

Sustainability Report  
**2025**

# UNFOLDING SUSTAINABLE PACKAGING





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and supply chain



# Foreword

## Dear Readers,

At FOLBB, sustainability is not a one-time defined objective, but a continuous journey—driven by conviction, reliability, and a clear commitment.

With this Sustainability Report 2025, we deliberately continue our reporting on a voluntary basis and independent of regulatory requirements. In doing so, we underline our ambition to view sustainability not as a compliance obligation, but as an integral part of our corporate strategy. For us, transparency is not a formal exercise, but an expression of our responsibility towards customers, employees, and partners.

Following last year's strong focus on engagement and energy efficiency, 2025 is characterized by continuity and structural integration. We demonstrate that sustainability at FOLBB is not limited to individual initiatives, but is systematically embedded in our organization.

**„virgin fibre cartonboard  
made personal“**

Franz Pehn  
CEO



This is reflected in both tangible actions and the development of robust structures. The implementation of an electric boiler at our Eerbeek site, together with the use of a 100% green electricity mix in Baiersbronn, marks a key step in the continued decarbonization of our production. At the same time, the establishment of a dedicated ESG team and a central coordination function has created the organizational foundation to manage sustainability in a structured and effective way.

We are also making steady progress at a structural level. Compliance with regulatory requirements remains a given, alongside the voluntary continuation of our ESG reporting. External ratings and certifications, such as EcoVadis, further support this approach by making our performance transparent, measurable, and comparable.

Our ambition remains unchanged: we aim to create impact—environmentally, socially, and economically. At the same time, we recognize that sustainable transformation requires time, discipline, and the active contribution of all stakeholders. This makes it all the more important that we pursue this path based on our own conviction—consistently, credibly, and with a long-term perspective.

I would like to thank our employees for their commitment, our customers for their trust, and our partners for their constructive collaboration. Let us continue on this path together with determination.

Yours sincerely

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

**Franz Pehn**

CEO, FOLBB Group



# FOLBB at a glance

Turnover

**192**  
Million EUR

Consolidated water  
consumption

**10.7**  
m<sup>3</sup> per t

Consolidated direct  
CO<sub>2</sub> emissions

2018 - 2025

**75.378**  
t CO<sub>2</sub>

Investments



**2.2**  
Million EUR

Employees



**438**

Accident rate<sup>1</sup>



**1.6**

<sup>1</sup> Number of reportable workplace accidents x 100 / number of employees  
(for both locations)



# About this report

FOLBB's Sustainability Report for the 2025 financial year marks the company's third sustainability report and provides a clear overview of its environmental, social and governance activities – for the first time based on the Voluntary Standard for non-listed SMEs (VSME).

Building on the comprehensive ESRS (European Sustainability Reporting Standards) report published last year, we outline how we have further developed our sustainability approach, integrated it into corporate management, and operationalized it across the entire value chain.

This year's report follows the new VSME standard and therefore deliberately focuses on those topics that are material to our business model, our stakeholders, and our medium- to long-term value creation.

Although FOLBB is not legally required to report, we have voluntarily prepared this report in line with the standard to enhance transparency and credibility with our stakeholders.

A key development in this reporting year is the increased focus on key sustainability topics. This reduces the complexity of the reporting and results in a clearer and more concise presentation of the sustainability aspects relevant to FOLBB.

This report has been approved by the management and the Advisory Board of the FOLBB Group. It is published in German and English on our website at [folbb.com/our-sustainable-promise/our-standards-and-values](https://folbb.com/our-sustainable-promise/our-standards-and-values). In the event of any discrepancies, the German version shall prevail.





## **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 217 employees work at the plant in Eerbeek, producing around 100,000 tonnes of high performance virgin fibre cartonboard for various products every year. FOLBB relies on modern high-tech processes and high quality standards.

## **Our locations in the heart of Europe**

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

The FOLBB cartonboard factory in Baiersbronn can look back on a history of over 85 years. Originally established as Foundation W. Brüggemann and Son Lightweight 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 80,000 tonnes of high-quality virgin fibre cartonboard are produced here every year employing around 221 employees.



# Our products in the highest virgin fibre quality

## Fruits 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 food stuffs more shelf-stable.





### Innovation

## Rethinking Energy

In Eerbeek, complex thermal processes run continuously around the clock. With the installation of an electric boiler (e-boiler) in 2026, we are taking a key step toward the long-term decarbonization of our process energy. The goal is to generate a significant share of steam electrically in the future — thereby reducing our dependence on fossil fuels whilst enabling the increasing use of electricity from renewable sources.

The project also addresses the challenge of integrating electricity-based heat generation into continuous industrial operations in a way that makes economic and technical sense. Therefore, in its implementation, we place great importance on flexible operational management and robust integration into the existing energy infrastructure, in order to ensure both security of supply and efficiency, as well as to strengthen the ability to respond appropriately to volatile energy prices, regulatory changes, external market developments and geopolitical influences.



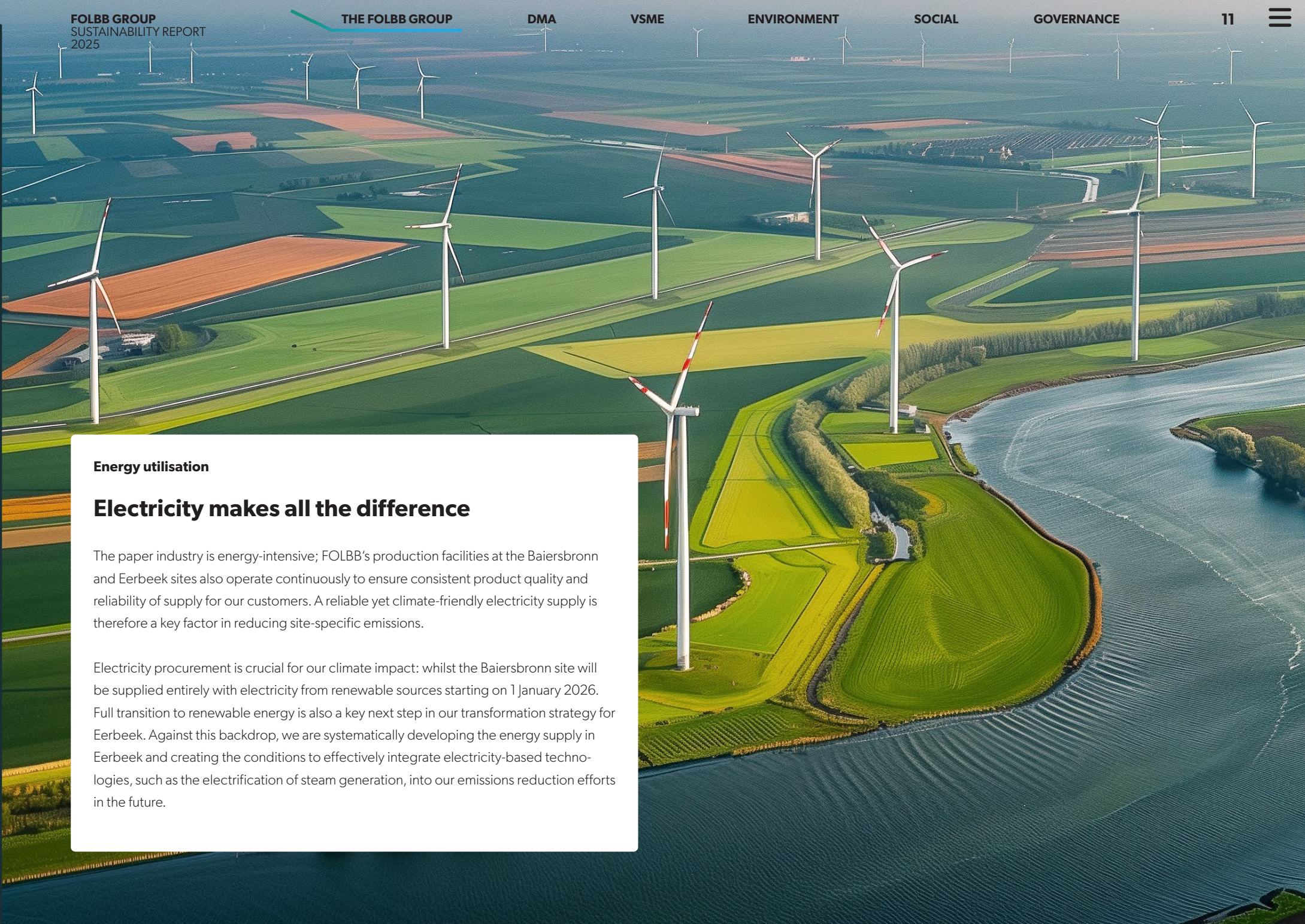


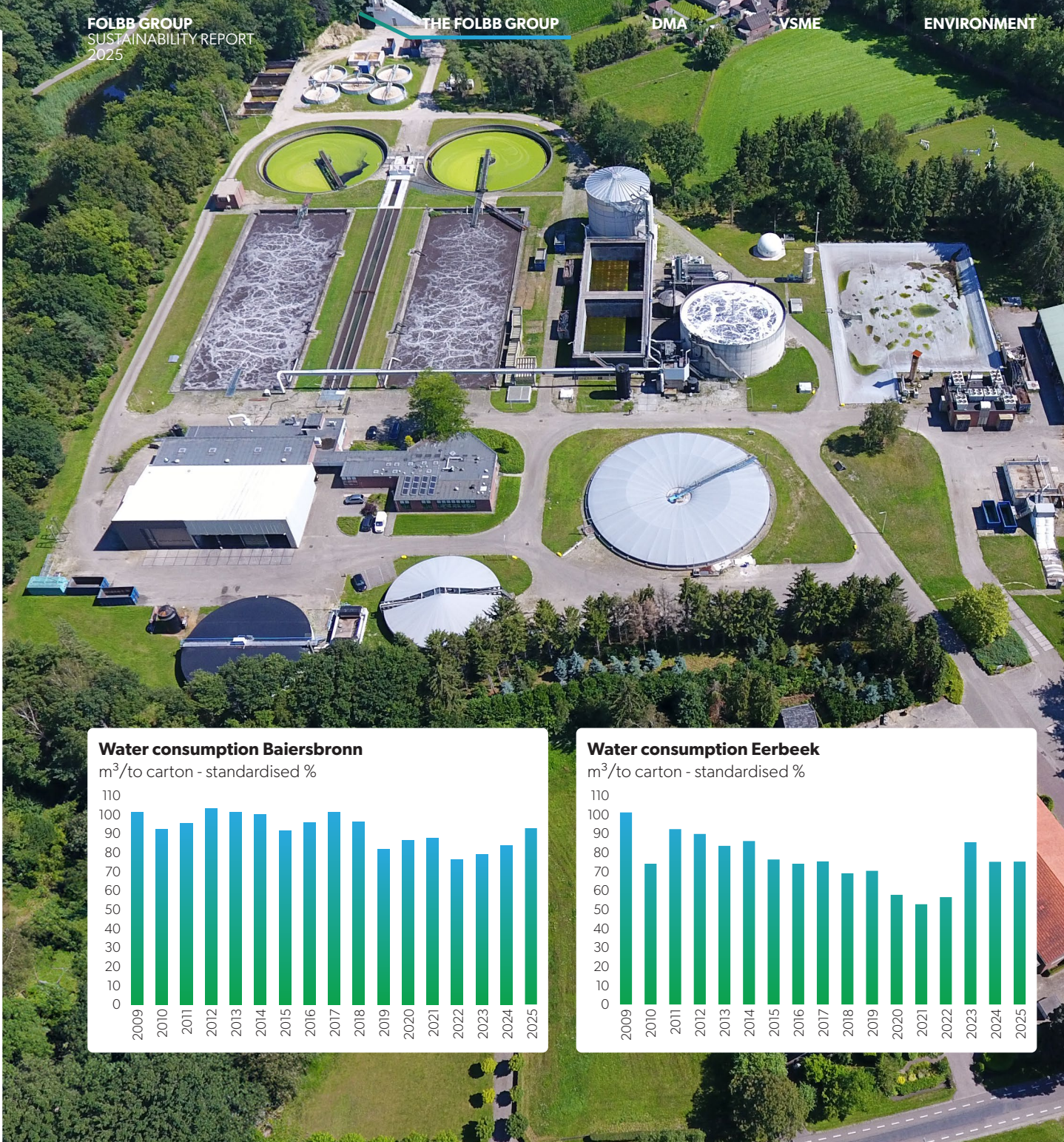
## Energy utilisation

### Electricity makes all the difference

The paper industry is energy-intensive; FOLBB's production facilities at the Baiersbronn and Eerbeek sites also operate continuously to ensure consistent product quality and reliability of supply for our customers. A reliable yet climate-friendly electricity supply is therefore a key factor in reducing site-specific emissions.

Electricity procurement is crucial for our climate impact: whilst the Baiersbronn site will be supplied entirely with electricity from renewable sources starting on 1 January 2026. Full transition to renewable energy is also a key next step in our transformation strategy for Eerbeek. Against this backdrop, we are systematically developing the energy supply in Eerbeek and creating the conditions to effectively integrate electricity-based technologies, such as the electrification of steam generation, into our emissions reduction efforts in the future.





**Water utilisation**

**The circle closes**

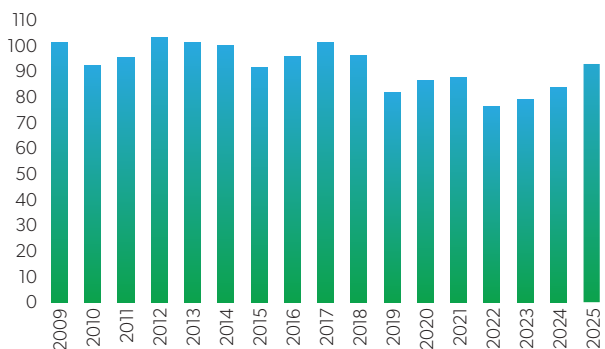
Efficient water utilisation is one of the major challenges facing the paper industry. Closed-loop systems are seen as the optimum solution. FOLBB is conducting research into this in both Baiersbronn and Eerbeek. In the Netherlands, an initial pilot project for such a closed loop system was successfully 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.



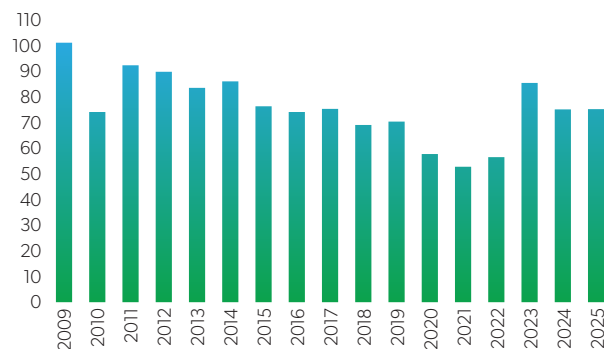
**Water consumption Baiersbronn**

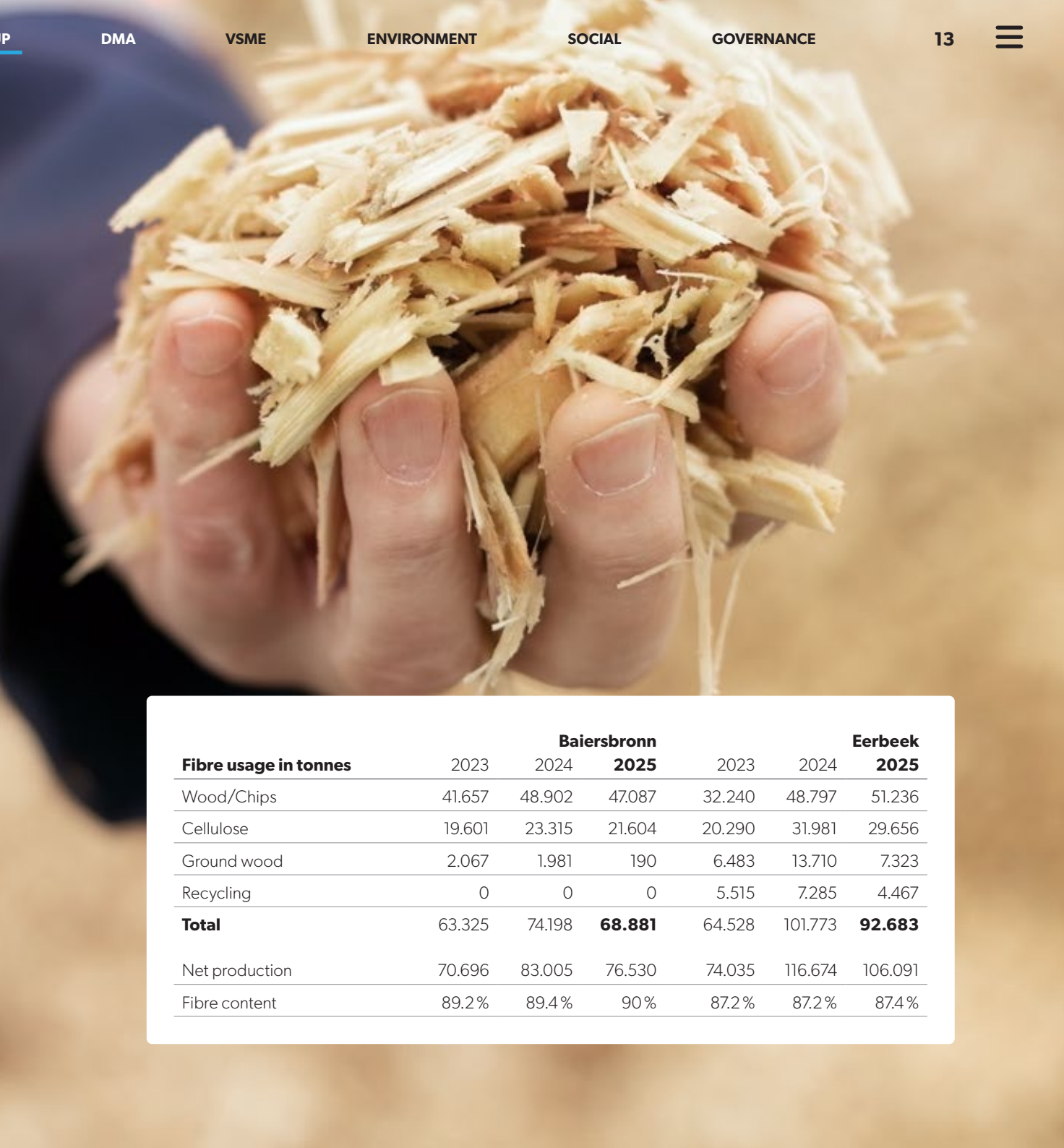
m<sup>3</sup>/to carton - standardised %



**Water consumption Eerbeek**

m<sup>3</sup>/to carton - standardised %





**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<sub>2</sub>-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<sub>2</sub> even remains bound directly in the bark.

Fibre usage in tonnes	Baiersbronn			Eerbeek		
	2023	2024	2025	2023	2024	2025
Wood/Chips	41.657	48.902	47.087	32.240	48.797	51.236
Cellulose	19.601	23.315	21.604	20.290	31.981	29.656
Ground wood	2.067	1.981	190	6.483	13.710	7.323
Recycling	0	0	0	5.515	7.285	4.467
<b>Total</b>	63.325	74.198	<b>68.881</b>	64.528	101.773	<b>92.683</b>
Net production	70.696	83.005	76.530	74.035	116.674	106.091
Fibre content	89.2%	89.4%	90%	87.2%	87.2%	87.4%



## 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.

To ensure sustainable sourcing of raw materials, our plants are certified to FSC® (licence code: FSC® C170805) and PEFC (licence code: PEFC/04-31-3649). These certifications guarantee traceability and the use of responsibly sourced timber. The FOLBB Group was also awarded the  EcoVadis-silver Medal in 2025, placing it among the top 15% of assessed companies worldwide.

### Code of Conduct and Supplier Code

Since 2023, our Supplier Code of Conduct has been mandatory for all new business partners. It is based on the principles of the UN Global Compact, the ILO's core labour standards, the FSC®/PEFC guidelines, 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 obligations throughout 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.

### Targets and progress measurement

By 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).

By 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, PPWR).

### Documentation and transparency

The origin, type, quantity and certification status of all timber raw materials are recorded digitally. Our data structure enables traceable reporting in accordance with FSC®, PEFC and EUDR requirements.





# DMA

Identification of material issues through a double materiality analysis (DMA) in accordance with the European Sustainability Reporting Standard (ESRS).

- 16 Double Materiality Analysis (DMA)
- 20 Value chain



## 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.

## Double materiality analysis

The double materiality analysis forms the methodological basis for identifying and prioritising the FOLBB Group's key sustainability issues. It was carried out in accordance with

the guidelines of the ESRS (European Sustainability Reporting Standards) and supported by an external sustainability consultancy. The following chapter describes the methodological framework, the assessment criteria, the materiality threshold, the results and the resulting reporting structure.

The materiality analysis comprised three phases: issue identification, internal assessment and external stakeholder consultation. The analysis was carried out during a workshop lasting several days, involving key personnel from both sites and with the support of external sustainability consultants.

Based on the ESRS list of topics, sector-specific guidelines and FOLBB's value chain analysis, a long list of potential sustainability topics was initially drawn up and narrowed down to a shortlist of key topics. The analysis took the entire value chain, including upstream and downstream stages, into account and was conducted without restriction to individual activities, business relationships or geographical areas.

The internal assessment was carried out separately for the two materiality perspectives of double materiality:

- Inside-Out (Impact Materiality): FOLBB's impact on the environment and society, assessed on the basis of severity, scope along the value chain and potential irreversibility.
- Outside-In (financial materiality): Risks and opportunities for FOLBB. Evaluated based on probability of occurrence and potential financial impact.
- The assessment was based on a scale of 1 to 5, taking into account different time horizons (short-term 1–2 years, medium-term 3–5 years and long-term over 5 years).

In addition to internal specialist functions, selected external stakeholders (including customers, suppliers and employee representatives) were involved in the assessment in a structured manner. They assessed the identified topics using a categorical rating ("material", "immaterial", "no overlap") and additionally contributed further aspects relevant from their respective perspectives – product recyclability, diversity, fair treatment of suppliers, the use of renewable energy, and local community engagement.

The following rules were applied when evaluating the assessments:

- Consensus-building in the workshop: When individual ratings differed significantly, a final rating direction was agreed upon by consensus during the workshop.
- Bipolar topics: Topics that could be interpreted as both opportunities and risks were divided into corresponding subtopics and evaluated separately.
- Missing evaluations: For topics that were not evaluated, the respective person was excluded from the calculation of the mean score for that topic.
- Dealing with obvious errors: Obviously incorrect entries were eliminated from the total score determined.

## Materiality matrix

The materiality matrix illustrates the position of all assessed topics along the two materiality dimensions. Topics in the top-right quadrant are considered doubly material (exceeding the threshold for both inside-out and outside-in assessments).

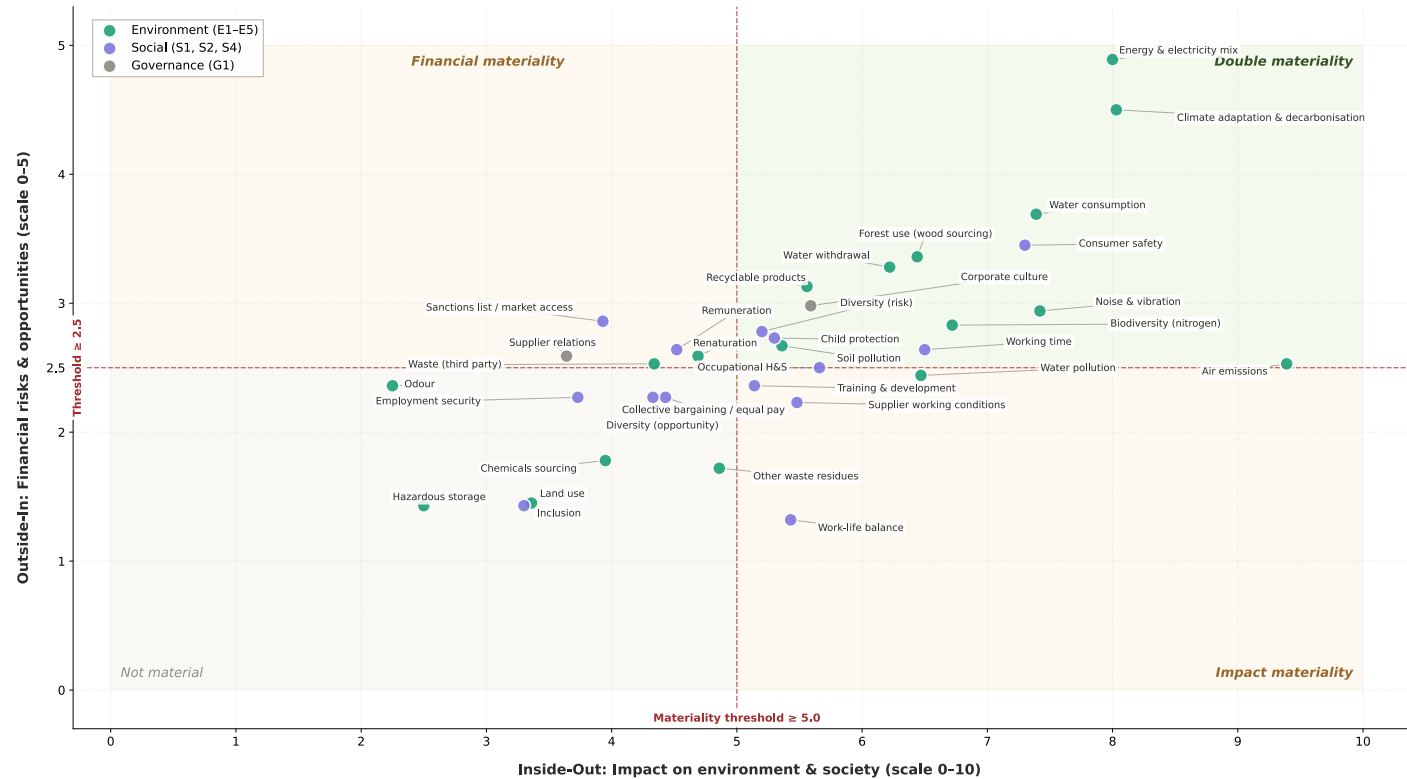


## Information relating to specific circumstances

In preparing our third sustainability report, we continue to follow established definitions for short-, medium- and long-term time horizons, as described in the “ESRS 1 General Requirements”, whilst making minor company-specific adjustments. For the short-term time horizon, a period of 1–2 years is used instead of one year to ensure greater feasibility for the company and the relevant industry. In the short term, we aim to invest more heavily in sustainable production processes and technologies and increase our expenditure on training and health programmes. In the medium term (3–5 years), FOLBB’s primary focus is on stabilising cash flow through efficiency gains and improved market acceptance. In the long term (5+ years), our financial performance is to be optimised by establishing a leading position in the market for sustainable products.

The parameters relating to the downstream value chain are partly based on indirect sources. For example, the figures on transport emissions and recycling data are based on industry standards. Estimates have been validated by comparing them with these standards and by consulting external experts. The accuracy of the estimates provided stands at 95%. We aim to reach 100% in the future through additional measures such as improved

Double Materiality Matrix - FOLBB Group, Reporting Year 2025



Source: Double materiality assessment 2025 — 11 internal raters from both sites (Baiersbronn, Eerbeek) + 6 external stakeholders

FOLBB Group’s dual materiality matrix, reporting year 2025. The red dotted line indicates the materiality threshold ( $\geq 5.0$  for inside-out and  $\geq 2.5$  for outside-in).

The materiality analysis is reviewed annually to ensure it remains up to date. A full re-analysis is carried out at least every three years or as and when necessary in the event of significant changes — for example, regarding the applicability of the Corporate Sustainability Reporting

Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) to FOLBB, in the event of M&A activities, new product lines or significant stakeholder feedback. The most recent full analysis dates from

the 2025 reporting year; the results have been reviewed and confirmed.



data quality through regular audits and the implementation of advanced analytical tools.

There is no significant measurement uncertainty for any of the quantitative parameters or monetary amounts mentioned. In addition to the VSME standard, this sustainability statement also incorporates information based on existing ISO certifications. We do not make use of the option to include information in this sustainability report by means of cross-references or citations.

## What supervisory bodies does the company have?

FOLBB is overseen by a four-member advisory board of external consultants. Its members include shareholders, bank representatives, and industry experts. None of the members hold an executive position at FOLBB, which guarantees their independence. Furthermore, the employees at both plants are represented by a works council. Both supervisory bodies consist of both women and men and are 100% independent.

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

### Management Bodies

Operational Management:

- Implementation of strategic plans and management of daily business activities
- Making operational decisions to ensure efficiency and effectiveness
- Recruiting qualified personnel
- Promoting the professional development and training of employees
- Preparing and managing the company budget
- Monitoring expenditures and ensuring financial health
- Ensuring high product and service quality through quality standards
- Developing and launching new products, services, and business models to strengthen competitiveness
- Monitoring and analyzing 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)

Overarching Tasks:

- Strategic Advice: Supporting management through expert advice on strategic issues and key business decisions
- Experience and Expertise: Contributing specialist knowledge and industry expertise to help the company navigate complex challenges

- Governance Oversight: Monitoring management decisions and activities to ensure they are in the best interests of the company and its stakeholders
- Risk Management: Identifying and assessing risks and monitoring management's risk mitigation measures
- Contacts and Networks: Leveraging the personal and professional networks of advisory board members to identify and develop business opportunities
- Transparent Communication: Ensuring clear and open communication between the advisory board and management

The Advisory Board thus acts as a consultative body, supporting management with its expertise and networks, while the Management Board bears operational responsibility and manages day-to-day business activities. Within Management, the CFO is responsible for Finance and IT, and the CEO for Operations and all other areas. The Advisory Board and Management Board work closely together to achieve the company's long-term vision and objectives. In this context, the entire Advisory Board is also responsible for monitoring the impacts, risks, and opportunities (IROs).

When setting objectives, FOLBB's governing bodies monitor potential material impacts, risks, and opportunities using a range of tools:

- Strategic planning: Our governing bodies develop the long-term corporate strategy, taking into account the material impacts, risks, and opportunities.
- Risk management: Identification and assessment of risks and opportunities within the framework of strategic planning
- Goal definition: Setting concrete, measurable, and achievable goals in accordance with the corporate strategy

Monitoring by the management bodies specifically includes the following instruments:

- Implementation: Management implements the defined goals in the operational business plans
- Monitoring: Implementation of monitoring systems for the regular review of progress toward achieving the goals
- Reporting: Regular reports to the advisory board (supervisory body) on progress and any deviations

To ensure the suitability of the bodies responsible for monitoring sustainability issues, regular training sessions and presentations are held. Furthermore, external sustainability experts can be consulted, offering their specific expertise both individually and as a panel. Through these training sessions, FOLBB's relevant bodies have also acquired in-depth knowledge of sustainability topics themselves. This expertise is crucial for effectively identifying,



managing, and communicating the key IROs. It also ensures that the corporate strategy incorporates sustainability goals and supports both the company's short-term and long-term success.

## Sustainability aspects addressed by the administrative, management and supervisory bodies

Our management and supervisory bodies regularly address key sustainability issues – particularly within the context of strategic planning, the budgeting process, and sustainability reporting.

Key areas of focus during the reporting period included:

- energy efficiency and CO<sub>2</sub> reduction,
- the use of renewable energies,
- climate target planning up to 2030,
- climate target planning up to 2045,
- further development of sustainability-oriented supply chain management, and
- preparation for regulatory requirements (VSME, LkSG, EUDR, EmpCo-RL).

The committees receive structured reports on IROs, sustainability indicators, and regulatory developments. Management is coordinated

between the executive board, the sustainability coordinator, and the advisory board.

## 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.

Sustainability reporting is voluntary and based on the VSME standard, encompassing both the basic and extended reports. A systematic link between sustainability information and risk management, as well as the internal control system, is currently being established and will be further developed step by step in the future.

## 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 fibreboard as a product, which is used for packaging and other applications. In the reporting year 2025, we continued our research into 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. As of December 31, 2025, we employed a total of 438 people. 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 revenue amounted to EUR 192 million in the reporting year. This revenue was generated entirely from packaging. In addition to cardboard production, we are also committed to R&D to advance 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:

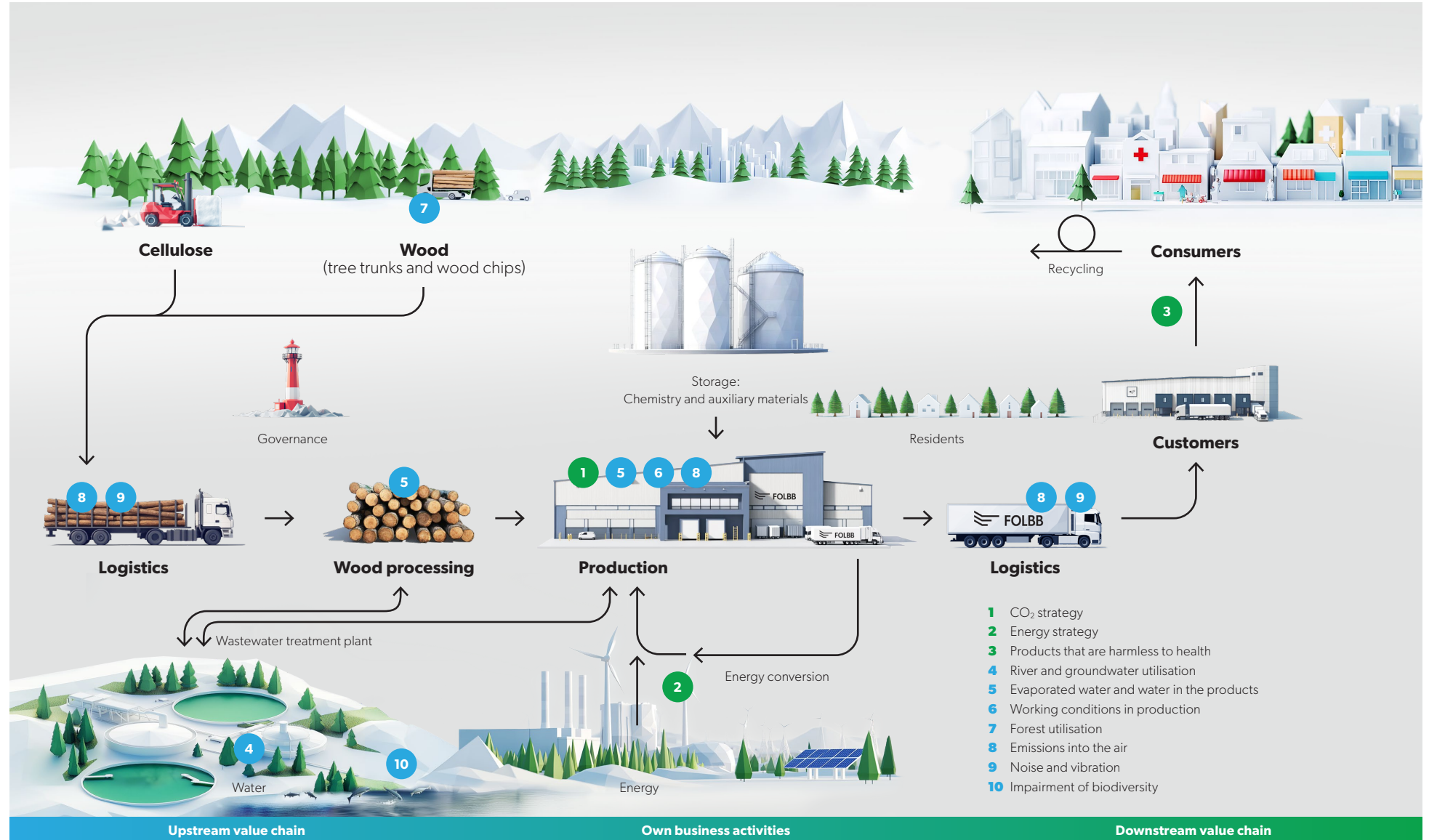
- Products: Development of 100% recyclable and plastic-free cartonboard packaging
- Customer groups: Promoting sustainable packaging solutions for B2B customers
- Geographic areas: Reducing the CO<sub>2</sub> footprint at all production sites and reducing freshwater consumption in production
- Stakeholder relations: closer collaboration with suppliers to promote sustainable practices

There is a strong interest in greater sustainability both for our virgin fiber cardboard product and among our main customer groups in the packaging and printing industries.

The following elements of our corporate strategy relate to or impact sustainability aspects: the use of sustainable raw materials, the implementation of energy-efficient production processes, and the promotion of recycling and the circular economy. Future challenges arise primarily from regulatory requirements that necessitate adaptation to stricter environmental regulations and from market demands for more sustainable products. FOLBB will respond to these challenges with targeted measures.

We plan to increase investments in energy- and resource-efficient technologies, gradually

# Value chain infographic





integrate renewable energies, and further develop our production processes with a focus on emission reduction and waste prevention. Furthermore, we are expanding our internal training program to include ESG-relevant topics, particularly environmental and human rights aspects in the supply chain. In addition, we are 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<sub>2</sub> 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.

## 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 2025 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.

## 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 <sub>2</sub> emissions (neg. impact and risk)	Transport to the factory and to the customer generates climate-damaging CO <sub>2</sub> .	Costs may arise from CO <sub>2</sub> pricing and new regulatory requirements. Furthermore, a lack of a CO <sub>2</sub> 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
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, [EU regulations](#) promote sustainable products such as virgin fibreboard and the avoidance of plastic.

The IROs formulated for the 2025 reporting year as part of the double materiality analysis remain valid. No company-specific information was required to fully reflect FOLBB's IROs.



# VSME

27 VSME B1 Basis for preparation



VSME B1 **Basis for preparation**

**Para. 24 – Key business and reporting figures**

a)	Report focus	We report in accordance with the VSME Basic Module and Comprehensive Module.	
b)	Omission of disclosure	No information has been omitted from this report.	
c)	Basis of preparation	Consolidated	
d)	Subsidiaries	Eerbeek FBB Holding B.V	Coldenhovenseweg 12, 6961 ED Eerbeek, Netherlands
		Folding Boxboard Eerbeek B.V	Coldenhovenseweg 12, 6961 ED Eerbeek, Netherlands
		Baiersbronn Frischfaser Karton GmbH	Sägmühleweg 18, 72270 Baiersbronn, Germany
e) I.	Legal form	GmbH	
e) II.	NACE sector classification code	C 17.12 Manufacture of paper and paperboard	
e) III.	Balance sheet	199.842 TEUR	
e) IV.	Turnover	191.853 TEUR	
e) V.	Number of employees	438	
e) VI.	Country of primary operations	Germany	
e) VII.	Geolocation of sites owned, leased or managed	48.49735° N, 8.37496° E, Baiersbronn, Germany	
		52.10352° N, 6.06543° E, Eerbeek, Netherlands	

**Para. 25 – Sustainability-related certification or label**

- PEFC licence code: PEFC/04-31-3649
- FSC® licence code: FSC® C170805
- EcoVadis sustainability rating with award: Silver medal
- ISO 22000:2018 (Food safety management systems)
- ISO 9001:2015 (Quality management systems) and ISO 50001:2018 (Energy management systems)
- Halal certification (OIC/SMIIC 1:2019)



# 01 Environment

- 29 **VSME B2** Practices, policies and future initiatives
- VSME C2** Description of practices, policies and future initiatives
- 32 **VSME B3** Energy and greenhouse gas emissions
- 33 **VSME C3** GHG reduction targets and climate transition
- 34 **VSME C4** Climate risks
- 35 **VSME B4** Pollution of air, water and soil
- VSME B5** Biodiversity
- 36 **VSME B6** Water
- 37 **VSME B7** Resource use, circular economy and waste management
- 38 **Additional** Energy consumption and GHG emissions





**VSME B2 Practices, policies and future initiatives for transitioning towards a more sustainable economy**

**Para. 26 – Practices, policies and future initiatives**

	Open to the public	Target set in accordance with the Directive
Climate change	Yes	Yes
Environmental pollution	Yes	Yes
Biodiversity and ecosystems	Yes	Yes
Circular economy	Yes	Yes
Own workforce	Yes	Yes
Workers in the value chain	Yes	Yes
Affected communities	Yes	No
Consumers and end users	Yes	Yes
Corporate governance	Yes	Yes

**VSME C2 Description of practices, policies and future initiatives for transitioning towards a more sustainable economy**

**Para. 48 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy**

	Description of practices, policies and future initiatives	Description of the objectives of the procedures, policies or future initiatives
Climate change	FOLBB pursues a group-wide climate transition plan: systematic accounting of GHG emissions (Scope 1 and 2, Scope 3 from 2025), implementation of ISO 50001-based energy management systems at both sites, ongoing energy efficiency projects, assessment of the transition to renewable energy, as well as the exclusion of further investments in coal-, oil- or gas-based technologies, and the transition to 100% green electricity at the Baiersbronn site, as well as the installation of an electric boiler at the Eerbeek site.	<ul style="list-style-type: none"> <li>• Reduction of CO<sub>2</sub> emissions by 30% by 2030 (base year 2020)</li> <li>• Achievement of climate neutrality by no later than 2045</li> <li>• First-time reporting of Scope 3 emissions in the 2025 reporting year</li> <li>• First-time calculation of Product Carbon Footprints (PCF) for our products</li> </ul>



**Para. 48 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy**

	<b>Description of practices, policies and future initiatives</b>	<b>Description of the objectives of the procedures, policies or future initiatives</b>
Environmental pollution	FOLBB operates a systematic environmental management approach to prevent or minimise air, water and soil pollution: ISO 14001 environmental management (Eerbeek), ISO 50001 energy management (both sites), advanced flue gas and wastewater treatment, water circulation systems, preventive emergency and crisis management, as well as strict control and gradual substitution of substances of very high concern.	<ul style="list-style-type: none"> <li>• Full compliance with all legal requirements for the protection of water, soil and air at EU and national level</li> <li>• Medium-term NOx reduction, continuous improvement of environmental performance indicators (water, wastewater, emissions), and long-term substitution of remaining SVHCs/ZZS, where alternatives are available</li> <li>• Implementation of ISO 14001 environmental management at the Bairsbronn site</li> </ul>
Biodiversity and ecosystems	FOLBB follows the mitigation hierarchy (avoid – minimise – restore – compensate) and relies on environmentally compatible production technologies, effective wastewater treatment, air pollution control, renaturation projects (e.g. fish ladder, ecological retreat areas), as well as monitoring of ecologically sensitive areas. From 2027, a group-wide biodiversity policy is intended to consolidate the existing practices.	<ul style="list-style-type: none"> <li>• Protection of water ecosystems through a 25% reduction in water consumption by 2030 (compared to 1990)</li> <li>• Reduction of biodiversity-harming emissions (NOx, AOX) by 20% each by 2030 (base year 2020)</li> </ul>
Circular economy	As a producer of virgin fibre paperboard, FOLBB focuses on the resource-efficient use of wood from FSC®- and PEFC-certified forestry, internal material loops (return of production residues), material/energetic use of by-products (e.g. bark), as well as research approaches for raw material substitution and external circular partnerships. For 2026, a recyclability score of 97/100 points was confirmed by the Confederation of European Paper Industries (CEPI) for the product type with the highest proportion of non-fibre components.	<ul style="list-style-type: none"> <li>• Reduction of waste generation by 25% (circular economy target) by 2030</li> <li>• Increase in the share of FSC®/PEFC-certified fibres to 100%, as well as further improvement of product recyclability and support of a closed-loop system with the lowest possible waste generation.</li> <li>• Our objective is to continuously improve the high recyclability of our product portfolio, with the 97-point score serving as a conservative benchmark, while higher recyclability levels have already been achieved for all other product types.</li> </ul>
Our own workforce	The HR strategy aims to provide a safe and appreciative working environment with a focus on employee retention, education and training, occupational safety, health protection, human rights, and diversity. This is implemented, among other measures, through collective bargaining agreements, works councils, risk assessments, occupational health care, a whistleblowing system in line with the EU Directive, as well as a group-wide Code of Conduct with clear requirements on human rights and non-discrimination, and through a company suggestion scheme.	<ul style="list-style-type: none"> <li>• Increase in employer attractiveness and securing young talent (career fairs, school partnerships, training programmes).</li> <li>• Reduction of occupational accidents and absenteeism, expansion of diversity and equal opportunities (including diversity monitoring by 2026), introduction of a group-wide training concept, as well as life-phase-oriented working models.</li> </ul>



**Para. 48 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy**

	<b>Description of practices, policies and future initiatives</b>	<b>Description of the objectives of the procedures, policies or future initiatives</b>
Workers in the value chain	FOLBB manages social and environmental aspects in the supply chain through a binding Supplier Code of Conduct (including UN Global Compact, ILO standards, FSC®/PEFC, EUDR), ESG-based supplier selection, a tiered audit approach for high-risk suppliers, and a new ESG evaluation system including scorecards for environment, occupational safety, and human rights. The Code of Conduct also requires business partners to comply with applicable laws, human rights, and environmental standards.	<ul style="list-style-type: none"> <li>• By the end of 2026: at least 80% of key suppliers with a recognised sustainability rating (e.g. EcoVadis, FSC® Controlled Wood, PEFC CoC).</li> <li>• By 2027: introduction of a digital supply chain tracking system (origin, ESG indicators, certificates); furthermore, full integration of ESG criteria into supplier evaluations and procurement decisions.</li> </ul>
Affected communities	FOLBB explicitly considers “society / local residents” as relevant stakeholders and engages them through public relations activities, community meetings, information events, and site dialogues. Environmental measures (noise and emission reduction, water protection, renaturation) simultaneously serve to protect nearby residential areas. In addition, FOLBB is involved in local sponsorship projects and environmental initiatives in Baiersbronn and Eerbeek.	<ul style="list-style-type: none"> <li>• Improvement of relations with local communities at both sites (explicit ESG target: “Improve relation with local communities Baiersbronn and Eerbeek”).</li> <li>• Maintaining the social acceptance of the sites through the reduction of impacts (e.g. noise, emissions) and contribution to local infrastructure and environmental quality.</li> </ul>
Consumers and end users	Although FOLBB does not have direct access to end customers, product safety is central: compliance with BfR 36, REACH, EU packaging legislation, GMP, and FDA regulations; ISO 22000-based food safety and hygiene management systems (including HACCP), toxicological testing, migration tests, quality management with complaint and recall processes, as well as documented traceability. Policies relating to consumers and end users, as well as the Code of Conduct, anchor product responsibility and human rights.	<ul style="list-style-type: none"> <li>• Ensuring consumer safety through systematic quality and risk management and the prevention of safety-relevant incidents.</li> <li>• In the medium term (under review 2025–2026): reduction of migration-critical substances, improvement of product recyclability, development of digital product passports, as well as continuous improvement of complaint rates and recall frequency.</li> </ul>
Corporate governance	FOLBB has a governance structure with an independent advisory board as supervisory body and executive management (CEO/CFO), which regularly reports on business performance, risks, and sustainability topics. The corporate framework is characterised by an integrity-based Code of Conduct, compliance management, anti-corruption policy, whistleblower protection, data protection and IT security processes, as well as structured stakeholder dialogues. Suppliers are managed through ESG evaluation systems and payment practices (monitoring of payment terms).	<ul style="list-style-type: none"> <li>• Ensuring transparent, compliant and values-based corporate governance; including 100% training coverage on ethics and the Code of Conduct and zero cases of corruption or bribery.</li> <li>• Establishment of a comprehensive ESG supplier rating system from 2026, strengthening of sustainable procurement, ensuring fair payment practices particularly towards SMEs, and systematic consideration of environmental, social and governance aspects in all strategic decisions.</li> </ul>



**Para. 49 - Responsible management level**

Highest level of management responsible for the implementation of policies.

The highest level of management of the company consists of the CEO and CFO. The CFO is responsible for Finance and IT, while the CEO is responsible for operations and all other business areas. The advisory board and management bodies work closely together to achieve the company's long-term vision and objectives. The advisory board assumes oversight of impacts, risks and opportunities (IROs). Operational responsibility for the implementation of policies in day-to-day business lies with executive management.

**VSME B3 Energy and greenhouse gas emissions**

**Para. 29 - Energy consumption**

Energy consumption from electricity	112.223 MWh
Energy consumption from self-generated electricity	70.257 MWh
Energy consumption from fuels	409.859 MWh
Total energy consumption	522.083 MWh

**Para. 30 - Total greenhouse gas emissions (across all emission sources)**

Gross greenhouse gas emissions (Scope 1)	75.378 tCO <sub>2</sub> e
Market-based gross greenhouse gas emissions (Scope 2)	48.341 tCO <sub>2</sub> e
Total gross Scope 1 and market-based Scope 2 greenhouse gas emissions	123.719 tCO <sub>2</sub> e
Gross greenhouse gas emissions (Scope 3)*	214.074 tCO <sub>2</sub> e
Total (gross) market-based greenhouse gas emissions (Scope 1, 2 and 3)	337.793 tCO <sub>2</sub> e

\* Covers upstream and downstream categories 3.1-3.6, 3.8 and 3.10-3.12, including upstream and downstream transportation activities.

**Para. 31 - Greenhouse gas intensity (GHG intensity)**

Market-based greenhouse gas emissions of Scope 1 and Scope 2	0.638 kgCO <sub>2</sub> e / €
Total intensity of (gross) Scope 1, market-based Scope 2 and (gross) Scope 3 greenhouse gas emissions	1.761 kgCO <sub>2</sub> e / €



**VSME C3 GHG reduction targets and climate transition**

**Para. 54 – GHG reduction targets**

a)	Base year 2020	
b)	Target year for achieving the GHG reduction targets – 2030	
c) and d)	<b>Base year 2020</b>	<b>Target year for achieving the GHG reduction targets – 2030</b>
	<b>Gross greenhouse gas emissions (Scope 1)</b>	100.539 tCO <sub>2</sub> e
	<b>Location-based Scope 2 gross greenhouse gas emissions</b>	45.547 tCO <sub>2</sub> e
	<b>Total (gross) location-based greenhouse gas emissions in accordance with Scope 1 and Scope 2</b>	146.086 tCO <sub>2</sub> e
e)	Measures to achieve the GHG reduction targets	<ul style="list-style-type: none"> <li>• Transition to 100% green electricity since 01 January 2026 at the Baiersbronn site</li> <li>• Transition to 100% green electricity planned from 01 January 2027 at the Eerbeek site</li> <li>• Installation of an electric boiler (E-boiler) to significantly reduce natural gas consumption at the Eerbeek site</li> <li>• Gradual electrification of process heat (power-to-heat)</li> <li>• Increase in energy efficiency through ISO 50001 and process optimisation</li> <li>• FOLBB is committed to submitting an SBTi near-term target in line with a 1.5°C pathway by Q4 2026. The planned reduction includes –42% absolute Scope 1 and 2 emissions by 2030 (base year 2023) and –25% Scope 3 emissions per tonne of paperboard.</li> </ul>

**Para. 55 – Transition plan**

Description of the transition plan for the reduction of GHG emissions	FOLBB has a formal climate transition plan that sets out a science-based decarbonisation pathway to 2030. The plan includes the full transition to renewable energy (100% green electricity at the Baiersbronn site since 01 January 2026, with implementation at the Eerbeek site planned for 2027), the installation of an electric boiler to significantly reduce natural gas consumption at the Eerbeek site, continuous energy efficiency measures (ISO 50001), sustainable supply chains (EUDR, FSC®, PEFC), as well as technological transformation pathways derived from the GHG transformation concept. These measures will gradually reduce Scope 1 and Scope 2 emissions and support the achievement of our reduction targets.
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VSME C4 Climate risks

Para. 57 – Climate-related hazards and transition events

a)	Climate-related hazards (physical risks)	<ul style="list-style-type: none"> <li>• Climate change affects forests and the forestry sector through drought, storm damage and bark beetle infestations</li> <li>• Limited wood availability and increasing procurement and raw material costs</li> <li>• Dependence on water as a key production resource</li> <li>• Risk of restricted water availability and increasing water costs in the event of prolonged drought</li> </ul>
	Climate-related transition events (transition risks)	<ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions from the transport of raw materials and products</li> <li>• Risks from carbon pricing and stricter climate-related regulatory requirements</li> <li>• Potential cost increases due to new legal requirements</li> <li>• Stricter biodiversity regulations (e.g. EUDR, Nature Restoration Law) increase adaptation pressure</li> <li>• Reputational risks in the absence of, or with insufficient, CO<sub>2</sub> strategy</li> <li>• Energy-intensive production of virgin fibre paperboard</li> <li>• Risk arising from volatile and increasing energy prices</li> </ul>
b)	Exposure and vulnerability of your assets, activities and value chain to these hazards and transition events	<p>Due to its water- and energy-intensive paperboard production and its significant dependence on forestry raw materials, FOLBB has a high exposure to climate-related physical and regulatory risks. Climate-related uncertainties in the forestry sector and volatile raw material prices increase the vulnerability of the value chain. Increasing regulatory requirements (e.g. EUDR) intensify compliance efforts. FOLBB addresses these risks through diversification of the raw material base, regional sourcing, long-term supply contracts, increased use of secondary materials, as well as the development of transparent, digital traceability systems.</p>
c)	Time horizon of the identified climate-related hazards and transition events	<ul style="list-style-type: none"> <li>• Short term (1–3 years): Implementation of technical measures to reduce local environmental impacts in water management, material use, and emission-relevant processes.</li> <li>• Medium term (3–10 years): Further development of sustainable supply chains and full integration of environmental criteria into procurement and production processes.</li> <li>• Long term (10+ years): Development of a comprehensive biodiversity and ecosystem management approach contributing to the regeneration of affected ecosystems.</li> </ul>
d)	Implementation of measures to adapt to climate change for these hazards and transition events?	Yes



**Para. 58 – Potential negative impacts of climate risks**

The main potential negative impacts of climate-related physical risks for FOLBB include water scarcity, extreme weather events, climate-related forest damage, energy and logistics disruptions, as well as pressures on ecological systems. These risks may lead to production interruptions, increased operating and raw material costs, regulatory constraints, and additional investment requirements. FOLBB assesses risks related to water scarcity and forest damage as high, while extreme weather, energy volatility, and biodiversity risks are classified as medium.

**VSME B4 Pollution of air, water and soil**

**Para. 32 – Pollution of air, water and soil**

Emissions	Emission volume to air
Methane (CH <sub>4</sub> )	4.740 kg
Toluene	158 kg
Benzene	79 kg
Polycyclic aromatic hydrocarbons (PAHs)	0.158 kg
Fluoranthene	0.142 kg
Non-methane volatile organic compounds (NMVOC)	2.133 kg

Emissions to water and air are reported to the competent authorities in accordance with environmental permits.

**VSME B5 Biodiversity**

**Para. 33 – Areas with biodiversity sensitivity**

Area of the (operational) site located in or near an area with biodiversity sensitivity

	Baiersbronn	Eerbeek
Site located in an area with biodiversity sensitivity	No	No
Site located near an area with biodiversity sensitivity	Yes	Yes



<b>Para. 34 – Land use</b>		<b>Baiersbronn</b>	<b>Eerbeek</b>	<b>Total</b>
a)	Total land use (m <sup>2</sup> )	71.338 m <sup>2</sup>	12.000 m <sup>2</sup>	83.338 m <sup>2</sup>
b)	Total sealed area (m <sup>2</sup> )	54.693 m <sup>2</sup>	6.000 m <sup>2</sup>	60.693 m <sup>2</sup>
c)	Total nature oriented area on-site (m <sup>2</sup> )	16.645 m <sup>2</sup>	2.400 m <sup>2</sup>	19.045 m <sup>2</sup>
d)	Total nature oriented area off-site (m <sup>2</sup> )	None	None	None

**VSME B6** Water

**Para. 35 – Water withdrawal**

Total water withdrawal across all sites	2.171.463 m <sup>3</sup>
Volume of water withdrawn at (operational) sites located in areas with high water scarcity	None

**Para. 36 – Significant water consumption**

Water discharge from production processes	2.033.689 m <sup>3</sup>
Total water consumption	137.774 m <sup>3</sup>

Water is a key production factor for FOLBB and has high strategic and environmental relevance. The company pursues a long-term water strategy aimed at continuously reducing freshwater consumption, protecting regional water resources, and further expanding circular systems. Through technical measures and

process optimisation, significant reductions in consumption have been achieved at both sites. At the same time, FOLBB takes site-specific sensitivities into account, particularly in areas with strict water regulations and ecological importance.

In response to climate change, increasing periods of drought, and stricter environmental regulations, FOLBB is assessing the introduction of closed-loop water systems with wastewater recovery. These company-specific activities go beyond regulatory minimum requirements and make a significant

contribution to resource efficiency and water protection along the entire value chain.



**VSME B7 Resource use, circular economy and waste management**

**Para. 37 – Circular economy**

The company applies the principles of the circular economy	Yes
Description of the implementation of circular economy principles	Our circular economy principles include the resource-efficient use of wood, the utilisation of thinning wood and sawmill residues as raw materials, the extensive reuse of production residues within internal material cycles, and the reduction of waste. Wherever technically feasible, production waste is returned to the process. Wood-based by-products such as bark are fully utilised either materially or energetically, for example in the biomass power plant or as bark mulch. As a result, virtually no wood-based residual waste is generated. Materials that cannot be used within the process are predominantly recycled externally or used for energy recovery; landfill disposal plays only a minor role. A closed fibre cycle with recovered paper is not feasible for the production of virgin fibre paperboard, as quality and stability requirements preclude this. Instead, our products are designed so that, after use, they can be recycled multiple times in downstream paper recycling processes and subsequently used in cascading applications. In addition, we operate or pilot closed-loop water systems for the reuse of process water in order to reduce resource consumption. Furthermore, we pursue targets to further increase material efficiency and reduce specific waste generation, which we monitor annually through site-specific waste and recovery indicators.

**Para. 38 – Resource use and waste management**

**Total annual volume of waste generated, broken down by type**

a)	Total amount of hazardous waste generated (mass)	51 t		
	Total amount of non-hazardous waste generated (mass)	27.691 t		
	Total waste generated (mass)	27.742 t		
b)	Waste diverted for recovery or reuse (mass)	2.070 t		
	Waste directed to disposal (mass)	25.672 t		
	Total amount of waste recycled, reused, and disposed of (mass)	27.742 t		
c)	Name of the material used	Wood fibre		
	Site	Baiersbronn 2025	Eerbeek 2025	Total
	Total weight of materials used	68.881 t	92.683 t	161.564 t





# 02 Social

- 40 **VSME B8** Workforce - General characteristics
- VSME C5** Additional characteristics of the workforce
- VSME B9** Workforce - Health and safety
- 41 **VSME C6** Additional information on the workforce
- 42 **VSME C7** Severe human rights incidents
- VSME B10** Workforce - Remuneration, collective bargaining and training
- 43 **Additional** Employees, accident and absence statistics



**VSME B8 Workforce – General characteristics**

**Para. 39 – Number of employees**

a)	Number of permanent employees	405
	Number of temporary employees	33
b)	Number of male employees	398
	Number of female employees	40
	Number of employees of other gender	0
	Number of employees with undisclosed gender	0
c)	Number of employees in Germany	221
	Number of employees in the Netherlands	217

**Para. 40 – Employee Fluctuation**

Fluctuation rate for the reporting period	6.29%
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**VSME C5 Additional (general) characteristics of the workforce**

**Para. 59 – Number of employees**

Numerical female-to-male ratio at management level for the reporting period 2025	100% men
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**Para. 60 – Self-employed persons and temporary agency workers**

Total number of self-employed persons without employees who work exclusively for the company	0
Total number of temporary agency workers	17

**VSME B9 Workforce – Health and safety**

**Para. 41 – Company workforce – Health and safety**

a)	Number of reportable workplace accidents	7
	Rate of reportable workplace accidents	1.6
b)	Fatalities resulting from work-related injuries and illnesses	0



**VSME C6 Additional information on the company’s workforce – Policies and processes related to the respect for human rights**

**Para. 61 – Human rights-related policies and processes**

a)	Does your company have a code of conduct or human rights policy for its own workforce?	Yes
b)	The types of issues covered by the Code of Conduct or Human Rights Policy for the company’s own workforce	<ul style="list-style-type: none"> <li>• Child labour (Yes)</li> <li>• Forced labour (Yes)</li> <li>• Human trafficking (Yes)</li> <li>• Discrimination (Yes)</li> <li>• Accident prevention (Yes)</li> </ul>
	Details of other types of issues covered by the Code of Conduct or Human Rights Policy	<ul style="list-style-type: none"> <li>• Mutual respect</li> <li>• Equal treatment</li> <li>• Promotion of diversity</li> <li>• Employee development</li> <li>• Working hours and remuneration</li> <li>• Health and safety</li> <li>• Conflicts of interest and anti-corruption</li> </ul>
	Our Code of Conduct is available at the bottom of our website: <a href="#">☺ FOLBB – Virgin fiber cartonboard</a>	
c)	Does your company have a procedure for handling complaints from its own workforce?	Yes
	<p>FOLBB has implemented a group-wide <a href="#">☺ whistleblower system</a> based on the EU Whistleblower Directive. It enables all employees to report breaches of laws, ethical standards or internal policies confidentially and, if they wish, anonymously.</p> <p>Key elements:</p> <ul style="list-style-type: none"> <li>• Internal reporting channels: e.g. to compliance officers or via digital whistleblowing platforms</li> <li>• External reporting options: e.g. via an independent ombudsman or law firm</li> <li>• Confidentiality and protection: All whistleblowers are protected from reprisals</li> <li>• Procedures: Complaints are investigated promptly, documented and, where necessary, addressed with appropriate measures</li> </ul> <p>In addition, there are site-specific regulations (e.g. codes of conduct or manuals) which are to be harmonised across the Group. Employees receive regular training on the use of and protection under the whistleblowing policy.</p>	



**VSME C7 Severe human rights incidents**

**Para. 62 – Severe negative human rights incidents**

a)	Were there any confirmed incidents related to the company's own workforce?	No
	Type of human rights associated with the confirmed incident	-
b)	If so, please explain the measures taken to address the incidents described above	-
c)	Are you aware of any confirmed incidents relating to workers in the supply chain, affected communities, consumers and/or end users?	No

**VSME B10 Workforce – Remuneration, collective bargaining and training**

**Para. 42 – Own workforce – Remuneration, collective bargaining and training**

a)	Do your employees receive pay that is at least equal to the applicable minimum wage in the country you are reporting on (as set out either in national minimum wage legislation or in a collective agreement)?	Yes. All employees of the FOLBB Group receive a salary that is at least equal to the applicable statutory minimum wage or the relevant collective agreement provisions.
b)	What is the percentage pay gap between female and male employees?	5.56 %
c)	What percentage of employees are covered by collective agreements?	90.16 %
d)	What is the average number of annual training hours per employee, broken down by gender?	
	Average number of annual training hours per male employee	21.18 h
	Average number of annual training hours per female employee	12.31 h
	Average number of annual training hours per employee of other genders	-
	Average number of annual training hours per employee whose gender is not specified	-



**Additional Employees, accident and absence statistics**

Employee data	2023	2024	Baiersbronn 2025	2023	2024	Eerbeek 2025
	Total number of employees (headcount)	212	221	221	207	215
of which male	192	194	197	189	199	201
of which female	25	27	24	18	16	16
Part-time employees		17	16	18	19	19
Temporary employees	21	32	28	7	4	5
Temporary employees (percentage)	9.91%	14.5%	12.7%	3.38%	1.9%	2%
Fluctuation rate	9.16%	11.9%	6.8%	5.76%	8.8%	7%
Employees under 30 years	30	34	42	16	15	16
Employees between 30 and 50 years	99	104	95	77	84	84
Employees over 50 years	83	83	84	114	116	117

Statistics of accident and lost-time days	2022	2023	2024	Baiersbronn 2025	2022	2023	2024	Eerbeek 2025
	Fatalities as a result of employment	0	0	0	0	0	0	0
Number of reportable workplace accidents	2	11	5	7	6	2	3	0
Rate of reportable workplace accidents	0.93 %	5.19%	2.26%	3.17%	2.87%	0.97%	1.39%	0%
Number of reportable work-related illnesses	0	0	0	0	0	0	0	0
Number of lost days due to work-related injuries and fatalities	79	354	286	495	94	9	21	78

A photograph of a pair of hands cupping a small pine tree sapling with soil and moss. The background is a blurred green forest.

# 03 Governance

- 45 **VSME B11** Convictions and fines
- VSME C8** Revenues from certain sectors and exclusion from EU reference benchmarks
- VSME C9** Gender diversity ratio in governance body
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**VSME B11 Convictions and fines for corruption and bribery**

**Para. 43 – Convictions and fines for corruption and bribery**

Total number of convictions for breaches of anti-corruption and anti-bribery laws	None
Total amount of fines imposed for breaches of anti-corruption and anti-bribery laws	0 €

**VSME C8 Revenue from specific activities and exceptions to EU benchmarks**

**Para. 63 – Revenue from specific sectors**

a) Controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	0 €
b) Tobacco cultivation and production	0 €
c) Fossil fuels (coal, oil and gas)	0 €
d) Chemical manufacturing	0 €

**Para. 64 – Exclusion from EU benchmarks**

Are you excluded from the EU reference values?	No. The FOLBB Group is not excluded from the EU benchmarks agreed in Paris, as it does not generate any revenue from the excluded activities listed in Article 12 of Regulation (EU) 2020/1818.
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**VSME C9 Gender diversity ratio in the governance body**

**Para. 65 – Gender diversity on the management and/or supervisory board**

Gender diversity in the governing body	25% female 75% male
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**Additional Compliance-Management and whistleblowing system**

## Corporate governance and responsibilities

Overall responsibility for the Compliance Management System (CMS) lies with the CFO. Operational management is carried out by the Compliance Officer, who reports directly to executive management, acts independently in technical matters, and reports to the advisory board at least once a year. The CMS is part of the integrated management system and is closely linked with legal, human resources, procurement, IT security, and data protection.

The CMS is binding on all employees, members of the Executive Board and Advisory Board, temporary staff, as well as business partners and suppliers throughout the entire value chain. It is enforced through contractual clauses and the Supplier Code of Conduct, which has been binding since 2023 (see the section on 'Sustainable Procurement and Supply Chain').

CMS is based on a multi-tiered framework of rules that is aligned with international standards (the UN Global Compact, the OECD Guidelines, the ILO's core labour standards, and the UN Guiding Principles on Business and Human Rights):

Framework	Scope	Availability
Code of Conduct	all employees	public (folbb.com)
Supplier Code	business partners	contractually binding
Anti-Corruption Policy	all employees and partners	internal
Gifts and Entertainment Policy	all employees	internal
Conflict of Interest Policy	management, procurement, sales	internal
Whistleblower Policy	all employees and external stakeholders	public
Data Protection Policy	all employees	internal
IT Security Policy	all employees	internal



The policies address corruption and bribery, conflicts of interest, discrimination, forced and child labor, freedom of association, anti-money laundering, sanctions compliance, data protection, as well as fair competition and antitrust law. FOLBB conducts an annual, systematic compliance risk assessment, differentiated by

business unit, country, function and business partner. The results form the basis for the design of preventive and detective measures.

Action	Frequency	Scope
Basic Compliance training	Annually	100% of employees
Advanced anti-corruption training	Annually	Risk functions
Written self-commitment	On entry and annually	All employees
Sanctions list screening	At onboarding	100% of relevant partners
Due diligence of new suppliers	At onboarding	Risk-based
Four-eyes principle	Ongoing	Payments and contracts
Internal control system	Continuously	Finance-related processes

In addition, the effectiveness of the CMS is underpinned by external accredited certifications, which are listed in full in Section VSME B1 and cover compliance-related requirements regarding process integrity, supply chain transparency, and energy and environmental management.

## Data Protection and Information Security

As a data processing company, FOLBB is subject to the General Data Protection Regulation (DSGVO) and the national implementing legislation in Germany and the Netherlands. A Data Protection Officer has been appointed and monitors compliance with data protection requirements.

Key elements include the record of processing activities (Art. 30 DSGVO), technical and organisational measures, a defined procedure for reporting data breaches within 72 hours, IT security policies, and data processing agreements with relevant service providers. No reportable data breaches were identified during the 2025 reporting period.

## Whistleblower system

The group-wide whistleblowing system is based on the EU Whistleblower Directive (Directive (EU) 2019/1937), as implemented by the German Whistleblower Protection Act and the Dutch Wet bescherming klokkenluiders. It is open to employees, former employees, job applicants, suppliers, customers and external stakeholders.

Reports can be submitted through the following channels:

- internally, in person via the Compliance Officer, respective supervisors, HR or the Works Council
- externally via an independent ombuds-person and competent authorities

The whistleblower system covers in particular reports on:

- violations of laws and regulatory requirements
- breaches of the Code of Conduct, ethical standards or internal policies
- corruption and bribery, discrimination, human rights violations
- environmental violations and breaches of the Supply Chain Due Diligence Act

FOLBB ensures confidentiality, protection against retaliation and the option of anonymous reporting. Whistleblowers receive an acknowledgment of receipt within seven days and feedback on the status of the investigation within a maximum of three months. Reviews are conducted in a structured, independent manner, without the involvement of potentially affected individuals.



## Association membership and public affairs activities

The FOLBB Group is a member of the industry association Die Papierindustrie e.V. and the Confederation of European Paper Industries (CEPI). The focus areas, positions and activities of both associations are transparently available on their public websites. FOLBB does not engage in political party activities and does not make political donations.

- Expansion of intensive training programmes on human rights, sanctions compliance and data protection (ongoing)
- Review of the integration of sustainability-related targets into the variable remuneration of the Management Board (target date 2027)

The management board confirmed the adequacy and effectiveness of the compliance management system during the 2025 reporting period.

## Effectiveness Measurement and Continuous Improvement

The effectiveness of the CMS is monitored using defined KPIs, reviewed annually by management, and reported to the Advisory Board; quantitative data on corruption and bribery are disclosed in VSME B11.

The following measures are planned for the 2026 and 2027 financial years to further develop the compliance management system:

- Introduction of a digital tracking system for the Supplier Code of Conduct with annual re-confirmation (starting in 2026)
- Implementation of an integrated ESG supplier rating system, including compliance scorecards (starting in 2026)



# Publication details

## **Publisher**

FOLBB Group  
Baiersbronn Frischfaser Karton Holding GmbH  
Sägmühleweg 18,  
72270 Baiersbronn  
Germany  
VAT ID: DE 814474190  
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## **Concept, layout and editing**

RYZE Digital  
www.ryze-digital.de

## **Layout adjustments and enhancements**

s.c.schwarz mediendesign  
www.s-c-schwarz.de

## **Photography**

FOLBB Group: p. 1-4, 6-7, 9, 13, 15, 26, 37, 42  
Industriewater Eerbeek: p. 12  
Midjourney: p. 8, 11, 20, 24  
Kaisec: p. 10  
EcoVadis: p. 14  
FSC: p. 14  
PEFC: p. 14