards cannot be replaced by recycled materials. In Eerbeek, however, cartonboard edge trimmings and cartonboard breakage are already being recycled on a smaller scale and fed back into the production process. This small-scale recycling demonstrates our commitment to reducing waste and reusing materials as much as possible without compromising the quality of our products.



E5-3 Objectives related to resource use and circular economy

FOLBB generally strives to make the use of wood resources as sustainable as possible in the future. All raw materials are sourced from controlled sources in accordance with FSC and PEFC specifications.

E5-4 Resource inflows

The decisive resource inflow for our production is wood in the form of pulp, ground wood and deforestation wood. In Eerbeek, we were able to acquire new suppliers for sawmill waste, so that its share of production now stands at well over 50%.

Fiber consumption in tonnes

	Baiersbronn		Eerbeek	
	2022	2023	2022	2023
Wood/chips	54,707	41,657	48,567	32,240
Wood pulp	23,290	19,601	33,007	20,290
Ground wood	22	2,067	14,327	6,483
Recycling	0	0	8,420	5,515
Total	78,019	63,325	104,321	64,528
Net production	86,612	70,969	121,966	74,035
Fiber content	90.1%	89.2%	85.5%	87.2%

E5-5 Resource outflows

With its products, FOLBB is at the beginning of a possible recycling chain for the wood resource used. The cartonboards are produced in such a way that the wood fibers used can be recycled several times for other products. At the end of their life cycle, they can then be used again for building materials, which maximises the sustainable use of the resource wood.

No significant amounts of wood waste are generated in Baiersbronn or in Eerbeek. In Baiersbronn, the peeled bark produced as waste is also recycled.

E5-6 What are the financial impacts and dependencies in terms of resource use and circular economy?

No financial impacts with an influence on the financial position or cash flow at FOLBB were recognisable with regard to resource use and circular economy in the reporting year. As wood and pulp are the decisive raw materials for our production, however, financial burdens due to high procurement costs for the future cannot be excluded.



02

Social matters

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54 **ESRS S4** Consumers and end users





ESRS S1 Own workforce

S1-1 Strategies related to own workforce

Both our German site in Baiersbronn and the Dutch site in Eerbeek are located – with the Northern Black Forest region and the Gelderland province – not only in beautiful landscapes, but also in economically thriving areas with corresponding industrial settlements. FOLBB's strategic focus in HR is therefore on retaining employees, as they are the heart of the company. To this end, we want to offer all employees a family-friendly, networked and flexible working environment: with plenty of room for training and professional development and the promotion of a pleasant and healthy work-life balance.

With regard to the company's human rights policy relating to its own workforce, we strictly adhere to the rules and regulations of the collective agreements for paper industry workers in Germany and the Netherlands. In addition, we comply with the relevant works agreements, such as our Code of Conduct, which explicitly calls for compliance with human rights and lists measures in the event of violations. This approach is in line with internationally recognised guiding principles such as the UN Guiding Principles on Business and Human Rights.

FOLBB distances itself from any form of human trafficking, child labour or forced labour. Since we only have sites in Germany and the Netherlands and all wood resources are obtained from controlled sources in accordance with FSC and PEFC specifications, we can almost fully eliminate the risk of such forms of exploitation at our company and also at our suppliers. However, complaints or violations can still be reported to an independent law firm in Baiersbronn and to the Inspectie Gezondheidszorg en Jeugd, Nederlandse Arbeidsinspectie, in Eerbeek. We investigate all reported violations. For minors whom we may employ as trainees, we strictly follow the special protection regulations such as extended break times and the prohibition of night work. The works councils in Baiersbronn and Eerbeek act as the supervisory authority.

Occupational health and safety is a high priority for us. In order to avoid accidents at work as completely as possible, an occupational safety specialist in each plant ensures compliance with the relevant provisions and the performance of regular instructional training. These sessions are logged. The task of the specialist is also to eliminate possible sources of danger and defuse areas where an accident has already occurred.

FOLBB actively advocates for equal opportunities in the workplace. Therefore, the qualification of the respective person alone is the decisive criterion when selecting prospective employees who have already been employed. Gender, skin colour, religion and sexual orientation do not matter. To ensure compliance with legal obligations in dealing with severely disabled people, inclusion officers are involved in applicant management in Germany. These representatives for severely disabled persons are available to all employees at any time for questions on the topic and for equipping fair workplaces as required. To ensure they are always up to date, they are regularly trained through professional development measures in the form of literature and events.

S1-2– Processes for engaging with own workers and workers' representatives about impacts

It is important to us to keep the workforce up to date on all operationally relevant issues. As a suitable means of doing so, we regularly organise company meetings, at which the management and works council in Baiersbronn or only the management in Eerbeek provide employees with detailed information on the course of business and important decision-making processes. The works council itself is informed of the economic situation in the budget committee, which also meets regularly. This takes place on a quarterly basis in Baiersbronn and at least once a year in Eerbeek. Higher-level decisions are usually made by the managing director and the technical plant manager in cooperation with the works council in the form of works agreements.



S1-3 Channels for own workers and workers' representatives to raise concerns

For effective complaints management, FOLBB has implemented the EU Whistleblower Guidelines within the company. In this way, we offer both internal reporting channels and protective measures for whistleblowers against any form of retaliation. In order to guarantee this protection, special training courses are also held for employees. In Baiersbronn, anonymous notifications to an independent lawyer as an external reporting office are also possible. There is a separate personnel manual for the Eerbeek site, which also contains a guideline for complaints about undesirable behaviour, including a procedure defined for this purpose.

S1-4 Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities

The increasing shortage of skilled workers in industry also represents an increasing risk for FOLBB, which we are countering with financial incentives, among other things. At the turn of the year 2022/23, the wage groups of employees at the lowest income level were increased by one level in Baiersbronn. In addition, we have introduced a form of staggered long-service bonus. The longer an employee stays with FOLBB, the higher their earnings will be regardless of collective agreements. We have also created a so-called labour market surcharge for the technical staff in Eerbeek.

In addition to the other measures already mentioned for managing opportunities and risks with regard to its own workforce, FOLBB is also heavily involved in health care. Cartonboard production requires the handling of large machines and systems as well as industrial trucks. In order to maintain health, all employees undergo regular check-ups with our German and Dutch company doctors. Among other things, hearing and vision as well as the ability to operate industrial trucks are checked. The necessary measures are determined in close cooperation with the health insurance funds. In the year under review we also held a health day at the Baiersbronn site together with a health insurance fund; this event was well received by employees.

S1-5 Objectives related to managing material negative impacts, promoting positive impacts and addressing material risks and opportunities

FOLBB's primary goal is to further improve the external perception of the company among potential applicants. To this end, we regularly participate in job and training exchanges where we present the company in general and in particular the career opportunities. In addition, we are increasingly appearing in Baiersbronn in the form of advertisements in association media. In order to reach young people in particular, we cooperate with local schools and organise tours for school classes in the company that showcase the diversity of work opportunities.



Among other things, we promote our employees in-house by offering them the opportunity to further qualify professionally at the employer's expense. For example, training as a master craftsman in the commercial sector or as an industrial specialist in the commercial sector is offered here. In future, a family day will be planned for all employees in order to further increase employee loyalty to our company. In Eerbeek, we use some of the same resources to attract and develop employees.

S1-6 Employee characteristics

In the 2023 reporting year, FOLBB employed 212 mainly male employees in Baiersbronn and 207 in Eerbeek.

The figures for the number of employees are based on the headcount as at 31 December 2023. The staff turnover rates mentioned relate to the average number of employees in 2023.

Information about employees

	Baiersbronn	Eerbeek
	2023	2023
Total number of employees by headcount	212	207
of which male	192	189
of which female	25	18
Employed part time		18
Temporary employees	21	7
Temporary employees as a percentage	9.91%	3.38%
Staff turnover rate 2023	9.16%	5.76%
Employees under 30 years old	30	16
Employees between 30 and 50 years old	99	77
Employees over 50 years old	83	114

S1-7 Characteristics of non-employees in the company's own workforce

In the logistics area, we employ around ten people at both locations under a work contract with a specialised company. FOLBB is not authorised to issue instructions to these external employees and there is no supplier management.



S1-8 Collective agreement coverage and social dialogue

In Baiersbronn, 194 employees are employed under collective agreements, in Eerbeek 200. They thus cover 91.5% and 94.3% of the workforce, respectively. There is a works council in Baiersbronn and Eerbeek, each consisting of seven employees in 2023. Their work is based on the collective agreements of the German Employers' Association of the Paper Industry and the Mining, Chemicals, Energy Industrial Union (IGBCE) and the Dutch Employers' Association and the trade unions Federatie Nederlandse Vakbeweging (FNV) and Christelijk Nationaal Vakverbond (CNV).

Employees are only represented at national level by a works council and not at European level.

Collective labour agreements

Germany	The Netherlands
Employers' Association of the Paper Industry	Federatie Nederlandse Vakbeweging (Federation of Dutch Trade Unions (FNV))
Mining, Chemicals, Energy Industry Union (IGBCE)	Christelijk Nationaal Vakverbond (Christian National Trade Union Federation) (CNV)

S1-9 Diversity parameters

No women were employed at top management level at FOLBB in the reporting year.

The age distribution in Baiersbronn in 2023 was as follows: 30 employees under the age of 30, 98 employees between the ages of 30 and 50 and 83 employees over the age of 50. In Eerbeek, the distribution is 18 employees under the age of 30, 73 between the ages of 30 and 50 and 109 over the age of 50.

FOLBB does not follow a specific benchmark for the remuneration of employees. The majority of employees are grouped according to collective bargaining regulations with the approval of the works council. A small proportion are non-pay-scale employees whose salary is always above the highest pay-scale.

S1-10 Appropriate remuneration

All FOLBB employees in Germany and the Netherlands receive at least the collectively agreed remuneration for their work.

S1-11 Social protection

Extensive social protection is regulated by law for all FOLBB employees. In the event of illness, all employees are entitled to continued payment of wages by law or contractual agreement. Since all employees also pay contributions to unemployment insurance, they are entitled to unemployment benefits, if required, within the framework of the statutory provisions. The sickness benefit or transitional allowance shall come into force after the end of the period of continued payment of wages by the employer to cover accidents at work and incapacity for work. In Germany, this is for a maximum of 18 months, while in the Netherlands, cover is granted for up to 24 months.

This is followed, if necessary, by a temporary disability pension from German pension insurance, which usually changes to a permanent pension after nine years.

After the birth of a child, employees are legally entitled to unpaid time off from work. During this parental leave, the state pays a so-called parental allowance. All employees pay pension insurance contributions to secure their retirement. These form the basis for a legally regulated old-age pension through pension insurance.

S1-12 Persons with disabilities

FOLBB employs people with severe disabilities within the scope of operational possibilities. In the year under review, 4.25% of employees held a corresponding ID.

S1-13 Training and competence development

We attach great importance to being able to offer employees training and further education within the scope of the possibilities. Exact figures for the training hours at both locations are not yet available for the 2023 reporting year.



S1-14 Health and safety parameters

The health and safety of employees is a top priority for FOLBB. Therefore, all employees are protected as far as possible against negative impacts either by legal regulations or by health and safety management systems.

Accident and lost day statistics for Baiersbronn

	2021	2022	2023
Deaths caused by employment	0	0	0
Number of accidents at work subject to reporting requirements	5	2	11
Rate of accidents at work subject to reporting requirements	2.46%	0.93%	5.19%
Number of work-related illnesses subject to reporting requirements	0	0	0
Number of days lost due to work-related injuries and fatalities	239	79	354

Accident and lost day statistics for Eerbeek

	2021	2022	2023
Deaths caused by employment	0	0	0
Number of accidents at work subject to reporting requirements	2	6	2
Rate of accidents at work subject to reporting requirements	0.97%	2.87%	0.97%
Number of work-related illnesses subject to reporting requirements	0	0	0
Number of days lost due to work-related injuries and fatalities	93	94	9



S1-15 Work-life balance

FOLBB promotes a healthy work-life balance. That is why we naturally also grant maternity leave, parental leave or care leave for relatives within the framework of the statutory regulations.

S1-16 Remuneration parameters/earnings differences

Equal pay for women and men has not yet been achieved at FOLBB in Germany, as in many parts of the economy. In 2023, our female employees received an average of 81.83% of the average remuneration of male colleagues. Without taking part-time female employees into account, female employees earn 90.96% of the average male salary. In Eerbeek, on the other hand, equal pay has been achieved, as there is no gender pay gap.

The highest-paid individual in the company received 244% of the average remuneration in the reporting year.

Maternity leave

	Baiersbronn	Eerbeek
	2023	2023
Maternity leave		
Claimed	0.00%	0.00%
Utilised	0.00%	0.00%
Parental leave		
Claimed	1.42%	3.86%
Utilised	1.42%	3.86%
Care leave		
Claimed	0.00%	3.86%
Utilised	0.00%	3.86%

S1-17 Incidents, complaints and serious impacts related to human rights

With respect to human rights violations, there were no reported incidents, complaints or fines imposed throughout the company in financial year 2023 .



ESRS S4 Consumers and end users

S4-SBM Material impacts, risks and opportunities and their interaction with strategy and business model

FOLBB has no direct contact with consumers and end users: The manufactured products reach the end customers via downstream suppliers. It is all the more important for us that we ensure that the end products are safe to use and of high quality by complying with legal requirements, the standards for Good Manufacturing Practice (GMP) and by manufacturing products that are safe for health. The focus on quality and on corresponding measures and controls results indirectly from our corporate strategy and our business model. Both include several key points that impact consumers and end users:

- **Strict compliance with legal requirements:**
FOLBB ensures that all products comply with legal requirements. For this purpose, they are reliably and properly marked.

- **Compliance with GMP standards:**
The GMP guidelines guarantee that all production processes are controlled and consistent. This minimises the likelihood of contamination and quality defects, which in turn ensures the safety and effectiveness of the end products for consumers.

- **Manufacture of health-safe products:**
FOLBB conducts comprehensive toxicological assessments and microbiological tests to ensure that the products do not have any harmful effects. This contributes to the health and safety of end users.

The impact of our products on consumers and end users is significant for FOLBB from both an impact perspective (inside out) and a financial perspective (outside in).

We also take into account the impact of our products on end users when developing our corporate strategy and business model. We achieve this by continuously monitoring and adjusting the following areas:

- **Quality management and continuous improvement:**
Our company has a strict quality management system in place, which is regularly reviewed and improved to ensure that all products **meet** the highest quality standards. Supply chain feedback and regulatory changes are incorporated into the improvement processes.
- **Regulatory compliance and risk management:**
Changes in legal regulations and the latest scientific findings are continuously taken into account. If necessary, this leads to adjustments in the production processes and product development. In this way, FOLBB ensures that the products always comply with the latest standards and that there are no health risks for consumers.
- **Innovation and product development:**
Based on market research and current technological developments, FOLBB is adapting its product range and production methods. This ensures that products are not only safe and legally compliant, but also meet the changing needs and expectations of end users.

Through these measures, we are constantly developing our strategy and business model to minimise the impact on consumers and end users while maintaining the highest standards of quality and safety.

The opportunities and risks that can arise from impacts on end users are taken into account in the strategy and business model in addition to the points of quality management and regulatory compliance as follows:

- **Supply chain management:**
FOLBB works closely with its suppliers and buyers to ensure that the entire supply chain is robust and reliable. This minimises the risk of disruptions that could negatively impact end users.
- **Opportunity management:**
FOLBB invests in research and development to drive innovation and meet consumers' current and future needs through new and improved products. This opens up opportunities for gaining market share and strengthens competitiveness.



- Sustainability and responsibility:**
By implementing sustainable practices and manufacturing safe, environmentally friendly products, FOLBB positions itself as a responsible company. This strengthens the brand and can lead to higher demand and loyalty from consumers.
- Customer satisfaction in the supply chain:**
We work closely with our direct customers to ensure that the end products are of the highest quality for consumers. This collaboration also strengthens relationships within the supply chain and ensures long-term partnerships.

FOLBB ensures that all end customers and consumers affected by impacts, risks and opportunities are taken into account. In addition to GMP compliance and regulatory compliance, this is achieved through the following measures:

- Feedback and continuous improvement:**
Although FOLBB does not have direct contact with end users, the company collects feedback from its direct customers and from market analyses. We use this feedback to continuously improve the products and processes, which in turn ensures that the needs and expectations of end users are met.

- Transparency and documentation:**
FOLBB documents all relevant information and ensures transparency regarding production processes, ingredients and quality controls. This transparency is crucial to gain consumer confidence and ensure that all potentially affected end users are informed about the safety and quality of the products.
- Sustainability and ethical responsibility:**
Sustainability and ethical responsibility aspects are also integrated into FOLBB's corporate strategy. This means that product development and manufacturing take into account not only the immediate impact on consumers, but also long-term health and ecological impacts.

For consumers and end-users affected by material impacts, we primarily consider two categories:

- Consumers and/or end-users who depend on accurate and easily accessible product or service-related information:**
FOLBB ensures that all necessary information (safety data sheets, etc.) is provided to ensure the safe use of the products.

- Consumers and/or end-users who are particularly susceptible to impacts on health:**
FOLBB develops and produces products taking into account the highest quality standards and norms and thus also ensures that special needs of these consumer groups are covered.

Overall, FOLBB attaches great importance to ensuring that its products are manufactured in accordance with strict quality standards and legal regulations. Systematic or widespread negative impacts in the contexts in which we offer our products have not yet occurred and are also extremely unlikely in the future.

FOLBB's activities have many positive effects on consumers and end customers by providing cartonboard packaging for everyday use at fair prices. We achieve this by:

- Compliance with high quality and safety standards:**
FOLBB ensures that all products meet strict quality and safety standards, including compliance with GMP. This leads to ever safer and more reliable products that strengthen consumer confidence.

- Sustainable production practices:**
FOLBB focuses on sustainable production methods that reduce environmental impacts, such as minimising waste and using environmentally friendly materials. This contributes to environmental protection and promotes a more sustainable future. Environmentally conscious consumers and future generations benefit from a reduced environmental impact.
- Ethical business practices:**
FOLBB maintains ethical business relationships and only works with partners who adhere to high ethical standards. Based on these principles, a responsible business ecosystem and trust in the entire supply chain grow. Particularly consumers who value ethically produced products, such as socially responsible consumers, rate this positively.

- Support for partners and customers:**
FOLBB offers support for partners and direct customers to ensure that products are used and handled correctly. This ensures



safe and effective use of the products and reduces the risk of misuse or accidents.

This concerns employees in the company who process or distribute the products, as well as end users who benefit from the safe use of the products.

Material risks and opportunities arise from changing consumer preferences, technological advances and regulatory requirements. They are continuously monitored and integrated into the business strategy. There are no consumers or groups of consumers at risk of particular harm.

S4-1 Guidelines relating to consumers and end users

We produce exclusively in Europe – we comply with all applicable regulatory requirements.

We are committed to respecting, upholding and promoting the rights and human rights of consumers and end users of our products.

Through comprehensive measures to ensure product safety and quality, the involvement of consumers and end users in product development and improvement, and clear procedures for remedying legal violations, we ensure responsible and ethical business operations.

FOLBB's Anti-Modern Slavery Policy and Code of Conduct are essential components of our commitment to ethical and responsible behaviour. We are fully in line with internationally recognised instruments such as the UN Guiding Principles on Business and Human Rights, the ILO Conventions, the OECD Guidelines, the UN Global Compact and the Universal Declaration of Human Rights.

By implementing our policies and continuously monitoring and improving them, FOLBB ensures that all business practices comply with the highest international standards of human rights, ethical conduct and sustainability. In addition, we meet important quality standards such as ISO, FSC certification and Halal certificates, which serve the safety of end customers. There are no known cases of non-compliance with our guiding principles in our company.

S4-2 Procedures for involving consumers and end-users with regard to impacts

We work very closely with the business partners through whom end consumers come into contact with our products. They provide us with regular feedback on our virgin fiber cartonboard and its impact on consumers and its properties in use. We also consult third-party expert opinions. This feedback is part of the daily customer relationship – there are no designated responsibilities to date.

S4-3 Procedures for addressing negative impacts and opportunities for consumers and end-users to raise concerns

FOLBB has developed comprehensive action plans and provided sufficient financial and human resources to address material impacts, risks and opportunities related to consumers and end users. These measures are designed to ensure the quality and safety of products, promote sustainability, strengthen ethical business practices and improve transparency towards consumers.



S4-4 Measures relating to material impacts on consumers and end-users

FOLBB has developed its own action plans to mitigate material risks and exploit material opportunities in relation to consumers and end users.

Action plan to improve product safety and quality

Objective	To ensure that all products are of the highest standard of quality and safety to strengthen consumer confidence and minimise potential negative impacts
Measures	Strict quality controls: Implement and regularly update quality control processes along the entire production chain Certifications and audits: Conduct external certifications and regular internal and external audits Feedback integration: systematically collect and analyse feedback for continuous improvement of products
Resources	Technology and equipment: Investment in modern technology and quality assurance equipment Personnel: Training and further education of employees in the areas of quality management and product safety Partnerships: Cooperation with certified testing bodies and quality control agencies.



Action plan to comply with legal and regulatory requirements

Objective	To ensure all products and processes comply with relevant legal and regulatory requirements to minimise legal risks
Measures	Regular review: continuously monitor and adapt company policies and procedures to current legal requirements Compliance programmes: Develop and implement compliance programmes and training for all employees Reporting: transparently and regularly report on compliance with legal requirements
Resources	Legal experts: Hire and train legal and compliance specialists Information systems: Use specialised software to monitor and document compliance activities External expertise: Collaborate with external consultants and experts

Further measures to avoid, mitigate or eliminate negative impacts result from compliance with quality standards such as ISO, FSC and PEFC certificates. With regard to material risks and opportunities, the above action plans and certificates are viable. They are constantly being developed further. No further measures are planned.

FOLBB also ensures that its own activities, in particular in the field of marketing and sales, do not have any negative impact on end users or the public, even if there is no direct contact with end users.

We implement comprehensive measures, such as ethical marketing strategies and strict data protection guidelines, on the information received from the downstream supply chain. In addition, FOLBB conducts regular checks to identify and disclose potential human rights problems, including the remedial measures taken. The necessary human and financial resources are provided for this.

S4-5 Targets

FOLBB has not yet set targets for the management of material impacts, risks or opportunities in relation to consumers and end users that go beyond strict compliance with legal requirements.



03

Governance

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ESRS G1 Corporate policy

G1-1 Strategies relating to corporate policy and culture

FOLBB follows a responsible corporate policy based on the principles of integrity, honesty and transparency. Mutual trust is an integral part of our corporate culture. This is the only way we can achieve our goal: to work constructively both internally with our colleagues and externally with our business partners.

The basis for the ethical orientation of our company is compliance with all applicable laws at the business location. In addition, as part of the strategic focus, we have drawn up further binding guidelines centred on the FOLBB Code of Conduct. This applies to all employees and managers. It sets out clear ethical and professional guidelines and ensures that we adhere to the highest standards in this regard. The Code reflects our principles and commitment. Everyone employed by FOLBB must confirm their compliance upon recruitment or appointment and thereafter on

an annual basis. The guidelines set out in the Code of Conduct include among other things:

- Compliance with laws, human rights and the prohibition of child labour
- Promotion of diversity, equal treatment and mutual respect
- Empowerment of people to report misconduct and unethical behaviour and prevention of retaliation against anyone who does so
- Environmental responsibility
- Compliance with anti-corruption laws

All specifications adopted at FOLBB generally apply to the two company locations in Baidersbronn and Eerbeek. In individual cases, however, special regulations may also apply for the respective branch office. With the Code of Conduct and the supplementary documentation, we document our consistent alignment with the Corporate Social Responsibility principles. They also provide detailed mechanisms for identifying, reporting and investigating unlawful conduct or violations of the Code of Conduct.

We deal in detail with the important topic of conflicts of interest and anti-corruption in a separate guideline. This complies with the requirements of the UN Convention against Corruption. For complaints management, there are special procedural instructions for both locations based on the EU whistleblower guidelines. The supervisors or the respective management teams and a dedicated compliance officer for the entire Group are available as contact persons. In Baidersbronn, employees can also contact an external lawyer confidentially in the event of particularly sensitive complaints in order to ensure the absolute independence and neutrality of the complaints office. In Eerbeek, the handling of corruption is covered in an extra HR manual. Incidents are always investigated independently and objectively.

To ensure that all our employees are informed about the current legal situation and the content of the Code of Conduct, we regularly conduct mandatory anti-corruption training courses. FOLBB expects every employee to report confirmed or suspected violations directly.

The protection of whistleblowers is therefore a major asset for us. We are constantly reviewing and improving the strategy for this. In this context, it is of course also self-evident that no negative labour law measures be taken against employees who report such violations in good faith. Retaliation in any form is also not tolerated. Particularly vulnerable positions in the company with regard to corruption and bribery are in purchasing and sales.

In terms of animal welfare, FOLBB generally complies with all legal regulations. In the Netherlands, the protection of flora and fauna is explicitly guaranteed by provisions in the environmental and nature conservation permit (in accordance with Natura 2000) for the plant in Eerbeek.



Training courses on other corporate policy topics in addition to ethical and legally compliant conduct are also held regularly. They can be used to reliably reach specific target groups among employees. To this end, we cover aspects such as occupational safety, environmental protection, machine operation, product quality or food safety in these training courses.

G1-2 Management of relationships with suppliers

FOLBB has implemented special purpose processes in accounting to avoid late payments, especially by small and medium-sized enterprises (SMEs). These are supported by the company's own ERP system.

We take great care when selecting our suppliers. In addition to criteria such as reliability, quality and price, in particular sustainability aspects such as energy and CO₂ efficiency play an important role. In this context, we also take into account social and ecological criteria such as the procurement of FSC or PEFC-free certified raw materials..

G1-3 Prevention and detection of corruption and bribery

FOLBB is committed to conducting all aspects of its business in compliance with the highest legal and ethical standards. This also means that we have defined procedures and systematic approaches for preventing, detecting and dealing with corruption or bribery in our Code of Conduct, in anti-corruption guidelines and, in the Netherlands, in an HR manual. This also includes classic rules of behaviour such as the four-eyes principle and the principle of separation of functions.

The independence of the internal investigators from any management members affected is also ensured by the use of external lawyers, if necessary. All results of the investigations shall be communicated in writing to the members of the administrative, management and supervisory bodies.

In order to be able to implement the company's own strategies for preventing and detecting corruption and bribery as required, we hand out the guidelines in writing to all employees. FOLBB's Code of Conduct is also freely accessible to anyone interested via the company's website. Regular training ensures that the contents of the guidelines and the procedure in the event of corruption are internalised. In addition, we inform the workforce transparently in the event of any incidents.

This ensures that FOLBB's training programmes reach 100% of employees with high-risk functions. There are no separate events for members of the administrative, management and supervisory bodies.

G1-4 Incidents related to corruption or bribery

There were no convictions at FOLBB for violations of corruption and bribery regulations in the 2023 financial year.

G1-5 Political influence and lobbying activities

FOLBB is a member of the German association DIE PAPIERINDUSTRIE and the Dutch association Nederlandse Papierfabrieken (VNP). Both organisations represent our group of companies externally. The management is responsible for the supervision of the political influence and lobbying activities by the associations. FOLBB itself has not made any contributions in cash or in kind as political contributions. The lobby work of the Association of the Paper Industry in Germany covers a wide range of themes, all revolving around sustainability and the ecological responsibility of the industry. The focus is on important areas such as energy and climate policy, raw material management and environmental technologies. Key topics include promoting sustainable forestry, improving paper recycling processes, and reducing CO₂ emissions through more efficient production processes and increased energy efficiency.



The association believes that sustainable practices are crucial for environmental protection and at the same time play an essential role in the long-term preservation of the competitiveness of the German paper industry. Particular emphasis is placed on the importance of innovations in the production and development of environmentally friendly products that contribute to reducing dependence on fossil fuels and support the principles of the circular economy.

These strategic approaches are aimed at promoting both ecological and economic sustainability in order to make the industry fit for the future.

FOLBB wants to ensure the greatest possible clarity when exerting political influence at European level. We are therefore registered in the EU Transparency Register under the identification number 7700611778.

All members of the administrative, management and supervisory bodies are appointed by the investment company OCM Luxembourg EPF V EBG Holding S.à r.l. as a shareholder of FOLBB. None of the members held a comparable position in public administration in the two years prior to their appointment.

G1-6 Payment practices

When it comes to payment transactions, we attach great importance to paying our invoices on time. The average payment period is 50 days. The standard payment agreements for suppliers from our main categories are 45 days net and are generally complied with. In 2023, there were no pending legal proceedings for late payment.

The average payment term was determined on the basis of the invoice data using a representative sample.

GOV-1 Role of the administrative, management and supervisory bodies

Management and supervisory bodies play an important role in FOLBB's business conduct. As the highest supervisory body, the Advisory Board monitors the strategic direction of the company through regular meetings and coordination with the management and promotes the development of new initiatives. This ensures that FOLBB continuously meets the requirements of the stakeholder and sets industry standards. The Advisory Board can also be informed in monthly reports and set budget specifications that must be approved.

The members of the management and supervisory bodies have extensive knowledge of legally compliant corporate management, as they were previously managing directors of companies themselves and also hold supervisory board mandates at other companies.



Legal information

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