Sustainability report

2024

UNFOLDING SUSTAINABLE PACKAGING

FOLBB

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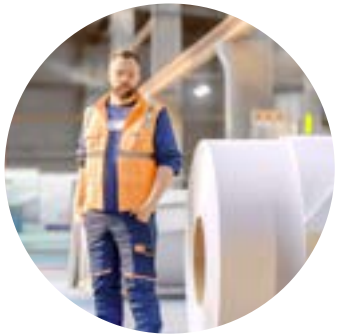

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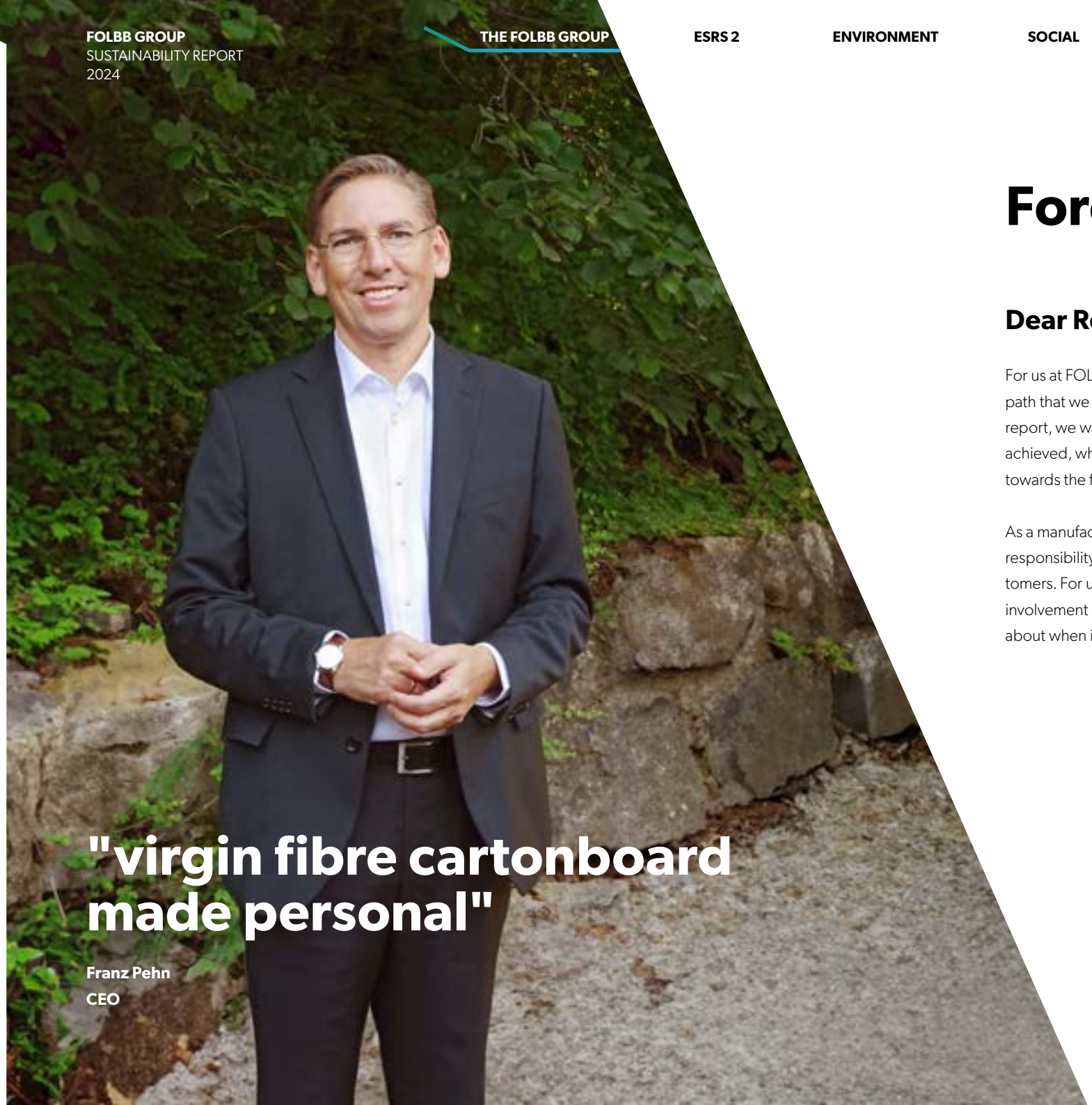
THE FOLBB GROUP



"virgin fibre cartonboard made personal"

Franz Pehn
CEO

Foreword

Dear Readers,

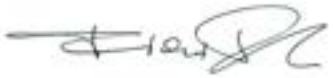
For us at FOLBB, sustainability is more than just a goal - it is a path that we take together. With this second sustainability report, we want to transparently present what we have already achieved, where we stand and what steps we are taking towards the future.

As a manufacturer of virgin fibre cartonboard, we have a special responsibility - to the environment, our employees and our customers. For us, 2024 was all about dialogue and the active involvement of all employees. After all, real change only comes about when it is shared.

Our focus is on three key areas: reducing CO_2 emissions, driving forward the circular economy and expanding our social responsibility. A particular focus in 2024 was on energy-saving measures - an important lever on the way to more resource-efficient production. At both plants - Baiersbronn and Eerbeek - we have implemented initiatives that not only change processes, but also our whole way of thinking.

This report is an expression of our attitude: open, consistent and engaged. We know that we still have a long way to go - for example, in the further decarbonisation of our production processes, in strengthening sustainable supply chains and in promoting value-based cooperation. But we also know: Change is possible if we actively shape it - together, with conviction and with a clear goal in mind.

I would like to thank all our employees for their daily commitment, our customers for their trust and our partners for their constructive cooperation. Let us continue resolutely along this path.



Franz Pehn
CEO

FOLBB at a glance

Turnover

206

Million EUR

Consolidated water consumption

10.6

m^3 per tonne

Consolidated CO_2 consumption

2018 - 2024

76,245

tonnes of CO_2

Investments

6

Million EUR

Employees

436

Accident rate[1]

1.8

[1] Number of accidents x 100 / number of employees (for both locations).

About this report

This Sustainability Report for the 2024 financial year is the second time that FOLBB has offered a comprehensive statement of its environmental, social and governance-related activities. Building on our first report from last year, we are now documenting in greater detail how we have strategically developed sustainability, anchored it structurally and operationalised it along our entire value chain.

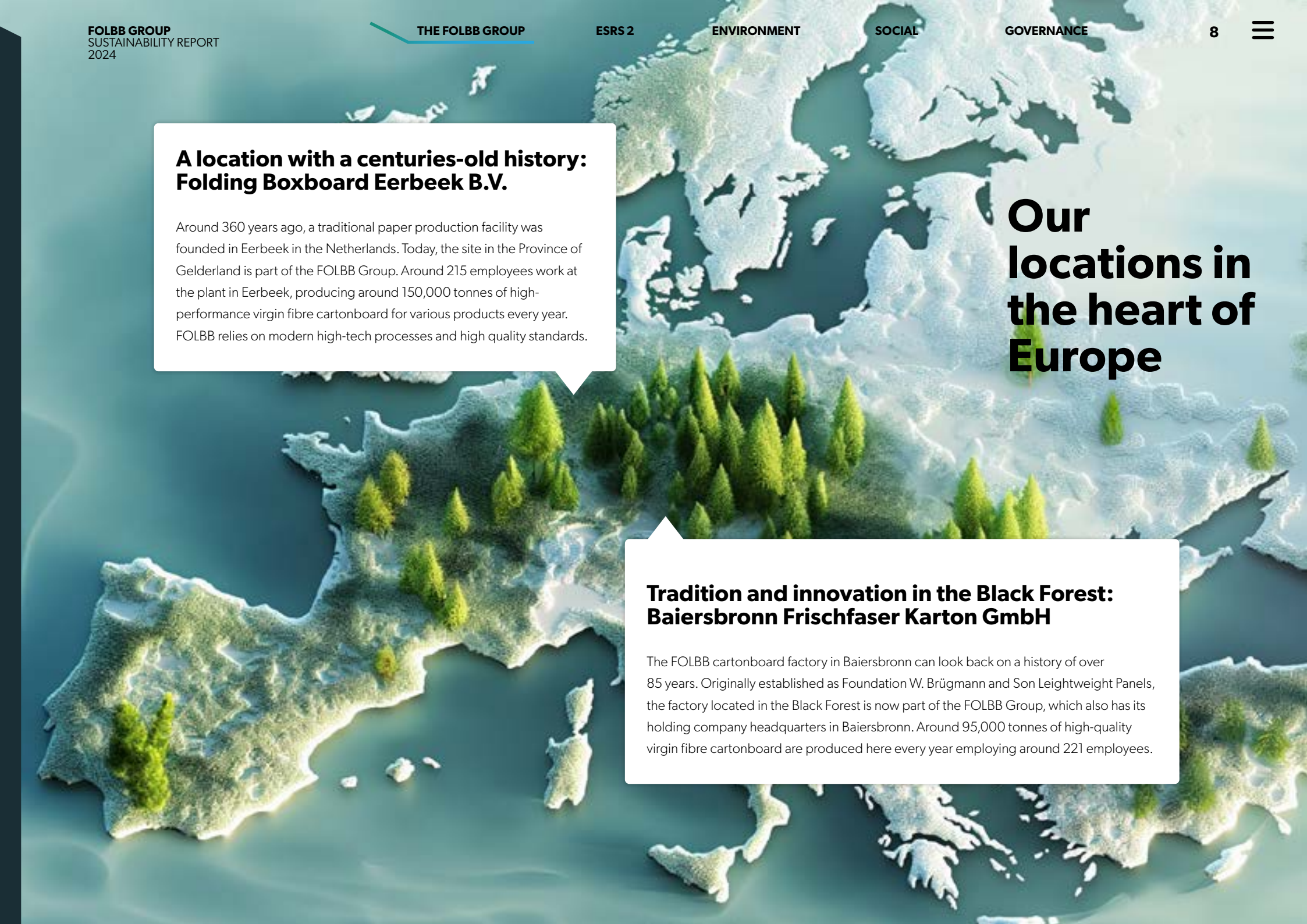
The structure and content of this report fully comply with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). Disclosure is made in accordance with the principle of dual materiality and is based on the updated and methodologically refined materiality analysis in the 2024 reporting year, which has now been carried out in full with the involvement of internal and external stakeholders.

Although FOLBB is not legally required to report in accordance with the CSRD until the 2025 financial year, we have already voluntarily prepared a compliant report for 2024 in order to strengthen transparency and credibility with our stakeholders and prepare for the regulatory requirements at an early stage. The reporting covers the ESRS topic areas Environment (E1-E5), Social (S1-S4) and Governance (G1) as well as the cross-sectional requirements from ESRS 1 and 2.

New this year:

- Expanded database with increased data quality thanks to new monitoring and reporting processes
- External review preparation: The content was prepared for review readiness in accordance with the CSRD as part of a pre-assessment

This report has been approved by the management and the advisory board of the FOLBB Group. An external audit in accordance with statutory requirements is planned for the 2025 financial year. The publication is available in German and English on our website at ⊕ www.folbb.com/sustainability report. In the event of deviations, the German version shall be binding.



Our locations in the heart of Europe

A location with a 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 the Province of Gelderland is part of the FOLBB Group. Around 215 employees work at the plant in Eerbeek, producing around 150,000 tonnes of high-performance virgin fibre cartonboard for various products every year. FOLBB relies on modern high-tech processes and high quality standards.

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

The FOLBB cartonboard factory in Baiersbronn can look back on a history of over 85 years. Originally established as Foundation W. Brügmann and Son Leightweight Panels, the factory located 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 fibre cartonboard are produced here every year employing around 221 employees.

Our products in the highest virgin fibre quality

Fruit and vegetables

Protection for sensitive shells against moisture and cold.

Fast food and catering

Fresh fibre cartons ready for fast food and take-away.

Pharmaceuticals and healthcare

Even the most demanding packaging requirements can be realised with our cartonboard boxes.

Chocolate and confectionery

Form follows creativity, visual appeal and sweet indulgence.

Chilled food

So that take-away products are always ready.

Cosmetics and body care

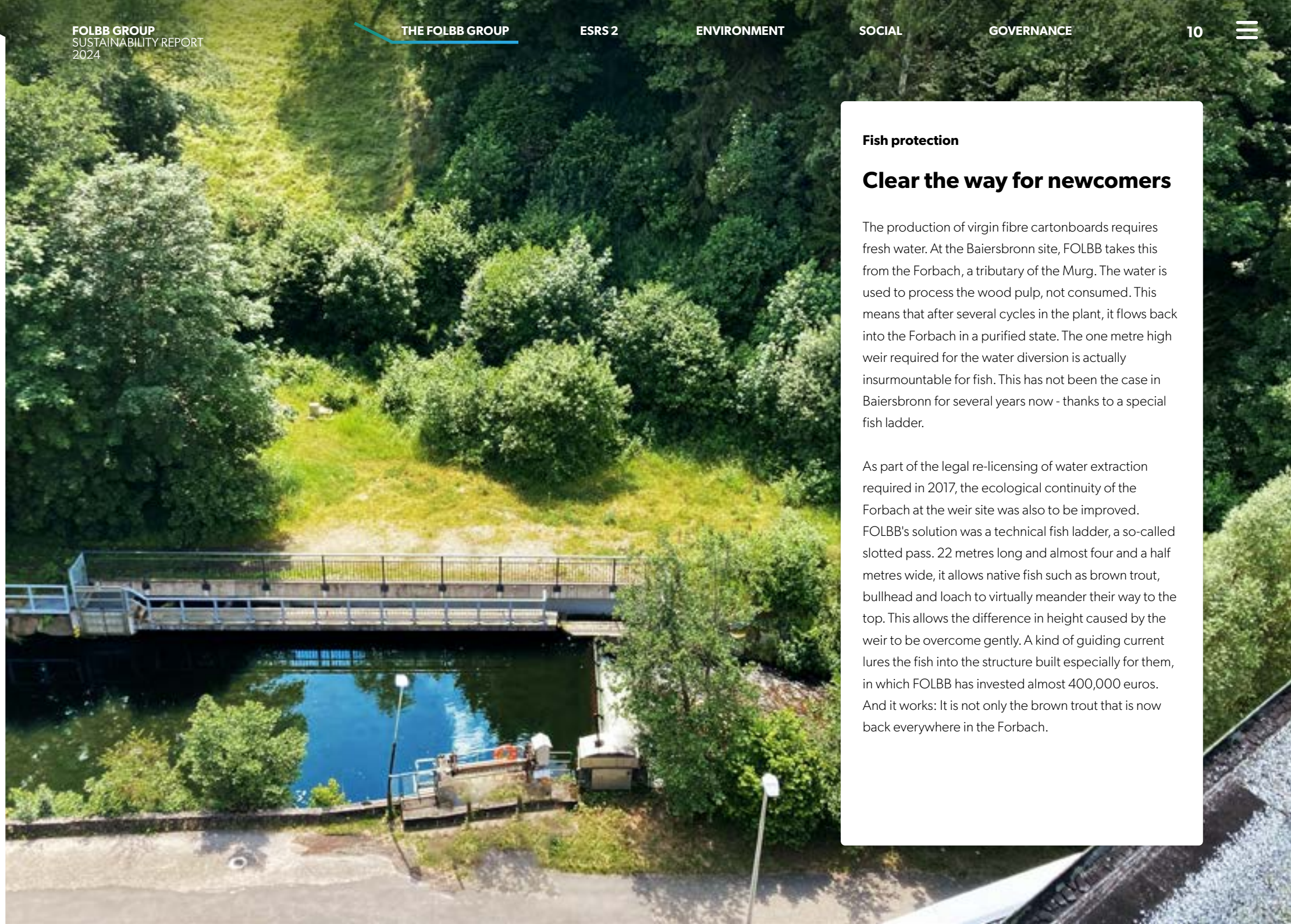
Naturally suitable for packaging premium brands.

Frozen food

Staying cool along the entire supply chain.

Dry food

Our cartonboard boxes to make foodstuffs more shelf-stable.

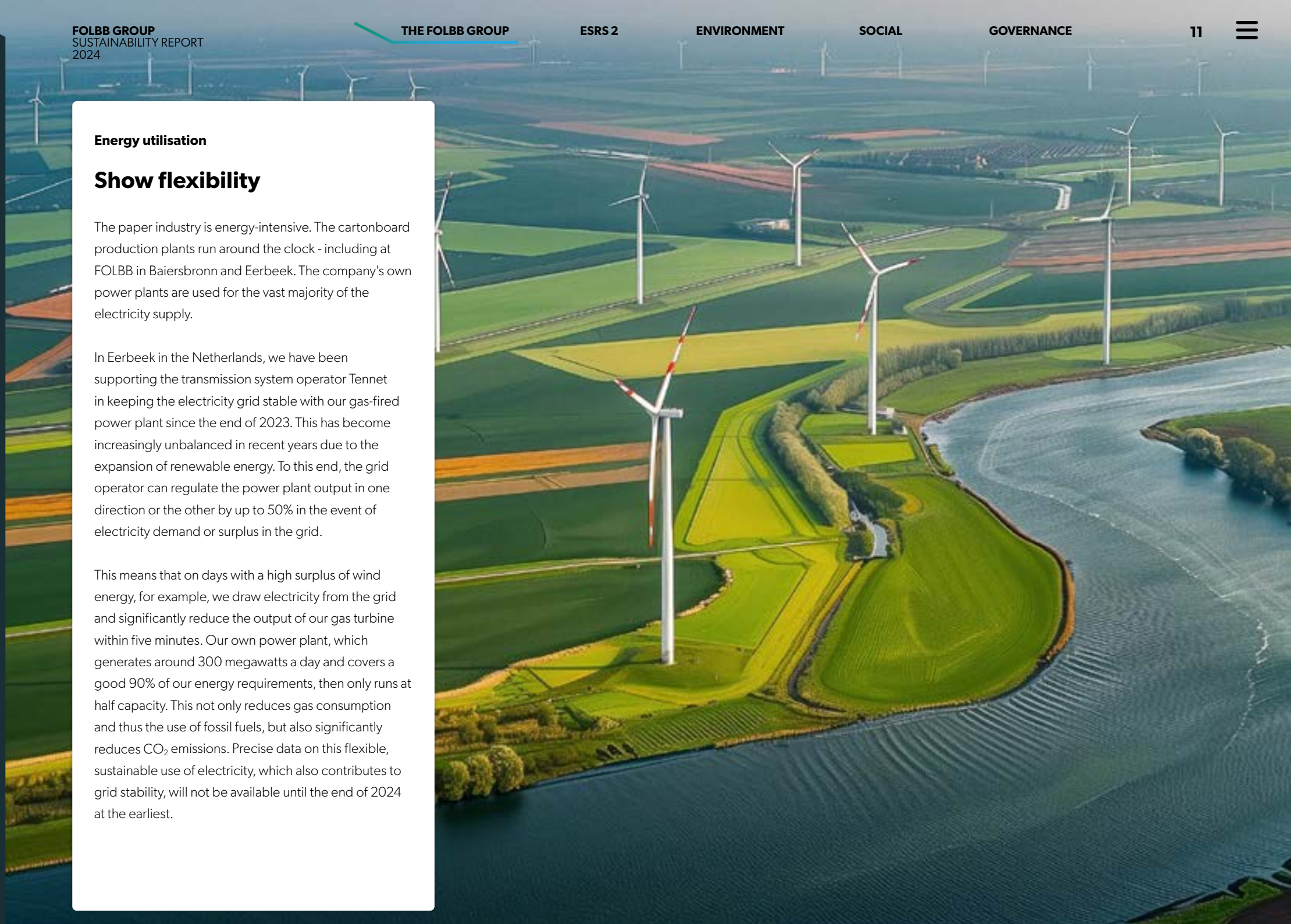


Fish protection

Clear the way for newcomers

The production of virgin fibre cartonboards requires fresh water. At the Baiersbronn site, FOLBB takes this from the Forbach, a tributary of the Murg. The water is used to process the wood pulp, not consumed. This means that after several cycles in the plant, it flows back into the Forbach in a purified state. The one metre high weir required for the water diversion is actually insurmountable for fish. This has not been the case in Baiersbronn for several years now - thanks to a special fish ladder.

As part of the legal re-licensing of water extraction required in 2017, the ecological continuity of the Forbach at the weir site was also to be improved. FOLBB's solution was a technical fish ladder, a so-called slotted pass. 22 metres long and almost four and a half metres wide, it allows native fish such as brown trout, bullhead and loach to virtually meander their way to the top. This allows the difference in height caused by the weir to be overcome gently. A kind of guiding current lures the fish into the structure built especially for them, in which FOLBB has invested almost 400,000 euros. And it works: It is not only the brown trout that is now back everywhere in the Forbach.



Energy utilisation

Show flexibility

The paper industry is energy-intensive. The cartonboard production plants run around the clock - including at FOLBB in Baiersbronn and Eerbeek. The company's own power plants are used for the vast majority of the electricity supply.

In Eerbeek in the Netherlands, we have been supporting the transmission system operator Tennet in keeping the electricity grid stable with our gas-fired power plant since the end of 2023. This has become increasingly unbalanced in recent years due to the expansion of renewable energy. To this end, the grid operator can regulate the power plant output in one direction or the other by up to 50% in the event of electricity demand or surplus in the grid.

This means that on days with a high surplus of wind energy, for example, 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 a day and covers a good 90% of our energy requirements, then only runs at half capacity. This not only reduces gas consumption and thus the use of fossil fuels, but also significantly reduces CO_2 emissions. Precise data on this flexible, sustainable use of electricity, which also contributes to grid stability, will not be available until the end of 2024 at the earliest.

Water utilisation

The circle closes

Efficient water utilisation is one of the major challenges facing the paper industry. Closed-loop systems are seen as the optimum solution. FOLBB is conducting research into this in both Baiersbronn and Eerbeek. In the Netherlands, an initial pilot project for such a closed-loop system was successfully completed in 2023. This means that extracting groundwater is unnecessary there. In addition to FOLBB, other paper mills from the region, the Province of Gelderland, the municipality of Brummen and the Vallei and Veluwe Water Board are also involved.

The potential of the research project is enormous: This would save 3.6 million cubic metres of groundwater a year - the consumption of 22,000 households. Only small amounts of water would have to be extracted from the ground to cool the system. Following the positive pilot project, the water circulation system is scheduled to go into operation by 2030 at the latest. However, FOLBB has also been active in recent years to reduce groundwater extraction. Currently, 30% of the water at the Eerbeek plant is already reused.

water rotonde
watermanagement Eerbeek

Resource utilisation

Down to the smallest remainder

Wood remains an irreplaceable resource in the paper and cartonboard industry. This makes it all the more important that this valuable raw material is utilised as fully as possible in production and that no waste is produced.

This is what we do in Baiersbronn, where we only use trees in the form of thinning wood in our cartonboard production. The first step is to debark them. Around 18,000 tonnes of bark are produced in this way, but all of it is reused. They are either utilised thermally in a biomass power plant or recycled as bark mulch, for example. In both cases, this is CO_2-neutral. This is because when burned, the bark only releases as much carbon dioxide into the environment as it previously absorbed in nature during the tree's growth. And during material utilisation, the CO_2 even remains bound directly in the bark.

Sustainable procurement & supply chain

Sustainable procurement & supply chain
As a manufacturing company with a high dependency on raw materials, particularly for certified virgin fibre material, we bear a special responsibility along our supply chain. This begins with sustainably managed forests and ends with the delivery of our cartonboard solutions to our customers.

Code of Conduct and Supplier Code
Our Supplier Code of Conduct has been binding for all new business partners since 2023. This is based on the principles of the UN Global Compact, the ILO core labour standards, the FSC/PEFC requirements and the EUDR Regulation (Regulation (EU) 2023/1115). We require all suppliers to document and provide evidence of environmental standards, human rights and corporate due diligence along their supply chains.

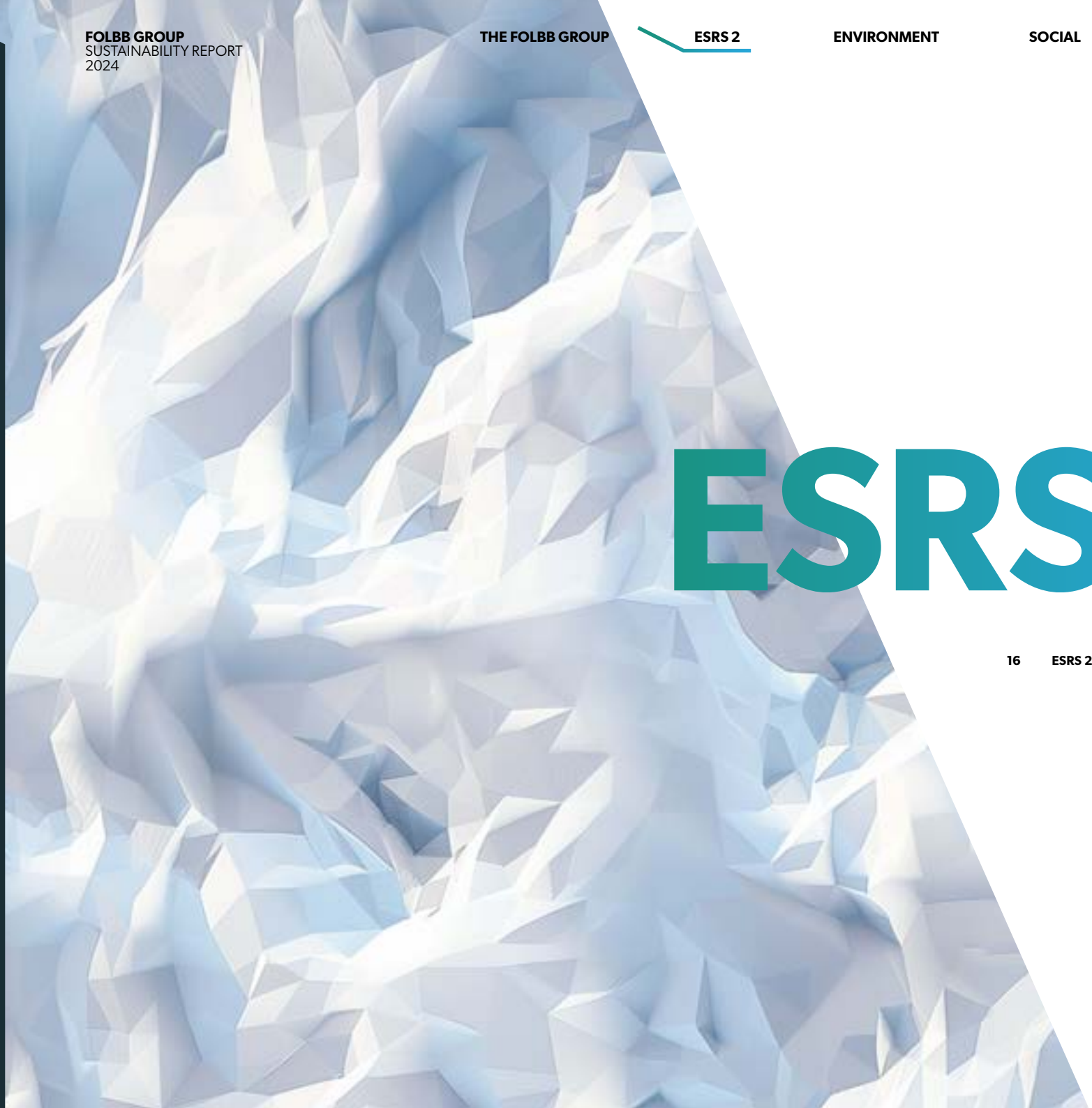
Supplier selection & ESG risks
In addition to quality and price, our purchasing decisions also take ESG criteria into account. Suppliers with an increased risk (e.g. from non-EU countries or lacking certification) are specifically addressed. We are developing a staged audit process for these, which is due to come into force by 2026.

Goals & progress measurement
Until the end of 2026: At least 80% of our main suppliers should have a recognised sustainability rating (e.g. EcoVadis Silver, FSC Controlled Wood Audit or PEFC Chain of Custody).

Until 2027: Introduction of a digital supply chain tracking system that automatically documents origin, ESG indicators and certificates.

Ongoing: Training our purchasing department with regard to environmental and human rights risks (e.g. EUDR, CS3D).

Documentation & transparency
The origin, type, quantity and certificate status of all wood raw materials are recorded digitally. Our data structure allows traceable visualisation in accordance with the FSC, PEFC and EUDR specifications. A random sample-based audit procedure was piloted in 2024 and will be rolled out in 2025.



ESRS 2

ESRS 2 General information

BP-1 General principles for the preparation of the sustainability declaration

This sustainability declaration applies to the entire group, which comprises Baiersbronn Frischfaser Karton Holding GmbH, Baiersbronn Frischfaser Karton GmbH, Eerbeek Folding Boxboard B.V. and Folding Boxboard Eerbeek Holding B.V.. There are no differences in the scope of consolidation relative to the annual accounts.

The company's upstream and downstream value chain was included in the materiality analysis and is covered as far as possible in the sustainability report. In preparing this report, we have not made use of the option to omit certain information or the further option to omit certain disclosures.

BP-2 Disclosures related to specific circumstances

In preparing the sustainability declaration, we deviated only slightly from the definitions in "ESRS 1 General Requirements" regarding the short, medium and long-term time horizons. For the short-term time periods, we are assuming 1 to 2 years instead of one year and therefore 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 expenditure 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), our financial performance is to be optimised through a leading position in the market for sustainable products.

The parameters for the downstream value chain are also partly based on indirect sources. The information on transport emissions and recycling data, for example, comes from industry standards. Estimates made were validated by comparison with these standards and by involving external experts. The degree of accuracy of the estimates provided is 95%.

We want to achieve the leap to 100% in 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 quantitative parameters or monetary amounts mentioned. No changes could be made to the presentation of sustainability information compared to a previous period, as this is FOLBB's first sustainability report. There is therefore also no need to correct previous errors or misrepresentations.

In addition to the ESRS, this sustainability statement also includes information based on our ISO certification. We do not make use of the option to include information in this sustainability report by means of reference/ referencing. We also waive the option for companies with fewer than 750 employees to skip standards E4 and S1 to S4 in the reporting year.

GOV-1 What control bodies does the company have?

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

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

Management bodies
Operational management:

- Implementation of strategic plans and management of daily business activities
- Making operational decisions to ensure efficiency and effectiveness
- Recruitment of qualified personnel
- Promotion of professional training and development of employees
- Preparation and management of the company budget

- Monitoring expenditure and ensuring financial health
- Ensuring high product and service quality through quality standards
- Development and introduction of new products, services and business models to strengthen competitiveness
- Monitoring and analysing key performance indicators (KPIs) to assess progress and efficiency
- Building and maintaining relationships with key stakeholders
- Ensuring clear and transparent communication

Advisory Board (supervisory body)
Superordinate tasks

- Strategic consulting: Supporting management by providing expert advice on strategic issues and important business decisions
- Experience and expertise: Contribute expertise and industry knowledge to help the organisation navigate through complex challenges
- Control of corporate management: Monitoring management decisions and activities to ensure that they are in the best interests of the company and its stakeholders
- Risk management: Identification and assessment of risks and monitoring of management measures to minimise risks
- Contacts and networks: Utilising the personal and professional networks of Advisory Board members to identify and promote business opportunities
- Transparent communication: Ensuring clear and open communication between the Advisory Board and management

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

When setting targets, the bodies of FOLBB monitor potential material impacts, risks and opportunities using a range of tools:

- strategic planning: Our management bodies develop the long-term corporate strategy, taking into account the main effects, risks and opportunities.
- risk management: Identification and assessment of risks and opportunities as part of strategic planning
- goal definition: Definition of concrete, measurable and achievable goals in line with the corporate strategy

Monitoring by the management bodies specifically includes the following instruments:

- Implementation: The management implements the defined targets in the operational business plans
- Monitoring: Introduction of monitoring systems to regularly review the progress of target achievement
- Reporting: regular reports to the Advisory Board (supervisory body) on progress and any deviations

Regular training courses and presentations are held to ensure the bodies' suitability for monitoring sustainability issues. In addition, external sustainability experts can be called upon to provide their specific expertise both as individuals and as a committee. The training courses have also enabled the relevant FOLBB bodies to acquire in-depth knowledge of sustainability issues themselves. This expertise is crucial to effectively identify, manage and communicate the key IROs. They also ensure that the corporate strategy includes sustainability goals and supports both the short-term and long-term success of the company.

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

Our management and supervisory bodies regularly deal with key sustainability issues - particularly as part of strategic planning, the budget process and sustainability reporting. The focus in the reporting period was on

- energy efficiency and CO_2 reduction,
- the use of renewable energies,
- climate target planning up to 2045,
- the further development of sustainability-orientated supply chain management, and
- preparation for regulatory requirements (CSRD, LkSG, EUDR).

The committees receive structured reports on IROs, sustainability indicators and regulatory developments. Management, sustainability coordination and the Advisory Board coordinate their activities.

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

There are currently no specific incentive systems or bonus regulations relating to sustainability for members of the management and supervisory bodies.

As this is a voluntary report and only represents the second step in the development of our sustainability reporting, we have not yet referenced all elements of the ESRS criteria GOV-4 to GOV-32. A systematic link to our risk management and internal control system is currently being established and will be gradually incorporated from the 2025 financial year onwards.

SBM-1 Disclosures on elements of the organisation's strategy that relate to or have an impact on sustainability

FOLBB's corporate strategy includes the following elements that relate to or have an impact on sustainability: the sustainable procurement of raw materials, the development of environmentally friendly products and the continuous improvement of the environmental footprint through technological innovations and energy efficiency measures.

FOLBB offers virgin fibre cartonboards as a product, which are used for packaging and other applications. In the reporting year, we continued to research the development and introduction of new environmentally friendly, plastic-free packaging solutions. Our clientele consists of international B2B customers from the packaging and printing sectors. In the past financial year, we expanded our market radius in Africa and Latin America and increased our focus on sustainable markets. We had a total of 436 employees as at 31 December 2024. FOLBB is headquartered in Germany. Production facilities are located here and in the Netherlands. There are no sales restrictions for the fresh fibre cartonboards we offer in the markets we serve.

FOLBB's total sales totalled EUR 206 million in the reporting year. It was achieved 100 % with packaging. In addition to cartonboard production, we are also involved in the R&D sector in order to drive forward innovation projects for the production of more environmentally friendly packaging materials.

As a company, FOLBB has no involvement in fossil fuels such as coal or oil, chemical production, controversial weapons or the cultivation or production of tobacco.

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

- Products: Development of 100% recyclable and plastic-free cartonboard packaging
- Customer categories: Promotion of sustainable packaging solutions for B2B customers
- geographical areas: Reduction of the CO_2 footprint at all production sites plus reduction in the use of fresh water in production
- Stakeholder relations: closer collaboration with suppliers to promote sustainable practices

Both our virgin fibre cartonboards product and our main customer groups in the packaging and printing industries are very interested in greater sustainability.

The following elements of our corporate strategy relate to or have an impact on 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 will arise primarily from regulatory requirements that demand adaptation to stricter environmental

regulations and from market demands for more sustainable products. In the 2024 financial year, FOLBB is responding to this with targeted measures. Increased investment in energy and resource-efficient technologies, the gradual integration of renewable energies and the further development of our production processes with a view to minimising emissions and avoiding waste are planned. We are also expanding our internal training programme to include ESG-relevant topics, particularly on environmental and human rights aspects in the supply chain. We are also intensifying our occupational safety measures to ensure a healthy and safe working environment at all locations.

The following ESRS sectors are important for FOLBB's income:

- **Packaging sector:** FOLBB produces virgin fibre cartonboard products for packaging purposes, making this sector the most important.

And from our upstream/downstream value chain:

- **Forestry and timber production:** As FOLBB produces virgin fibre 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.

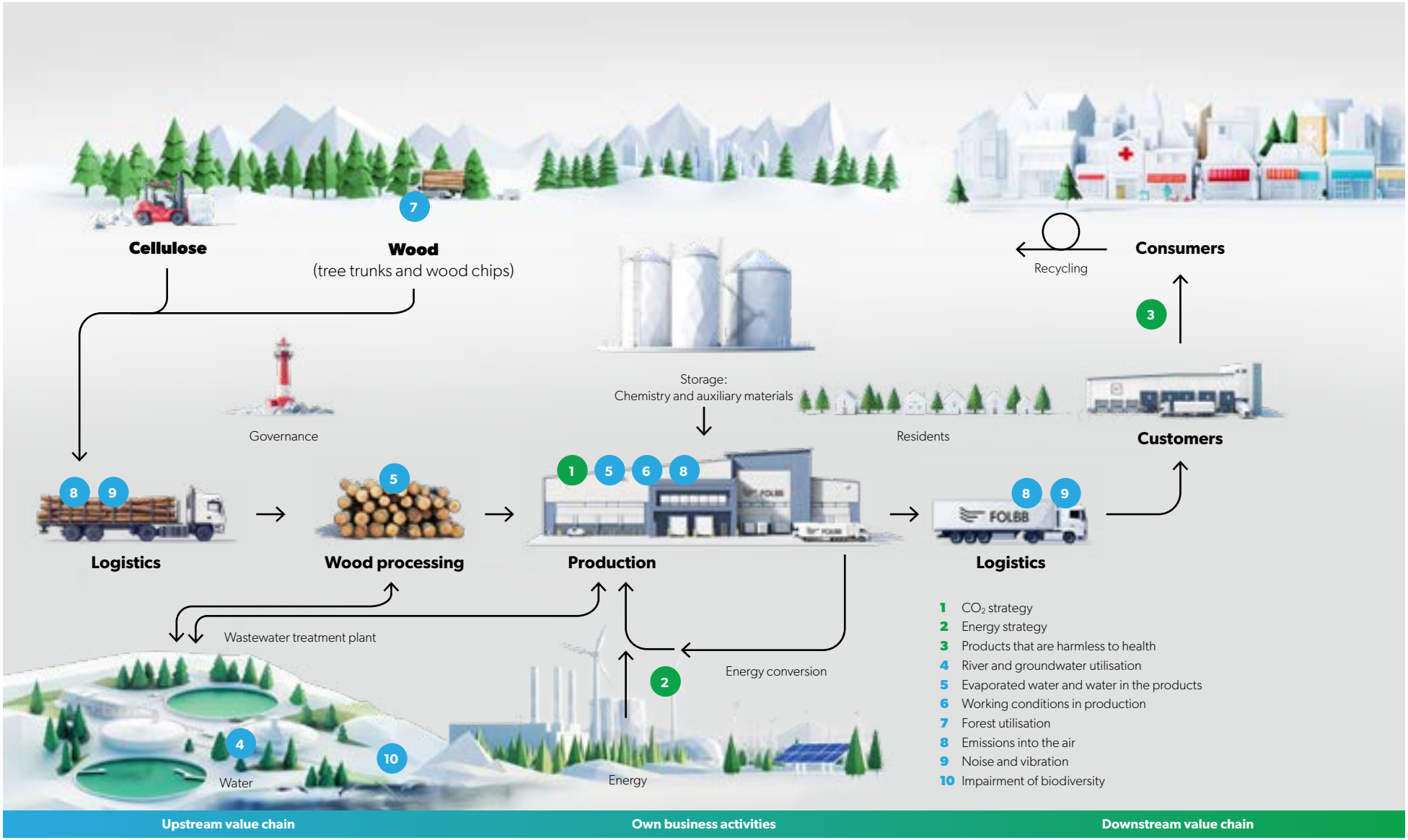
Our upstream value chain comprises the activities of raw material procurement and transport. Raw material procurement involves the supply of raw materials such as wood, chips, chemical substances and fibres such as pulp and groundwood pulp by suppliers, while transport involves the logistical handling of raw material deliveries to our production sites. For the collection of raw materials, we work with certified suppliers who practise sustainable forestry. Quality control provides for regular checks on the condition and sustainability standards of the 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 fibre cartonboards. The company maintains a close relationship with its key economic players. To this end, we work closely with our raw material suppliers on the one hand and have direct business relationships with our main end users, the folding cartonboard manufacturers, on the other. The main business relationships are based on long-term contracts with suppliers and customers in order to ensure stability and quality in the supply chain.

Downstream activities in the value chain include the distribution and sale of various types of virgin fibre cartonboard to our customers. Customers as stakeholders benefit from access to sustainable and high-quality cartonboard products. Jobs are created for society and the local economy is strengthened. Finally, the environment is less polluted thanks to sustainable practices and sustainable products. The markets we serve in this way are in Germany, the EU and other international countries and regions.

The entire value chain has an impact on environmental, social and economic sustainability aspects: Ecological points include the use of sustainably managed forests and the reduction of CO_2 emissions, water consumption and waste volumes. Social aspects relate to working conditions in the supply chain, fair wages and employee health and safety. Economic aspects revolve around cost efficiency, innovative ability and market adaptability. The effects of this for us are environmentally friendly production, the assumption of social responsibility and economic success. Risks such as supply chain disruptions, regulatory requirements and market volatility are offset by opportunities such as competitive advantages through sustainable products and potential market leadership in a green economy.

Value chain infographic



SBM-2 Description of stakeholder engagement

FOLBB's particularly important stakeholders/ interest groups include

- Client company: Companies that purchase cartonboard products for packaging and other applications from FOLBB
- Suppliers: forestry operations and other raw material suppliers
- Employees: all employees of the company who are directly or indirectly involved in production
- Society: local residents in the vicinity of the production sites
- Investors: Owner of the company

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 forms of communication appropriate to the target groups:

- Client company: 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 by FOLBB's business activities and the associated impacts in different ways.

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

- Customer feedback: Customisation 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 community projects and improvements to local infrastructure

There were no changes to FOLBB's corporate strategy or business model in the 2024 financial year. However, we are constantly monitoring developments on the market, which may lead to adjustments in the future.

The FOLBB Advisory Board is informed about 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 stakeholder expectations and that sustainability-related impacts are taken into account.

SBM-3 Description of significant impacts, risks and opportunities arising from the assessment of materiality

The following impacts, risks and opportunities (IROs) arise in FOLBB's own activities and in the upstream and downstream business processes.

Ecological

IROs	Upstream and downstream value chain	Company processes
Forest utilisation	Forests and therefore 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 to the customer generates climate-damaging CO_2.	Costs may arise from CO_2 pricing and new regulatory requirements. Furthermore, a lack of a CO_2 strategy could lead to reputational damage.
Air pollution (neg. impact and risk)		The production of virgin fibre cartonboard generates NOx and particulate matter during production as well as emissions from transport. Neighbouring residents may feel affected by emissions. Costs may arise for remedial measures and due to new legal requirements.
Noise and vibrations (neg. impact)	Lorry operations generate noise and vibrations at both locations. Risks can be burdens for neighbouring residents, leading to a lack of support in the local communities. Costs are incurred due to noise protection.	FOLBB also generates noise and vibrations at its sites through production. In Eerbeek in particular, there are nearby residential buildings where residents may feel disturbed. Here, too, there may be risks in terms of the burden on neighbouring residents, leading to a lack of support in the local communities. Costs are incurred due to noise protection.

Ecological

IROs	Upstream and downstream value chain	Company processes
Energy (neg. impact and opportunity)		FOLBB consumes large amounts of energy in the production of virgin fibre cartonboards. There is a risk of price fluctuations and continuous price increases, which could jeopardise competitiveness.
Water consumption and water withdrawal (neg. impact and risk)		The virgin fibre cartonboard production process requires water as an essential production resource. If the drought persists, availability may be limited and water prices may rise.
Water pollution (neg. impact)		Water is polluted at both FOLBB sites, mainly as a result of production, and recycling it continuously generates costs. Both FOLBB plants have water treatment plants. If these systems were to fail, there would be a risk to the waters into which the wastewater is discharged.

Social

IROs	Upstream and downstream value chain	Company processes
Safety of end users and product quality (neg. impact and risk)	FOLBB produces packaging for foodstuffs, with the safety of the end consumer being the top priority. Recalls could lead to considerable reputational damage, recourse claims and loss of trust.	
Working conditions/working hours (neg. impact)		FOLBB offers fair working conditions and hours and pays bonuses in order to continue to attract labour.
Health and safety (neg. impact)		FOLBB observes occupational health and safety for its employees in order to minimise the risk of absences due to illness and accidents.

Governance

IROs	Upstream and downstream value chain	Company processes
Attractive employer/ corporate management 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)		The protection of whistleblowers initially protects the individual, but also enables wrongdoing 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 manufacture more environmentally friendly products. In the value chain, the IROs lead to the integration of sustainable practices at all points - from procurement to distribution. Our strategy focusses more strongly on sustainable business practices and long-term environmental goals. When making decisions, we take sustainability criteria into account in all strategic decisions.

FOLBB is resolutely pursuing this sustainable approach. To this end, we proactively introduce sustainability initiatives and regularly review them within the company. We also promote stakeholder engagement by involving them in the decision-making processes. Planned changes due to the IROs are strategy adjustments to minimise risks and exploit opportunities. We are also increasingly investing in environmentally friendly technologies and processes.

The key topics of the materiality analysis will have a positive impact on persons and the environment. Our employees benefit from improved working conditions, while persons in general benefit from better health and safety. The environment is exposed to fewer emissions and its resources are utilised sustainably. These effects are directly linked to the strategy and the business model, as sustainability is a central component of both. We assume the following ranges for the periods for noticeable effects: We introduce new processes and technologies in the short term (1-2 years). In the medium term (3-5 years), we will strengthen our market position through sustainable products. In the long term (5+ years), we will establish FOLBB as a leading sustainable company within the industry. FOLBB is directly involved in the expected effects through its production processes and indirectly through its suppliers and partners.

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

The resilience of FOLBB's sustainable strategy to entrepreneurial risks and its potential opportunities are underlined by the strong brand loyalty, good stakeholder engagement and the overall sustainable corporate policy. In addition, the ⊕ EU regulations sustainable products such as virgin fibre cartonboards and the avoidance of plastic.

As 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 map the IROs of FOLBB.

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

FOLBB determined the impacts, risks and opportunities (IROs) as part of a materiality analysis workshop lasting several days, which was organised by external sustainability consultants.

Functional managers from both plants initially discussed resource expenditure along the entire value chain and identified stakeholders who are involved at various points along the chain. The process for determining IROs did not focus on specific activities, business relationships or geographical areas, but considered the entire value chain.

The discussion served to supplement the long list, which had previously been drawn up using an industry comparison and a top-down approach by consultants and management. In thematically organised workshops, we assessed the impacts of the long list in accordance with the ESRS specifications and the instructions from the Implementation Guidance. The potential and actual impacts and their severity were then determined on the basis of the following characteristics:

- Extent: How serious or favourable are the effects?
- Scope: How far-reaching are the impacts (for example, in terms of the number of persons affected or the positive or negative environmental consequences)?
- Irreversibility: How difficult is it to compensate or make up for the damage caused in the event of negative effects?
- Probability: How likely is a potentially negative impact?
- 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 probability. The impact on human rights was therefore always queried.

The material sustainability issues for reporting, including the negative impacts based on their relative severity and likelihood and the positive impacts based on their relative magnitude and likelihood, were determined and prioritised in the following manner: During the internal stakeholder survey as part of the workshop, the specialist functions surveyed were able to give their assessment of previously identified relevant topics. The stakeholders were divided into the groups Social, Governance and Environment, whereby there were large overlaps.

Firstly, the participants were asked to assess whether the sustainability aspect had a positive or negative impact. They could rate the topic with "-1 " for negative and "+1" for positive. The extent is assessed using a five-point scale. The answer to the question "How serious are the negative effects or how beneficial are positive effects for persons or the environment?" was given as 5: absolute, 4: high, 3: medium, 2: low, 1: minimal, 0: none. To assess the scope, participants should answer the following question: "How widespread are the negative or positive effects?" Respondents were given the following response options for their assessment: 5: globally widespread, 4: widespread, 3: medium widespread, 2: locally widespread, 1: limited widespread, 0: not widespread at all. Irreversibility was assessed on the basis of the following question: "Can the negative effects be remedied to restore the environment or the persons affected to their original state, and if so, to what extent?" The scale provided for the response comprised the following categorisations: 5: irreversible/irreversible, 4: very difficult to rectify, 3: difficult to rectify, 2: can be rectified with effort, 1: relatively easy to rectify, 0: very easy to rectify.

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

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

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

We placed interrelated impacts and risks or opportunities in context and evaluated them one after the other so that it became clear which topics are particularly relevant from which perspective of double materiality. For both assessment perspectives, the quantification allowed the IROs to be prioritised (separately according to impact on the one hand and opportunities and risks on the other).

As part of the stakeholder survey, participants were also asked to provide an assessment of the likelihood of IROs occurring. They assessed the probability 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.

External stakeholders and experts were involved through online interviews. When selecting the stakeholders, we endeavoured to include all stakeholder groups that are directly or indirectly affected by our corporate processes in the survey. Sustainability risks were assessed separately as part of the materiality analysis. We did not initially relate this to other risk analyses.

The decision-making process and the associated internal control procedures for identifying and assessing risks and opportunities are organised as follows at FOLBB:

- **Identification and assessment of risks and opportunities** Risk assessment: Regular review of potential risks that could adversely affect the company's business operations, financial position or reputation: Identification of opportunities to increase efficiency, open up new markets and improve sustainability.

- **Strategic planning** Goal setting: Definition of clear, measurable and achievable objectives to minimise risks and maximise opportunities. resource allocation: Allocation of the resources required to implement the strategic plans.

- **Implementation and monitoring** Measures: Implementation of specific measures to minimise risks and exploit opportunities. Monitoring: continuous monitoring of progress and adjustment of measures as required.

- **Internal control procedures** Compliance management: Regulatory compliance: Ensuring compliance with all relevant laws and regulations through regular audits and training. Code of Ethics: Implementation of a code of ethics that promotes ethical behaviour and integrity Internal audits: Audits: Carrying out regular internal audits to review the effectiveness of control procedures and identify opportunities for improvement.

- **Reporting** Transparency: regular reporting to the Executive Board and the Advisory Board on risk assessments, measures and their effectiveness.

We used the following six input parameters to identify, assess and manage the main IROs: Probability of occurrence, extent, scope, recoverability, human rights, direct and indirect financial impact and their probability of occurrence. A comparison with the IROs procedure in the previous reporting period is not possible as this is the first report by FOLBB.

IRO-2 Disclosure requirements of the ESRS covered by the sustainability report

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

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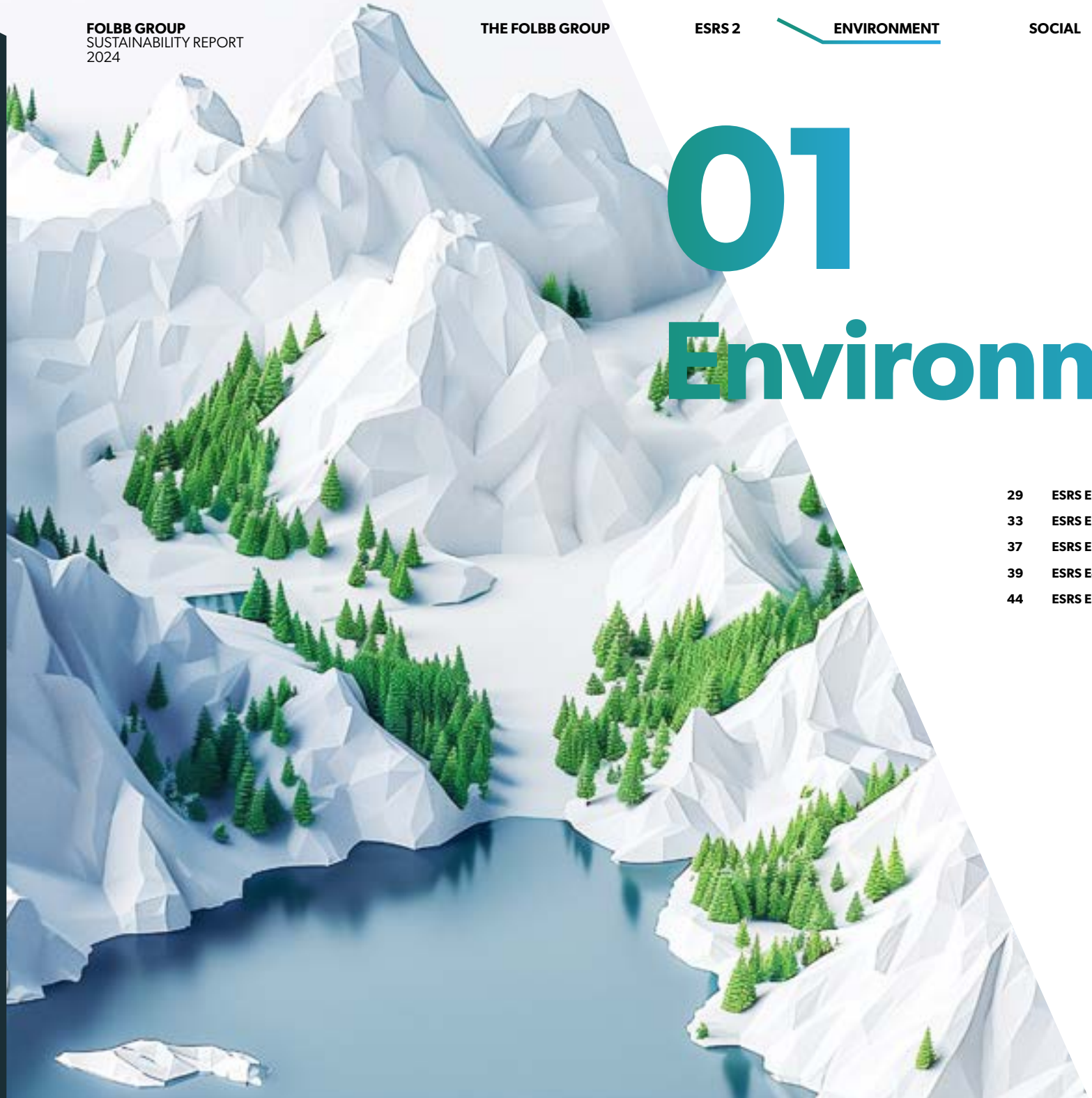
[1] x = not material/phase-in.



01 Environment

ESRS E1 Climate change

E1-1 Transition plan for climate protection

Limiting global climate change is a central social task to which FOLBB also actively contributes as a manufacturing company. At the centre of our climate protection strategy is the systematic recording, reduction and strategic management of our greenhouse gas (GHG) emissions, in particular CO_2 emissions along the entire value chain.

FOLBB records emissions in accordance with the Greenhouse Gas Protocol in Scopes 1 and 2 and will systematically record Scope 3 emissions - particularly from upstream and downstream supply chain processes - from the 2025 financial year and integrate them into climate management.

Our science-based climate targets are based on the requirements of the Paris Climate Agreement (1.5 °C target) and include

- a 30% reduction in CO_2 emissions by 2030 (base year 2020),
- achieving climate neutrality by 2045 at the latest.

We rely on the following levers to achieve our goals:

- gradual switch to renewable energy sources at both sites,
- continuous improvement of energy efficiency in production and plant operation,
- sustainable procurement of raw materials,
- Development of circular material flows in the sense of a circular economy.

A particular focus is on the energy sector as a central decarbonisation lever. We are currently drawing up a binding action plan with specific measures, timetables and targets. Implementation is integrated into our medium-term financial planning on the basis of this plan - divided into operating expenses (opex) and investments (capex). The focus is particularly on measures to reduce CO_2 and nitrogen oxides (NOx), which are primarily produced in our thermal processes.

FOLBB consistently excludes investments in coal-, oil- or gas-based technologies. The planned transition path takes into account the EU's regulatory requirements, which are derived from the European Green Deal and the Paris Climate Agreement.

The strategic climate plan is currently being coordinated with the FOLBB Group's Advisory Board. Once approved, the prioritised measures are bindingly integrated into our management and financial processes and regularly reviewed and adjusted as part of our ESG controlling.

E1-2 Strategies related to climate change mitigation and adaptation

FOLBB's climate strategy aims to significantly reduce greenhouse gas (GHG) emissions, effectively manage climate-related risks and make our value creation resilient to the effects of climate change in the long term.

Climate protection strategy

Our climate protection measures focus on increasing energy efficiency, the gradual switch to renewable energies, sustainable raw material procurement and the implementation of circular economy models. The basis for this is a company-wide strategic approach that encompasses all areas - from procurement and logistics to production, administration and product development.

A particular focus is on energy efficiency:

- Existing production processes are continuously optimised,
- new energy-efficient technologies introduced,
- additional energy management systems have been established,
- and regular energy audits are carried out to identify potential savings.

At the same time, we are pursuing a gradual substitution of fossil fuels. In the long term, we aim to cover our entire energy requirements from renewable sources such as wind, solar and biomass plants. In the future, the gas-fired power plants at the Baiersbronn and Eerbeek sites are to be replaced by more climate-friendly alternatives.

Climate adaptation strategy

In order to be prepared for the physical effects of climate change, FOLBB has developed a climate adaptation strategy and integrated it into the company's processes. Central elements are:

- a Group-wide risk management system that systematically identifies and assesses climate-related risks - particularly those caused by extreme weather events and their impact on infrastructure and supply chains,
- improved water and waste management systems to increase the resilience of production to resource bottlenecks,
- as well as internal training measures that sensitise employees to climate-related impacts and communicate adaptation options.

The strategy takes into account current regulatory frameworks (e.g. CSRD, EUDR) as well as international certifications such as ISO 14001 at the Eerbeek site and the requirements for sustainable forestry (FSC®, PEFC™). Operational implementation is managed by the Executive Board and coordinated by a central sustainability team. In future, we want to further strengthen the involvement of relevant stakeholders - such as customers, suppliers, employees, investors and local communities - through targeted dialogue formats.

E1-3 Measures and resources in connection with the climate strategies

Our climate strategy is being implemented in line with a structured action plan, which is divided into short-term measures (up to 2025) and medium-term measures (up to 2030). The aim is to reduce emissions, increase energy efficiency and establish climate-resilient production processes.

Short-term measures (until 2025)

Energy optimisation of production
Based on an externally developed transformation concept, we analyse optimisation potential in machine and production processes to increase energy efficiency.

Green electricity strategy
The switch to renewable energies and the expansion of green electricity procurement for our production facilities are being examined and prepared in pilot projects.

Water management in Eerbeek
A recycling system for the reduction and reuse of water in Eerbeek, which was successfully tested in 2024, will be further developed and scaled up together with the Province of Gelderland.

Waste management and recycling
The separation and recycling rate for production waste is being further optimised. At the Baiersbronn site, this is already over 99%.

Medium-term measures (until 2030)

Technology for virgin fibre processing
In Eerbeek, investment is planned in technologies for more efficient pulp production from virgin fibres.

Use of environmentally friendly chemicals
The development and use of low-emission and water-friendly chemicals is being driven forward at both sites in order to further reduce environmental pollution.

Digitalisation for process optimisation
We are specifically pursuing digital levers to realise our climate targets:

- Intelligent energy management systems: Sensors and IoT technologies enable real-time monitoring and analysis of energy consumption.
- Automated control systems: Optimisation of lighting, heating and ventilation as required reduces energy losses.
- Predictive maintenance: Predictive maintenance minimises downtimes and efficiently controls energy consumption.

Implementation & investments
No direct climate protection measures with an immediate decarbonisation effect were implemented in the 2024 reporting year. We are currently working on a company-wide action plan with a specific catalogue of measures, investment planning (capex/opex) and greenhouse gas reduction targets. Accordingly, no quantitative data on emission savings or climate-related investments are available for the reporting year.

E1-4 Goals related to climate change mitigation and adaptation

FOLBB has set itself the goal of reducing company-wide CO_2 emissions by 30% by 2030 compared to the base year 2020 and achieving climate neutrality by 2045 at the latest. This target is in line with the Paris Climate Agreement (1.5 °C target) and is regularly reviewed on the basis of scientific findings.

Further operational targets - for example for the reduction of specific emissions, decarbonisation of the energy supply, Scope 3 surveys and climate adaptation - are currently being developed. They are being developed as part of the company-wide climate protection action plan, which is to be finalised in 2025 and transferred to the internal management system.

At the same time, FOLBB is examining the introduction of measurable interim targets for:

- the share of renewable energies in electricity consumption,
- specific energy consumption (e.g. MWh/t cartonboard),
- Reduction targets for water-related climate risks (E2) and extreme weather events.

The further development of the target system is based on the requirements of the European Sustainability Reporting Standards (ESRS) and the relevant sectoral IROs of the paper industry.

E1-5 Energy consumption and energy mix

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

Energy consumption and energy mix

	Baiersbronn	**Eerbeek**	Baiersbronn	Eerbeek
	2024	**2024**	2023	2023
Total energy consumption	210,369 MWh	323,700 MWh	178,451 MWh	207,923 MWh
Energy consumption from fossil sources	154,300 MWh	323,700 MWh	167,108 MWh	198,621 MWh
Energy consumption from nuclear sources	1,124 MWh	0 MWh	7,146 MWh	582 MWh
Percentage of energy consumption from nuclear sources	2%	0%	4%	0%
Energy consumption from renewable sources	54,886 MWh, 100 % from electricity received	0 MWh, - % from electricity received	4,197 MWh, 100 % from electricity received	8,720 MWh, 100 % from electricity received
Percentage share of energy consumption from renewable energies in total energy consumption	26.1%	0.0%	2.4%	4.2%
Percentage share of energy consumption from fossil fuels in total energy consumption	73.3%	100.0%	93.6%	95.5%

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

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

E1-7 GHG removals and mitigation projects financed through carbon credits

FOLBB did not use any emission credits for GHG reduction in the 2024 financial year.

E1-8 Internal carbon prices

FOLBB does not apply any internal carbon pricing schemes within the company.

GHG gross emissions Scope 1 and 2

	Baiersbronn	**Eerbeek**	Baiersbronn	Eerbeek
	2024	**2024**	2023	2023
Scope 1 GHG gross emissions	27,179 tonnes, 100 % in the EU trading system	49,066 tonnes, 100 % in the EU trading system	23,082 tonnes, 100 % in the EU trading system	39,173 tonnes, 100 % in the EU trading system
Scope 2 GHG gross emissions	20,440 tonnes, 100 % from market-based electricity procurement	9,820 tonnes, 100 % from market-based electricity procurement	33,916 tonnes, 100 % from market-based electricity procurement	9,126 tonnes, 100 % from market-based electricity procurement
Percentage of market-based Scope 2 GHG emissions from purchased electricity	100% from purchased electricity	100% from purchased electricity	100% from purchased electricity	100% from purchased electricity

ESRS E2 Environmental pollution

E2-1 Strategies related to environmental pollution

As a manufacturer of virgin fibre cartonboard, FOLBB sees itself as having a special responsibility to consistently avoid environmental pollution and continuously minimise environmental impact. Compliance with all legal requirements is a matter of course for us - our standards go beyond this: We rely on precautionary principles, state-of-the-art environmentally friendly technologies and systematic environmental management to continuously improve our environmental efficiency.

Our strategic guidelines are anchored in the company policy and the Code of Conduct. They are aimed in particular at:

- the reduction of airborne emissions (e.g. dust, nitrogen oxides),
- the avoidance and substitution of substances of very high concern (SVHC/ZZS),
- minimising the risk of water and soil contamination,
- the resource-conserving use of water, energy and raw materials,
- and the optimisation of waste avoidance and recycling.

Implementation framework
A certified environmental management system in accordance with ISO 14001 has been established at the Eerbeek site, which documents the continuous improvement of environmental performance.

Both sites have an energy management system in accordance with ISO 50001.

In Baiersbronn, FOLBB fulfils the requirements of the German AwSV (Ordinance on Installations with Substances Hazardous to Water), the KrWG (Recycling Management Act) and all requirements for wastewater treatment and hazardous substance storage.

In Eerbeek, we comply with Dutch environmental standards, in particular for the handling of ZZS (Zeer Zorgwekkende Stoffen). The use of these substances has been reduced to a minimum and their use is strictly controlled. No SVHC substances are used in Germany.

Prevention & Emergency management
Both plants are prepared for potential environmental incidents. In addition to preventive technical and organisational measures, there are crisis management plans that define structured processes for incidents such as chemical accidents or leaks of hazardous substances. Baiersbronn has a separate emergency and crisis plan for this purpose.

E2-2 Measures and resources related to environmental pollution

In order to prevent environmental pollution or to contain and remedy it as quickly as possible, FOLBB is focusing on a whole range of specific measures:

Measures to reduce air pollution
- Use of low-emission technologies: Installation of modern filter and exhaust gas purification systems in the production facilities
- Increasing the efficiency of production processes: Optimisation of processes to minimise energy consumption and the associated emissions
- Regular maintenance and inspections: Ensuring the optimal functioning of all machines and systems to avoid unnecessary emissions

Measures to improve water quality
- Wastewater treatment: Use of advanced wastewater treatment technologies to remove pollutants before they are discharged into water bodies
- Utilisation 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 of the Forbach for early detection of pollution

Measures to reduce soil pollution
- Soil monitoring and analysis: regular checks of soil quality for early identification of contamination
- Remodelling measures: Use of biological, chemical and physical processes to clean contaminated soils
- Avoidance of chemicals: Minimising 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 in accordance with ISO 14001 for the systematic management and improvement of environmental performance

- Training and sensitisation: Training employees in handling chemicals and sensitising them to the risks of substances of concern

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

The positive effects of the management systems, internal and external audits and inspections include reductions in water consumption, waste, energy and pollutants as well as the introduction of electric forklift trucks. In 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 different additional precautionary measures. In Eerbeek, internal and external audits and ongoing inspections are carried out in addition to the environmental management system in accordance with ISO 14001. The environmental management system register covers all important aspects, including risk assessment and preventive measures. In addition, a company emergency plan enables a rapid response to environmental incidents. In Baiersbronn, a crisis management plan provides precise instructions on how to react to environmental hazards.

Above all, we comply with the BREF (Best Available Technique Reference) guidelines issued as part of the European "Directive on Integrated Pollution Prevention and Control" (IPPC) by continuously optimising the machines and equipment used for cartonboard production. We also fulfil all approval and discharge requirements.

FOLBB works with the following means and resources to prevent environmental pollution:

- financial resources: Budget for investments in low-emission technologies and environmentally friendly processes

- technological resources: state-of-the-art filter and exhaust gas purification systems, renewable energies and energy efficiency technologies

- Human resources: Environmental management specialists and engineers for the implementation and monitoring of measures
- didactic means: regular training and awareness programmes for employees

Our action plans for this are:

- Implementation of low-emission technologies: Introduction of modern filter and exhaust gas purification systems to reduce emissions

- Conversion to renewable energies: Utilisation of solar, wind and hydropower to reduce dependence on fossil fuels

- Increasing the efficiency of production processes: Optimisation of processes to minimise energy consumption and the associated emissions

- Regular maintenance and inspections: Ensuring the optimal functioning of all machines and systems to avoid unnecessary emissions

- Wastewater treatment: Use of advanced wastewater treatment technologies to remove pollutants before they are discharged into water bodies

- Utilisation 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 spaces and buffer zones: Creation of green spaces and vegetation strips around bodies of water to filter surface runoff and reduce nutrient inputs

One concrete approach in the area of water is wastewater recovery and avoidance at our plants. A continuous improvement process is underway in Baiersbronn, which is regularly refined through tests and new technological findings. In Eerbeek, we successfully completed a pilot project for wastewater recovery in the current financial year. In future, we will have to use almost no groundwater for the production process. The exact implementation date for the water circulation system in Eerbeek has not yet been set, but the aim is to realise it as soon as possible.

E2-3 Goals related to environmental pollution

FOLBB has set itself the fundamental goal of fulfilling all statutory requirements for keeping water, soil and air clean throughout the EU and at national level. We have not yet finalised the definition of additional voluntary targets. Compliance with the targets set by the authorities 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 and soil pollution

FOLBB is committed to systematically avoiding emissions to air, water and soil or reducing them as far as possible. The protection of these environmental media is part of our environmental management system and is monitored via regular measurements and legally defined emission limits.

Air emissions

Air emissions at our sites are primarily caused by the thermal processes of energy supply and production exhaust air. The main emissions include

- Nitrogen oxides (NOx) and particulate matter from boiler operation,
- CO_2 as a component of greenhouse gas emissions,
- small quantities of organic compounds.

Compliance with all national and European limit values is checked regularly. Technical systems for exhaust gas treatment ensure compliance with emission standards. We are also aiming to reduce NOx emissions in the medium term by optimising our combustion processes.

Water discharges

The production process produces waste water that may contain phosphate, ammonium and, in some cases, heavy metals. These substances are treated in the company's own or connected municipal wastewater treatment plants. The dismantling capacity is:

- around 93% for chemical oxygen demand (COD),
- up to 99% for biochemical oxygen demand (BOD5).

In Baiersbronn, styrene-butadiene latex (SBR) is used as a binding agent. This is completely retained in the plant's own wastewater treatment plant, so that no relevant discharges into surface waters occur.

Soil

There is no soil contamination at any location. Installations for handling substances hazardous to water are subject to the AwSV in Germany; comparable protection regulations apply in the Netherlands. Regular technical checks and organisational measures ensure that no substances are released into the soil.

Microplastics

Microplastics are not produced at FOLBB. Our cartonboard products are made exclusively from virgin fibres without any waste paper content. The production process does not contain any polymer-based additives that could lead to relevant plastic inputs.

Development of environmental indicators

Emission and wastewater values have improved significantly at both plants in recent years. The calculation is based on the specifications of the European Pollutant Release and Transfer Register (E-PRTR). Further target values and reduction paths are currently being developed.

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

FOLBB only uses isolated substances in production at the Dutch site in Eerbeek that are on the list of substances of very high concern (SVHC) in accordance with the European chemicals regulation REACH. These substances are only used to a very limited extent and are subject to strict internal control and documentation processes. Substitution is planned in the medium to long term, provided suitable alternatives are available.

Our products do not contain any SVHC substances.

None of these substances are used in Germany. The handling of substances of concern in Eerbeek is carried out in accordance with the Dutch regulations on ZZS (Zeer Zorgwekkende Stoffen).

To ensure regulatory compliance, we have introduced our own declaration of laws and regulations. This documents all relevant chemical, product and process-related requirements and, together with the food safety declaration and other plant-related declarations, is a binding component of our product and process responsibility.

E2-6 Expected financial impact of pollution-related risks and opportunities

FOLBB meets environmental obligations with a systematic approach to financial provision. Earmarked provisions for environmental protection measures exist at both sites for risks arising from contaminated sites, soil contamination and landfill operations.

In Baiersbronn, the Maienplatz landfill has been regularly monitored for many years. Continuous measurements ensure that no pollutants are released into the soil or groundwater.

At the Eerbeek site, the Stort-Doonweg landfill is operated in compliance with environmental standards.

In addition, a plan was developed in Eerbeek to optimise the closed water circuit ditch. The aim is to increase the buffer capacity for heavy rainfall events and thus minimise climate-related risks.

These measures are regularly evaluated as part of environmental and risk management. The existing provisions ensure both the legally required aftercare and proactive investments in environmental protection. This strengthens FOLBB's resilience to environmental risks and at the same time utilises opportunities to improve its environmental performance.

ESRS E3 Water and marine resources

E3-1 Strategies related to water and marine resources

Strategic framework and significance
Water is a key production factor in the manufacture of our virgin fibre cartonboards - particularly in the preparation of pulp, machine cooling and cleaning. FOLBB therefore considers the responsible use of water resources to be a strategic task with high environmental relevance.

Our water strategy aims to continuously reduce the demand for fresh water, protect regional water resources and establish recirculation systems through technological innovations. We endeavour to comply with all applicable national and EU environmental regulations and to voluntarily exceed regulatory requirements.

Dependencies and utilisation
In Baiersbronn, the water is taken from the Forbach, runs through internal circuits and is then purified in the company's own wastewater treatment plant.

Thanks to a cooling tower and process optimisations, water consumption has been reduced by around 66% since 2017.

In Eerbeek, the process water comes from the groundwater in a sensitive Natura 2000 area. We have reduced overall consumption here by around 35% since 2005, although specific consumption has recently risen slightly due to production influences.

Measures to conserve resources
Multi-stage internal water circuits and the use of disc filters improve purification and reduce the load on wastewater treatment plants.

In Eerbeek and Baiersbronn, biocides are largely replaced by less environmentally harmful alternatives.

The stabilisation of production processes plays an important role in avoiding unnecessary water consumption due to machine breakdowns.

In Baiersbronn, a fish ladder ensures the ecological continuity of the Forbach and thus improves the local river ecology.

Innovation approaches
FOLBB is currently examining the introduction of a closed water cycle system with waste water recovery. We expect the first research results by 2026. In the long term, the system should contribute to the complete reuse of treated water volumes.

Protection of marine resources
In Eerbeek, purified water is ultimately discharged into the North Sea via the IJssel - an estuary of the Rhine. Our high cleaning performance ensures that no harmful substances are released into the ecosystem.

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

We implement the water-related measures described in E3-1 with targeted investments in process optimisation, circulation systems and technical infrastructure.

Examples include the use of air condensers for cooling in Baiersbronn, the ongoing optimisation of the steam and condensate systems and the multi-stage internal use of water.

These investments are made as part of our operational maintenance and environmental budgets. We are currently also examining the introduction of a closed water cycle system with wastewater recovery, for which pilot projects are planned from 2026.

E3-3 Goals of the organisation related to water and marine resources

FOLBB is pursuing the strategic goal of further reducing the specific fresh water consumption per tonne of product - without compromising on product safety or quality.

A particular focus is on the development and introduction of a closed water cycle system with waste water recovery. This system is currently being researched and - subject to feasibility - will be tested in pilot projects from 2026. The aim is to significantly reduce external water extraction, particularly at sensitive locations such as Eerbeek.

The following also applies:

Only approved materials in accordance with BfR Recommendation No. 36 are used for our packaging in direct contact with food.

Water protection is being proactively developed at both sites - for example by avoiding fluorinated coatings or replacing water-polluting chemicals.

E3-4 Water consumption

FOLBB measures water consumption at both sites using its own measuring systems. The treated wastewater has not yet been reused internally; there are currently no plans to store water.

In the wake of climate change and increasingly dry periods, we anticipate stricter water legislation in Germany and the Netherlands. These relate in particular to water withdrawal quantities and discharge conditions.

As a long-term response to these challenges, FOLBB is examining the introduction of a closed water cycle system with direct wastewater recirculation into production. We expect the first results of the feasibility analysis by 2026.

E3-5 Expected financial implications of significant risks and opportunities related to water and marine resources

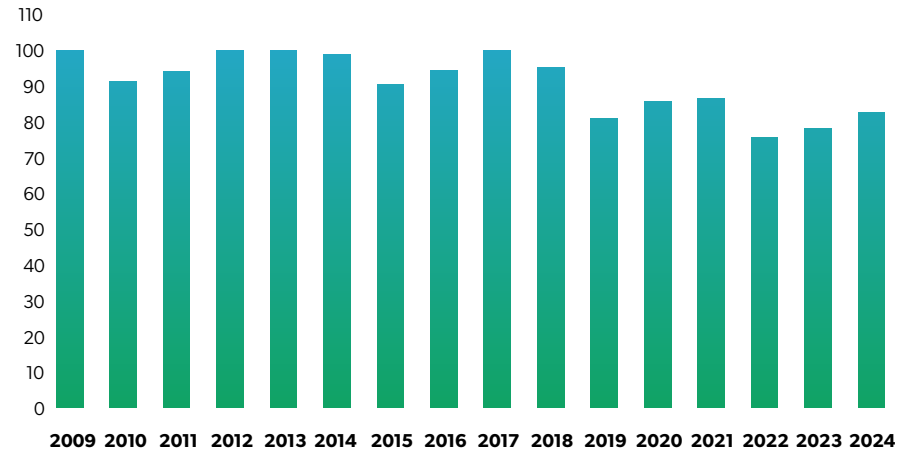
Against the backdrop of foreseeable stricter environmental regulations - particularly in water protection - FOLBB anticipates rising costs for water treatment and utilisation.

To hedge these risks, we are making targeted investments in the further development of the water technology infrastructure, in particular in the expansion and efficiency enhancement of the wastewater treatment plants at both locations.

Based on our current assessment, we do not expect this to have any significant negative impact on the company's financial position, profitability or liquidity. In contrast, we see opportunities in improving our resource efficiency and in long-term savings through circular water utilisation.

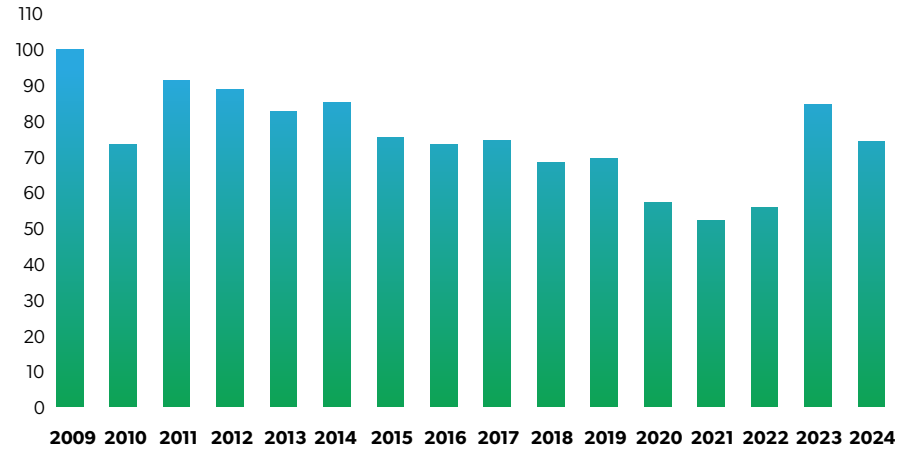
Water consumption Baiersbronn

m^3/to carton - standardised %



Water consumption Eerbeek

m^3/to carton - standardised %



ESRS E4 Biodiversity and ecosystems

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

Strategic framework

The protection of biodiversity and ecosystems is an integral part of FOLBB's sustainability strategy. As a manufacturer of virgin fibre cartonboard with water- and wood-based raw materials, we bear a special responsibility for the preservation of natural habitats. Our strategy takes account of ecological impacts along the entire value chain - from the procurement of raw materials and production to the use and recycling of our products.

Key strategic levers are

- procurement from certified sustainable forestry (FSC®, PEFC™),
- the use of low-emission technologies,
- Water protection measures such as recirculation systems,
- and the avoidance of substances of very high concern (SVHC).

Assessment of material risks

Risk type	Description of the	measures
Physical risks	Natural hazards such as floods or droughts affect water availability and habitats	Risk assessment of sites, flood protection, renaturalisation of watercourses
Climate change	Changes in precipitation, rising temperatures and extreme weather events threaten ecosystems	FSC-compliant supply chains, water efficiency programmes, closed-loop systems, site analyses
Transition risks	Stricter regulations on biodiversity (e.g. EUDR, Nature Restoration Law) increase the pressure to adapt	Adaptation of production methods, sustainable supply chain management, employee training
Systemic risks	Loss of ecological functions in forest and water systems	Environmental technologies, logistical optimisation, ecological product design, recyclability

Strategic assumptions

FOLBB assumes that:

- Biodiversity risks are increasing due to climate change,
- regulatory requirements (e.g. EUDR, CSRD, EU Nature Restoration Law) continue to increase,
- the demand for environmentally friendly products is increasing significantly.

These developments characterise our investment decisions, our product strategy and our location planning.

Time horizons for implementation

- Short-term (1-3 years): Implementation of technical measures to minimise local environmental impacts - e.g. in water management, use of materials and emission-relevant processes.
- Medium-term (3-10 years): Expansion of sustainable supply chains and full integration of ecological criteria in all procurement and production processes.
- Long-term (10+ years): Development of a company-wide biodiversity management programme with an active contribution to the regeneration of affected ecosystems.

Analysis results

The measures implemented so far to integrate biodiversity and ecosystem protection have had the following effects:

- Strengthening resilience: Flood protection and emergency management have increased the resilience of locations to climate-related events.
- Reduction of CO_2 emissions: By using energy-efficient technologies and sustainable logistics, emissions have been reduced and ecosystems have been indirectly relieved.
- Strengthening the market position: New environmentally friendly products have improved FOLBB's competitiveness and increased customer demand.

Involvement of relevant stakeholders
FOLBB actively involves key stakeholder groups in the biodiversity strategy:

- Suppliers: Cooperation with certified forestry companies (FSC®, PEFC™) to ensure sustainable procurement.
- Local communities: Participation in renaturalisation measures and environmental projects in Baiersbronn and Eerbeek.
- Customers: Utilisation of market feedback for the further development of environmentally friendly packaging solutions.

These participation formats strengthen the strategic relevance of biodiversity in our actions and increase social acceptance.

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

FOLBB recognises the protection of biodiversity and ecosystems as a central responsibility along its entire value chain. As a manufacturing company with water- and wood-based raw materials, there are both **Dependencies on natural ecosystems** as well as potential **Impacts on sensitive habitats.**

The main effects and risks across the Group can be summarised as follows:

Significant impacts on biodiversity

- **Water-related impacts:** The discharge of production wastewater can affect the water quality in neighbouring ecosystems. In particularly sensitive bodies of water, we work with targeted measures to reduce emissions and ensure high purification performance (e.g. >99% BOD5 degradation).
- **Groundwater extraction:** In regions where water is scarce, there is a potential impact on protected habitats. FOLBB reduces water consumption through internal circulation systems, efficiency improvements and new technologies.
- **Emissions to air and soil:** Pollutant emissions from production and energy processes are continuously monitored and reduced through energy-efficient systems. Current measured values are within the legal limits.
- **Influences on biodiversity:** Operation in ecologically relevant areas requires special consideration. In individual cases, measures were introduced to protect endangered species, such as the renaturalisation of bodies of water or the creation of ecological refuges.

Dependencies on ecosystems
FOLBB is dependent on:

- stable water resources for cartonboard production,
- intact forest ecosystems for the procurement of virgin fibres,
- ecological balances in the vicinity of the plants (e.g. buffer effect of soils, biodiversity in wetlands).

These dependencies influence both the site conditions and the long-term availability of raw materials and operational safety.

Opportunities & proactive measures
The following measures have been implemented across the Group to minimise risks and promote biodiversity:

- Introduction of low-emission technologies,
- Construction of an ecological fish ladder to promote river continuity,
- Creation of near-natural refuges for endangered species,
- Reduction of water and airborne emissions,
- continuous monitoring of ecologically sensitive areas.

Regulatory developments & strategic relevance

FOLBB continuously monitors regulatory developments, for example in the context of the **EU Biodiversity Strategy, the EU Nature Restoration Law** and the **EU regulation on deforestation-free supply chains (EUDR).** We see the fulfilment and proactive implementation of these requirements as an opportunity to differentiate ourselves through sustainable products and site-specific environmental expertise.

E4-IRO-1 Processes for the identification and assessment of significant impacts, risks, dependencies and opportunities associated with biodiversity and ecosystems

To assess impacts on biodiversity and ecosystems, the FOLBB Group regularly collects environmental parameters such as temperature, BOD5, phosphate, AOX, ammonium and TOC. These measurements are carried out both through internal checks and monthly external laboratory measurements (e.g. Eurofins). In addition, technical facilities such as water recirculation systems, fish ladders and cooling towers are regularly monitored with regard to their environmental impact.

Systematic risk identification and assessment

The identification of significant IROs in connection with biodiversity takes place along the entire value chain. Serve as a basis:

- the results of cross-location stakeholder dialogues,
- ecological risk analyses,
- external requirements (e.g. Natura 2000 impact assessments) and
- Environmental impact assessments (EIA) for investment projects.

Physical risks arise in particular from climate change-related influences such as rising temperatures, changes in precipitation patterns or extreme weather events. These can affect local water quality, habitats and biodiversity.

System-related risksn result from changes in ecosystem services, such as the availability of water or raw materials (e.g. certified fresh wood). FOLBB is dependent on stable ecological framework conditions in these areas.

Transition risks include regulatory requirements such as the EU Nature Restoration Law, the EU Deforestation Regulation (EUDR) and the requirements of the Biodiversity Strategy 2030. These developments are actively incorporated into strategic decision-making processes.

Valuation methodology:

Risks and dependencies are assessed on the basis of the following criteria - analogous to the sector materiality analysis for the pulp and paper industry:

- **Extent:** ecological or economic relevance of the impact,
- **Scope:** geographical or system scope affected,
- **Recoverability:** Possibility of damage limitation or recovery,
- **Probability:** Probability of occurrence of potential risks.

These four dimensions are incorporated into both environmental materiality (impact materiality) and financial materiality.

Dependencies of the Group

FOLBB is dependent on intact ecosystems in several respects - particularly with regard to:

- the availability of certified fresh wood from sustainable forestry (FSC®, PEFC™),
- stable water resources for process control and cooling,
- climatic stability to ensure ecological functionality.

Measures and guidelines

FOLBB relies on environmentally friendly production technologies, effective waste water treatment, low-emission processes and the minimisation of pollutant emissions throughout the Group. These measures are flanked by monitoring programmes and environmental management systems. Compliance with international regulations (e.g. Habitats Directive 92/43/EEC, Birds Directive 2009/147/EC, EIA Directive 2011/92/EU) is regularly checked as part of authorisation procedures and environmental inspections.

Projects and further development

FOLBB is planning for particularly biodiversity-relevant areas:

- Renaturalisation measures and ecological compensation areas,
- the reduction of fossil fuels in steam generation,
- the separation and reuse of process water and rainwater,
- as well as the development of our own biodiversity guidelines for Group-wide implementation.

These measures are part of a comprehensive approach to identify, assess and manage biodiversity impacts even more systematically in future - also in line with future reporting requirements of ESRS E4 and the provisions of the EU Nature Restoration Law.

E4-2 Guidelines on biodiversity and ecosystems

FOLBB does not currently have its own Group-wide biodiversity policy. Due to the increasing relevance of biodiversity risks in the context of climate change, regulatory developments (e.g. EU Nature Restoration Law, EUDR) and the requirements for a holistic sustainability strategy, the company management has decided to develop a corresponding guideline.

The biodiversity guideline is currently being conceptually prepared and is to be introduced across the Group from the 2026 financial year. The aim is to systematically bundle the existing individual measures and make them binding across the Group.

E4-3 Measures and resources related to biodiversity and ecosystems

To reduce the impact on biodiversity and ecosystems, the FOLBB Group implements a large number of technical, organisational and strategic measures across the Group. The basis for all activities is the systematic application of the mitigation hierarchy: avoid - minimise - restore - compensate.

1. Avoidance and minimisation of environmental pollution

Measure	Goal	Resources utilised
Waste water treatment & Separation of rainwater/ process water	Reduction of pollutant discharges into water bodies	Investments in wastewater treatment plants, monitoring systems
Reduction in groundwater extraction	Protection of sensitive water ecosystems	Process optimisation, circulation systems
Air pollution control (low$_{NOx}$, filter systems)	Minimisation of air pollutants, protection of surrounding ecosystems	Funding for technology, maintenance plans
Recycling and circular economy	Reduction of waste volumes, conservation of resources	Training, infrastructure, supplier management

2. Restoration of natural habitats

FOLBB is actively involved in ecological regeneration projects:

- Renaturalisation measures (e.g. on watercourses),
- Establishment of ecological refuges (e.g. nesting sites),
- Cooperation with environmental organisations and authorities.

These projects are supported financially and with personnel and are orientated towards local conditions and ecological necessities.

3. Sustainable resource utilisation and procurement

The group prioritises:

- the use of raw materials from certified, sustainable forestry (FSC®, PEFC™),
- the establishment of long-term partnerships with ecologically orientated suppliers,
- training the purchasing organisation on biodiversity criteria.

4. Application of the mitigation hierarchy

All measures follow the mitigation hierarchy according to ESRS E4:

1. Avoidance:e.g.e.g. through site-adapted production planning and technology-supported process design

2. Minimisation:e.g.e.g. by modernising production lines and using low-emission technologies

E4-4 Targets related to biodiversity and ecosystems

As part of its Group-wide sustainability strategy, FOLBB has set itself the following targets for reducing its impact on biodiversity and promoting ecological resilience. These objectives are based on scientifically recognised methods and industry-specific requirements.

Main targets (until 2030)
Goal 1: Protection of water ecosystems by reducing water consumption by 25% (compared to the previous year). 1990)

- **Measures:** Introduction of water-saving technologies, recirculation utilisation of process water
- **Indicator:** annual water consumption in m^3
- **Monitoring:** monthly measurement & Reporting

Goal 2: Decarbonisation of upstream and downstream supply chain components (Scope 3)

- **Target:** Reduction of CO_2 emissions from transport and supply chain-related processes by 25% by 2030 (base year: 2023)
- **Measures:** Optimisation of logistics, purchasing from more CO_2-efficient suppliers, integration of ESG criteria in supplier evaluations
- **Indicators:** t_{CO2e} in Scope 3.4 (upstream transport) and Scope 3.9 (downstream transport)
- **Monitoring:** annual emissions estimates based on supplier and transport data, progress assessment by the ESG team

Supporting goals
Reduction of indirect influences through the circular economy

- **Target:** 25% reduction in the volume of waste
- **Measures:** Production optimisation, material savings, use of recycled materials
- **Indicator:** annual waste generation (tonnes)
- **Monitoring:** quarterly environmental reporting

Reduction of potentially biodiversity-damaging emissions to air and water

- **Target:** Reduction of nitrogen ($_{NOx}$) and AOX emissions by 20% each by 2030 (base year: 2020)
- **Measures:** Conversion to lower-emission energy technology, optimisation of process chemistry and wastewater treatment
- **Indicator:** Annually measured values for $_{NOx}$ and AOX in mg/Nm^3 (air) and mg/l (water)
- **Monitoring:** quarterly environmental reporting at plant level, centralised ESG consolidation from 2025

Transparent communication

- **Target:** Publication of one Group-wide sustainability report per year
- **Indicator:** Number of published reports
- **Monitoring:** internal review and approval processes, external review option from 2026

ESRS E5 Resource utilisation and circular economy

E5-1 Strategies related to resource utilisation and the circular economy

For FOLBB as a manufacturer of high-quality virgin fibre cartonboards, the responsible use of resources and the principles of the circular economy are key components of the sustainability strategy. Due to the high demands on product safety, hygiene and stability, the use of recycled fibres in our end products is not possible. Recycled fibres have shorter fibre lengths and can be chemically contaminated - both of which are in conflict with the requirements for our cartonboard qualities, especially for applications in the food and pharmaceutical sectors.

All the more reason for us to concentrate on:

- the **efficient, economical and sustainable use of virgin fibres,**
- the **Use of certified wood sources (FSC®, PEFC™),**
- the **Avoidance of waste through internal material cycles,**
- and the **Recycling of by-products into other utilisation streams.**

We also promote circular economy approaches where quality and product safety are not compromised - e.g. by reusing internal production waste.

E5-2 Measures and resources related to resource utilisation and circular economy

1. Sustainable procurement & Raw material efficiency

FOLBB obtains its wood and pulp resources primarily from certified, sustainable forestry in Europe. It is used efficiently and completely - for example by utilising by-products such as bark for material or energy recovery.

- **Measure:** ExclusivelyFSC®/PEFC™-certifiedsuppliers
- **Resources:** Strategic partnerships, regular supplier evaluations

2. Internal material cycles

Production residues such as edge trimmings and fragments are reintegrated into the manufacturing process, provided they meet the quality requirements.

- **Measure:** Recycling of production residues
- **Target:** Reduction in the use of raw materials per tonne of product
- **Monitoring:** Material efficiency analysis per location

3. Research approaches to raw material substitution

FOLBB is testing alternative fibre materials such as silphie fibres for industrial suitability. The aim is to diversify the raw material base and reduce the use of wood in the long term.

- **Measure:** Pilot tests with alternative natural fibres
- **Resources:** Investments in research & Development

4. External circular partnerships

Materials that cannot be used in the process (e.g. bark) are utilised externally. This creates new utilisation paths, e.g. for thermal utilisation or composting.

- **Measure:** Sale of by-products to third parties for energy utilisation
- **Monitoring:** annual material flow balance

E5-3 Goals related to resource utilisation and circular economy

As part of its sustainability strategy, FOLBB pursues the following Group-wide goals for resource-conserving production:

Goal	Measure	Indicator	Time horizon
Increase in the proportion of FSC®-/PEFC™-certified fibres to 100%	Supplier selection & Audits	Proportion of certified fibre raw materials (%)	until 2027
Reduction in specific fresh fibre consumption per tonne of cartonboard by 10	Material efficiency, recycling of internal waste	kg fresh fibre / t product	until 2030
Expansion of internal material cycles	Reuse of production waste	Repatriation rate (%)	until 2026
Piloting of alternative fibre materials	R&D to Silphie fibres or similar.	Projects, test batches	run away

Fibre consumption in tonnes

	Baiersbronn		Eerbeek	
	2023	**2024**	**2023**	**2024**
Wood/Chips	41,657	48,902	32,240	48,797
Cellulose	19,601	23,315	20,290	31,981
Ground wood	2,067	1,981	6,483	13,710
Recycling	0	0	5,515	7,285
Total	**63,325**	**74,198**	**64,528**	**101,773**
Net production	70,696	83,005	74,035	116,674
Fibre content	89.2%	89.4%	87.2%	87.2%

E5-4 Resource inflows (material input)

The primary resource flows of the FOLBB Group consist of **Wood in the form of pulp, groundwood pulp and by-products** (e.g. sawmill waste). The data for the 2024 reporting year show

- **Increasing total volumes** due to production expansion
- **Growing proportion of sawmill by-products,** which makes a positive contribution to resource efficiency
- **Low but growing proportion of internally recycled material,** which shows potential for Group-wide recycling solutions

E5-5 Resource outflows (output/product utilisation)

The products from FOLBB are at **the beginning of a cascade utilisation:** The virgin fibres used can be recycled several times and can still be used in construction or insulation materials at the end of their life cycle.

- **Wood waste is practically non-existent,** as side streams (e.g. bark) are reused externally
- **Product design** follows the principle of **recyclability,** even if primary fibres are used
- **Internal returns** (marginal sections, production break) are expanded where technically possible

E5-6 Financial impact & Dependencies

In the 2024 reporting year, resource utilisation and the circular economy **had no significant negative financial impact on the** Group. However, there are structural dependencies:

Dependence	Potential impact	ESG reaction
Price trends for pulp & Wood	Increased procurement costs in the event of shortages	Diversification of the raw materials base, regional procurement
Uncertainties in forestry (e.g. climate impacts, pests)	Fluctuating availability of raw materials	Long-term supply contracts, use of secondary materials
Regulatory requirements (e.g. EUDR)	Increasing compliance costs	Establishing transparent supply chains & digital verification systems

02 Social

ESRS S1 Own workforce

S1-1 Strategy for dealing with own employees

The employees are the foundation of the FOLBB Group. Our strategic goal is to enable the long-term retention and development of our employees through a secure, respectful and future-orientated working environment.

Our HR strategy focuses on the following areas of action:

1. Employee retention & work culture

- Promotion of a family-friendly, networked working environment
- Measures to strengthen the work-life balance (e.g. flexible working time models, support in reconciling work & family)

2. Training and further education

- Offering targeted qualifications and further training for all employee groups
- Development of internal career paths and promotion of junior staff

3. Health & safety

- Systematic risk assessments and regular instructions
- Group-wide standards for occupational safety and prevention

4. Human rights & equal opportunities

- Clear rejection of any form of child labour, forced labour or discrimination
- Anchoring human rights due diligence obligations in our Code of Conduct
- Implementation of the requirements for inclusive working, especially with regard to persons with disabilities

5. Diversity & inclusion

- Application and promotion procedures exclusively based on suitability and performance
- Active promotion of diversity within the company as part of a modern corporate culture

Complaints or indications of misconduct or human rights breaches can be reported anonymously via internal or external reporting centres. All reported cases are reviewed and action is taken where necessary.

S1-2 Involvement of own employees and employee representatives

FOLBB promotes a transparent and continuous dialogue with employees and their elected representatives. Participation takes place on several levels:

- **Regular information formats** such as company meetings, internal news formats or divisional meetings
- **Structured dialogue with employee representatives,** e.g. in committees or through works agreements
- **Feedback culture & employee involvement** through structured surveys, suggestion schemes or informal feedback formats
- **Participation in change processes,** z.e.g. through collaboration in project teams or support groups for transformation projects

S1-3 Remediation of negative impacts and grievance mechanisms

FOLBB has implemented a Group-wide whistleblower system based on the EU Whistleblower Directive. It enables all employees to **report breaches of laws, ethical standards or internal guidelines** confidentially and anonymously if desired. The most important elements:

- **Internal reporting channels:** e.g. to compliance officers or via digital whistleblowing platforms
- **External reporting options:** e.g. via an independent ombudsperson or law firm
- **Confidentiality & protection:** All whistleblowers are protected from reprisals.
- **Procedure:** Complaints are promptly reviewed, documented and, if necessary, responded to with countermeasures.

In addition, there are site-specific regulations (e.g. codes of conduct or manuals) that are to be harmonised across the Group. Employees receive regular training on the use of and protection under the whistleblower regulations.

S1-4 Measures and their effectiveness in dealing with opportunities & Risks (own workforce)

For FOLBB, the greatest opportunities and risks in connection with its own workforce lie in the areas of **skills shortage, incapacity to work, retention & qualifications.** To counter these effectively, the Group has established the following measures, among others:

Subject area	Measures	Effect / Monitoring
Securing skilled labour	Cross-location bonus models (e.g. staggered seniority bonus, labour market bonus)	Increase in retention period, reduction in fluctuation
Remuneration fairness	Attractive allowances and benefits	Increased attractiveness for career starters
Health & Safety	Company medical examinations, regular instructions, individual risk assessments	Prevention, reduction of work-related days lost
Knowledge transfer & ageing	Measures to preserve experience (e.g. shift planning)	Reduction of knowledge loss, higher productivity

The effectiveness of the measures is regularly reviewed - including through key figures on staff turnover, sickness absence, accidents at work and training rates.

S1-5 Goals in dealing with material impacts, risks and opportunities

FOLBB pursues strategic objectives in its dealings with its workforce, which relate to both the **avoidance of negative effects** as well as the **promotion of positive working conditions** working conditions:

Goal	Measure	Time horizon
Increasing employer attractiveness	Participation in career fairs, school collaborations, social media activities	ongoing
Securing the next generation	Expansion of training partnerships, practical student programmes	ongoing
Reduction in accidents & Absenteeism	Expansion of occupational safety measures, monitoring via ASA	reviewed annually
Promotion of diversity & Equal opportunities	Training on inclusive recruiting, monitoring equal treatment	until 2026

Information on employees

	Baiersbronn	**Eerbeek**	Baiersbronn	Eerbeek
	2024	**2024**	2023	2023
Total number of employees by headcount	221	215	212	207
of which male	194	199	192	189
of which female	27	16	25	18
Employed part-time	17	19		18
Temporary employees	32	4	21	7
Temporary employees as a percentage	14.5%	1.9%	9.91%	3.38%
Fluctuation rate	11.9%	8.8%	9.16%	5.76%
Employees under 30 years of age	34	15	30	16
Employees between 30 and 50 years of age	104	84	99	77
Employees over the age of 50	83	116	83	114

S1-6 Characteristics of employees

In the 2024 reporting year, FOLBB employed 221 mainly male employees in Baiersbronn and 215 in Eerbeek.

The employee figures are based on the headcount as at 31 December 2024. The staff turnover rates refer to the average number of employees in 2024.

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

In the logistics area, we employ around ten persons at each of our two locations under a 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 bargaining agreement & Social dialogue

The FOLBB Group attaches great importance to social partnership co-operation. The majority of the workforce is bound by collective labour agreements:

- In Germany via the collective agreements of the IGBCE and the employers' association of the paper industry
- In the Netherlands via agreements with FNV and CNV

Each location has works councils that are involved in strategic, organisational and social decisions. There is currently no Group-wide European Works Council.

S1-9 Diversity parameters

FOLBB promotes equal opportunities regardless of gender, age, origin or disability. The workforce has a heterogeneous age structure, with a tendency towards the 50+ age group.

Proportion of women in management positions: currently still 0% at top management level - measures to increase diversity are planned.

Target: Establishment of Group-wide diversity monitoring and definition of a target corridor for 2026.

S1-10 Appropriate remuneration

All employees receive at least the remuneration agreed in the collective labour agreement.

- The proportion of non-pay-scale employees is in the low double-digit percentage range - their salaries are always above the highest pay scale group.
- The pay systems are fair, transparent and designed in close consultation with employee representatives.

S1-11 Social protection

The social protection of all employees is fully covered by the national social security systems.

- **Illness & accident:** Continued payment of wages regulated by law
- **Reduced earning capacity & pensions:** Protected under social security law
- **Parental leave & care periods:** Consideration of national laws & Individual agreements

The aim is the Group-wide harmonisation of supplementary offers to statutory social protection - e.g. through supplementary company insurance.

S1-12 Persons with disabilities

In the reporting year, 4.58 % of employees had a recognised severe disability status. FOLBB fulfils the legal requirements for the employment rate.

Target: Expansion of barrier-free workplaces and further training for managers in inclusive working by 2026.

S1-13 Training & Expertise development

FOLBB sees further training as a key lever for future viability.

- In Germany, 1,959 training hours were documented in the reporting year.
- A structured learning & development programme is being planned for the entire Group.
- Training is currently being provided in the areas of occupational safety, machine operation, soft skills and compliance & Management.

Target: Introduction of a Group-wide training concept by 2025 with KPIs for learning time per employee and training participation rate.

S1-14 Health and safety of employees

Protecting the physical and mental health of all employees is a key concern of the FOLBB Group. Health and safety are anchored in our integrated management system and are prioritised across all sites.

Measures and structures (Group-wide):

- Occupational safety specialists (SiFa) and safety officers in all production areas
- Regular risk assessments and documented safety instructions
- Company medical care incl. preventive medical check-ups and aptitude checks (e.g. for industrial trucks)
- Reporting system for near-accidents, safety inspections & Audits

Accident and lost day statistics for Baiersbronn

	2022	2023	2024
Deaths caused by employment	0	0	0
Number of reportable accidents at work	2	11	5
Rate of reportable accidents at work	0.93%	5.19%	2.26%
Number of notifiable work-related illnesses	0	0	0
Number of days lost due to work-related injuries and fatalities	79	354	286

Accident and lost day statistics for Eerbeek

	2022	2023	2024
Deaths caused by employment	0	0	0
Number of reportable accidents at work	6	2	3
Rate of reportable accidents at work	2.87%	0.97%	1.39%
Number of notifiable work-related illnesses	0	0	0
Number of days lost due to work-related injuries and fatalities	94	9	21

S1-15 Work-life balance

FOLBB supports the reconciliation of work and private life within the framework of national legal requirements. These include in particular

- **Parental leave & Maternity protection** in accordance with the respective labour law regulations
- **Care time for relatives**
- **Flexible working time models,** where operationally possible

In the 2024 reporting year. 1.83% of employees in the FOLBB Group in Germany and 2.56% in the Netherlands took parental leave. Maternity leave and nursing care leave were utilised to a small extent during this period. The figures reflect the current age structure and the high proportion of male skilled workers in production.

Target: By 2026, a Group-wide concept for life-phase-orientated working models will be examined - especially for caring responsibilities and young parents.

S1-16 Remuneration parameters and differences in earnings

FOLBB strives for a fair and transparent remuneration policy. The majority of employees are paid on the basis of collective wage agreements, while a small number are paid outside of collective wage agreements.

The analysis of average remuneration in the 2024 reporting year shows the following differences:

These differences result, among other things, from a **lower proportion of women in technical professions and management positions.** FOLBB plans to analyse the causes in greater detail by 2026 and take measures to reduce the pay gap.

Top remuneration: The highest paid individual in the FOLBB group received 2.36 times the average full-time salary.

Location	Average women/men	Adjusted (without part-time)
EN	81.29%	87.09%
NL	100%	100%

Maternity protection

	Baiersbronn	Eerbeek	Baiersbronn	Eerbeek
	2024	2024	2023	2023
Maternity protection				
Claim	0.00%	0.00%	0.00%	0.00%
Utilised	0.00%	0.00%	0.00%	0.00%
Parental leave				
Claim	1.83%	2.56%	1.42%	3.86%
Utilised	1.83%	2.56%	1.42%	3.86%
Care times				
Claim	0.00%	5.55%	0.00%	3.86%
Utilised	0.00%	5.55%	0.00%	3.86%

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

No incidents relating to human rights breaches, discrimination or other serious breaches were reported in the 2024 financial year. No complaints were filed and no official proceedings or fines were imposed.

FOLBB regularly organises training courses on human rights compliance and offers internal and external reporting channels (including anonymous options) for reporting possible breaches. These are documented, analysed and - if necessary - backed up with preventive measures.

ESRS S4 Consumers and end users

S4-SBM Significant impacts, risks and opportunities for consumers & End users

Strategic framework

Even though FOLBB has no direct contact with end consumers, product responsibility

Product responsibility along the supply chain is a central component of our strategy. As a manufacturer of virgin fibre cartonboards for food and pharmaceutical packaging, we bear a special responsibility for the **Safety, environmental compatibility and health safety of our products** of our products.

Strategic interaction with business model

Our product and business strategy takes into account the impact on consumers through:

- **Strict compliance with legal requirements** (e.g. food safety, REACH, GMP, BfR 36)
- **Quality management systems** with continuous improvement (e.g. feedback integration, audits, HACCP concepts)
- **Investment in research & Development** for the substitution of critical substances and the development of more sustainable packaging solutions (e.g. fluorine-free barriers)
- **Transparent communication** on materials, migration, recyclability and product safety via product data sheets

Significant effects from an impact and financial perspective

Perspective	Significant effects
Impact (Inside-Out)	Conservation of resources, product safety, packaging hygiene, food safety
Financial (Outside-In)	Reputational risks, recalls, regulatory changes (e.g. packaging law, PFAS ban)

Key opportunities & Risks in dealing with consumers

Category	Description of the
Risks	• Legislative changes • Loss of reputation in the event of security problems • Requirements for transparent supply chains
Opportunities	• Positioning as a trustworthy and sustainable partner • Differentiation through product quality, recyclability & Health safety • Market opportunities due to growing health and environmental awareness

Consideration of vulnerable consumer groups

When designing the product, FOLBB takes particular account of the requirements of:

- **Consumers with increased health vulnerability** (e.g. children, sick persons, elderly persons)
- **Customer groups with regulatory requirements** (pharma, food grade)

We fulfil these requirements through:

- toxicological tests,
- GMP-compliant processes,
- Migration tests according to EU specifications (e.g. BfR, FDA)
- and clearly comprehensible material information.

Stakeholder involvement & continuous improvement

FOLBB collects feedback even without direct access to end customers:

- Complaints & Audits from direct customers
- Market analyses & Industry developments
- regulatory early warning systems
- Cooperation with certification bodies (FSC, PEFC, ISO)

Goal & Further development by 2026

Goal	Measure
Strengthening product safety	Expansion of internal audits & Controls in accordance with GMP
Increase traceability	Development of digital product passports with material data
Substitution of risky substances	F&E projects for the development of fluorine-free, plastic-free barriers
Strengthening customer transparency	Improvement of data sheets & Training for customers on safe use

S4-1 Guidelines in relation to consumers and end users

FOLBB is committed to dealing responsibly with consumers and end users of its products, even if these are reached exclusively via business customers. Our actions are based on a comprehensive regulatory framework that is orientated towards international standards:

- **Code of Conduct** with a clear commitment to product safety, health safety and ethical business practices
- **Directive on respect for human rights,** including consumer rights, based on:
  - UN Guiding Principles on Business and Human Rights
  - ILO core labour standards
  - OECD Guidelines
  - UN Global Compact
- **GMP standard,** ISO certifications,FSC®, PEFC™ and Halal certificates where applicable
- All products are manufactured in accordance with European specifications (e.g. BfR 36, REACH, EU Packaging Regulation).

Target: Ensuring consumer safety through systematic quality and risk management.

No breaches of internal or external guidelines have been identified to date.

S4-2 Procedure for involving consumers

Even without direct access to end customers, FOLBB ensures that consumer requirements and perspectives are taken into account during product development. We use this:

- Customer feedback from the processing industry (especially food & Pharma)
- Exchange with external specialist centres and industry associations
- Findings from certification audits and complaint analyses
- Product feedback from market observations and product tests

This feedback flows into the further development of products, barrier properties and material optimisation. Systematised stakeholder involvement (e.g. through structured surveys) is currently being examined.

S4-3 Procedure for remediation of negative impacts

FOLBB has a company-wide quality management system that identifies potential effects on consumers at an early stage and takes appropriate measures to rectify them:

- **Complaints management** on the basis of structured procedures and deadlines
- **Product safety officer** with clear escalation paths
- **Documented traceability** in all stages of production
- **Transparency measures:** Safety data sheets, material information, migration tests
- **Recall procedure** for a rapid response to any safety-related incidents

In addition, financial and human resources are made available to ensure continuous product safety and legal compliance.

So far, there have been no reported systemic negative effects on end users.

S4-4 Measures related to significant impacts on consumers and end users

FOLBB has developed its own action plans to minimise significant risks and exploit significant opportunities in connection with consumers and end users.

Action plan to improve product safety and quality

Goal	Ensuring that all products are of the highest quality and safety to increase consumer confidence and minimise potential negative impacts
Measures	Strict quality controls: Implementation and regular updating of quality control processes along the entire production chain Certifications and audits: Carrying out external certifications and regular internal and external audits Feedback integration: systematic collection and analysis of feedback for the continuous improvement of products
Resources	Technology and equipment: Investments in modern technology and equipment for quality assurance Personnel: Training and further education of employees in the areas of quality management and product safety Partnerships: Cooperation with certified testing centres and quality control agencies.

Action plan for compliance with legal and regulatory requirements

Goal	Ensure that all products and processes comply with the relevant legal and regulatory requirements in order to minimise legal risks
Measures	Regular review: ongoing monitoring and adaptation of company policies and procedures to current legal requirements Compliance programmes: Development and implementation of compliance programmes and training for all employees Reporting: transparent and regular reporting on compliance with legal requirements
Resources	Legal experts: Recruitment and training of legal and compliance specialists Information systems: Use of specialised software for monitoring and documenting compliance activities External expertise: Collaboration 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. The above action plans and certificates are viable in terms of material risks and opportunities. They are continuously being developed further. No further measures are planned.

FOLBB also ensures that its own activities, particularly in the area of marketing and sales, do not have a negative impact on end consumers or the public, even if there is no direct contact with end consumers. We utilise information obtained via the downstream supply chain by implementing comprehensive measures such as ethical marketing strategies and strict data protection guidelines. In addition, FOLBB conducts regular checks to identify and disclose potential human rights issues, including the remedial measures taken. The necessary human and financial resources are provided for this purpose.

S4-5 Targets related to consumers and end users

FOLBB has not yet defined any formalised targets that go beyond compliance with regulatory requirements (e.g. GMP, REACH, Packaging Ordinance). Nevertheless, it is being examined **whether and how further-reaching target systems** can be sensibly established to deal with significant effects on consumers.

The focus in the medium term will include

- **Reduction in the use of potentially migration-critical substances** in sensitive applications (e.g. for food and pharmaceutical packaging)
- **Increasing the recyclability** of our products at material level
- **Strengthening product transparency** via digital product passports (e.g. information on materials, safety, environmental profile)
- **Continuous improvement** of the complaint rate & Recall frequency as a quality indicator

These aspects are evaluated as part of our strategic development and in line with new market and customer requirements. A binding target is being examined for the period 2025-2026.

03
Governance

ESRS G1 Corporate policy

G1-1 Strategies for corporate policy & Corporate culture

FOLBB pursues an integrity-oriented corporate policy based on transparency, legally compliant behaviour and mutual respect. These principles characterise our corporate culture at Group level and serve as the basis for responsible, trust-based cooperation - both internally and externally.

The central element is our Group-wide Code of Conduct, which covers the following key areas:

- Compliance with all applicable laws and international human rights standards (e.g. UNGP, ILO, OECD)
- Zero tolerance of child or forced labour
- Promoting diversity, equality and mutual respect
- Environmental responsibility along the value chain
- Clear measures to prevent corruption and protect whistleblowers
- Prohibition of insider trading and structured approach to conflicts of interest

All employees and managers undertake to comply with the Code every year. Implementation is supported by mandatory training, management systems and regular internal audits. There is also a structured procedure for reporting and avoiding conflicts of interest, which is set out in the Code of Conduct.

Breaches of the Code of Conduct or legal requirements are consistently punished - depending on the severity, with measures under labour law up to and including termination without notice or the involvement of criminal prosecution authorities.

To manage our ethical standards, we record defined target figures annually:

- Ethics and Code training rate: 100%
- Number of reports received via the whistleblower system: 0

FOLBB regularly conducts structured stakeholder dialogues in order to systematically incorporate requirements, expectations and criticism into the strategy. The central dialogue formats include:

- **Employees:** Works meetings, anonymous employee surveys, feedback systems
- **Customers:** Annual meetings, product feedback, certification audits
- **Suppliers:** Supplier days, ESG self-assessment, on-site audits
- **Civil society/communities:** School partnerships, municipal dialogues, location discussions

The results of these dialogue formats are systematically analysed by the Group-wide sustainability team and translated into strategy adjustments where necessary.

Data protection & Information security

The protection of personal data and business-critical information is a top priority at FOLBB. Compliance with the General Data Protection Regulation (GDPR) is ensured by a centralised data protection management system. Access restrictions, role-based assignment of rights, mandatory training and a data protection policy for all employees have been established.

In addition, we organise regular training courses on cyber security and the secure handling of IT systems. This training is mandatory for all employees with system access. In addition, external IT security audits, vulnerability analyses and emergency plans (e.g. for data recovery) are carried out to ensure the resilience of our information systems along the entire supply chain.

G1-2 Management of relationships with suppliers

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

We take great care when selecting our suppliers. In addition to traditional criteria such as reliability, quality and price, sustainability aspects such as energy and CO_2 efficiency play a particularly important role. We also take social and ecological criteria into account, such as the procurement of FSC or PEFC-certified raw materials.

To further strengthen sustainable procurement, FOLBB introduced an ESG assessment system for suppliers in 2024. The aim is to systematically assess all strategic suppliers in terms of environmental, social and governance aspects by 2026. Scorecards are used for this purpose, which include criteria such as CO_2 footprint, certifications (FSC/PEFC), occupational safety, human rights and delivery reliability. The evaluation results flow directly into purchasing decisions. ESG clauses are also being successively included in all new supplier contracts.

G1-3 Preventing and detecting corruption and bribery

FOLBB has a Group-wide compliance system for preventing, recognising and sanctioning corruption and bribery. This includes:

- An **anti-corruption guideline** with binding standards and rules of conduct (e.g. dual control principle, separation of functions)
- Anchoring in the **Code of Conduct** and supplementary country-specific documents (e.g. personnel handbook)
- **Independent investigation procedures,** if necessary by external bodies
- **100% training coverage** of all risk-relevant employees

Whistleblowers can confidentially contact internal compliance officers or external reporting centres. FOLBB guarantees compliance with all requirements of the EU Whistleblower Directive.

G1-4 Incidents of corruption or bribery

In the 2024 financial year, there were no incidents or convictions at FOLBB due to breaches of corruption and bribery regulations. Internal investigations into potential risks were carried out in accordance with the applicable guidelines, but did not confirm any anomalies. The company-wide measures to prevent and combat corruption therefore continue to have an impact.

G1-5 Political influence and lobbying activities

FOLBB is involved in the political opinion-forming process at national and European level via the industry associations DIE PAPIERINDUSTRIE (Germany) and VNP - Vereniging Nederlandse Papierfabrieken (Netherlands). Membership serves exclusively to represent the interests of the paper and pulp industry with regard to ecological, energy policy and regulatory framework conditions.

The thematic focuses of the associations include

- Promotion of energy-efficient technologies
- Development of circular economy products
- Reduction of fossil fuels
- Sustainable forestry
- Resource-conserving raw materials strategy

FOLBB itself is not actively involved in political lobbying and does not make any direct contributions in the form of money or material resources. Supervision of the association's influence lies with the management. For reasons of transparency, FOLBB is registered in the EU Transparency Register under the ID 7700611778.

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

G1-6 Payment practices

FOLBB attaches particular importance to fair and transparent payment practices - especially towards small and medium-sized enterprises (SMEs). In the reporting year, the average payment term was 50 days, with the contractually agreed standard terms being 45 days net.

This practice was surveyed using a representative sample of the main supplier groups. in 2024, there were no legal proceedings or formal complaints due to late payment. FOLBB regularly monitors compliance with payment targets as part of responsible supply chain management.

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

The administrative, management and supervisory bodies of the FOLBB Group play a central role in the strategic direction, management and monitoring of the company, including its sustainability strategy.

The Advisory Board acts as the highest supervisory body of the Group. It meets regularly with the Executive Board to support and approve the implementation of strategic and financial measures. It is informed on a monthly basis about business development, material risks and progress on sustainability issues.

The members of the Advisory Board have extensive experience in corporate management and in the supervision of capital market-related companies. You have a high level of expertise in corporate governance, ESG-relevant issues and compliance.

The tasks are performed in accordance with the requirements of ESRS G1 and the industry guidelines for the pulp and paper industry. The Board's decisions regularly take into account relevant environmental, social and governance impacts.

Publication details

Publisher
FOLBB Group
Baiersbronn Frischfaser Karton Holding GmbH
Sägmühleweg 18
72270 Baiersbronn
Germany
USt-IdNr: EN 814474190
www.folbb.com

Responsible for content
Compliance Officer
Dietmar Kiechle
Tel: +49 7442 831-0
E-mail: info.baiersbronn@folbb.com

Concept, layout and editing
RYZE Digital
www.ryze-digital.de

Photography
FOLBB Group - p. 4, 9, 10, 13
Industriewater Eerbeek - p. 12
Midjourney - p. 1-3, 6, 8, 11, 15, 20, 28, 47, 58