

2021

SUSTAINABILITY

REPORT

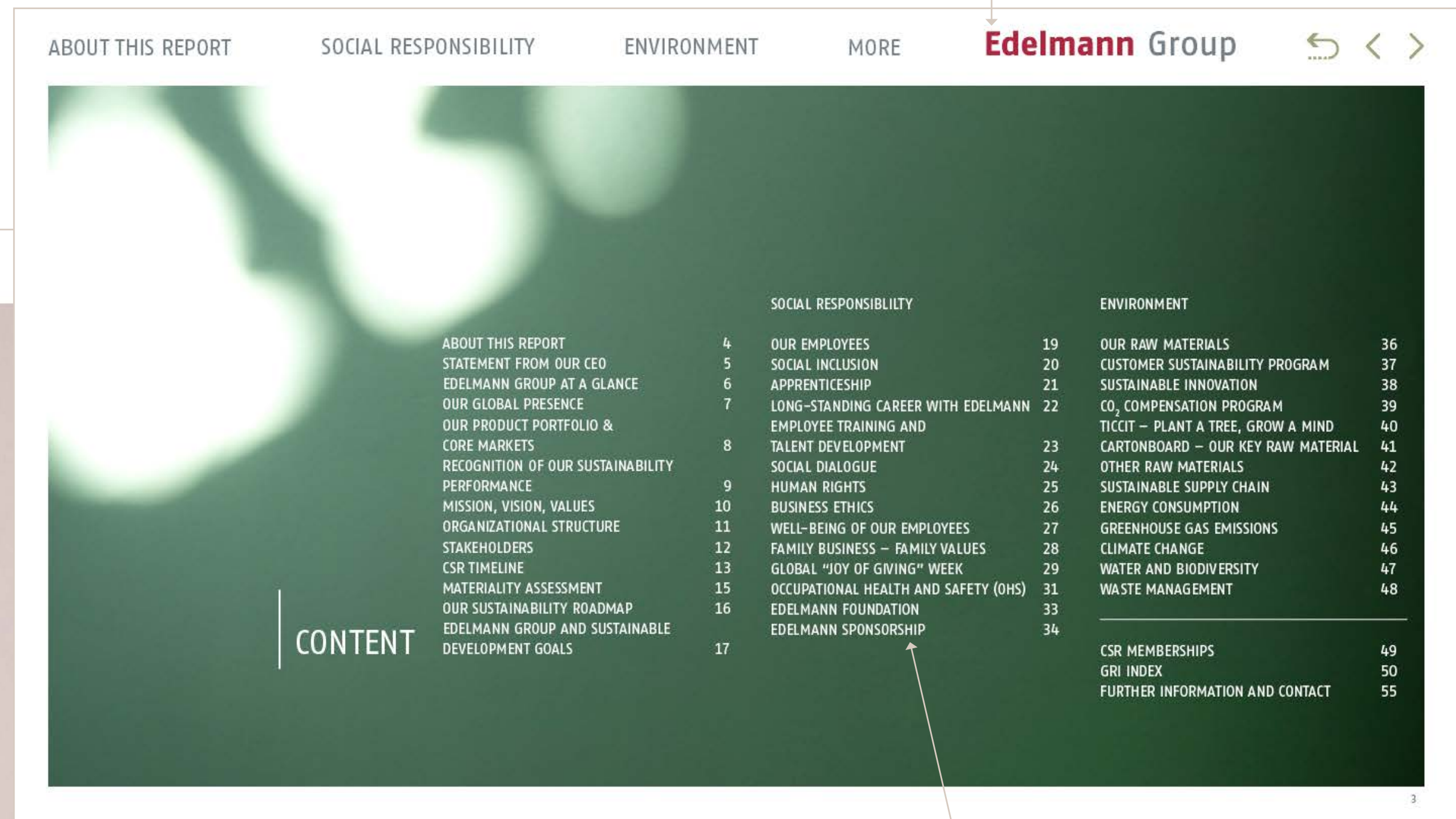


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The menu on top of each page will take you directly to the relevant chapter.



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ABOUT THIS REPORT

The Edelmann Group Sustainability Report 2021 describes our efforts and progress in respect to the three key pillars of sustainability: Environmental, Social and Economic/Business Ethics.

The report covers our policies, targets, KPIs, initiatives and overall progress. The scope of this report is global, therefore all statements and key performance indicators mentioned in the report refer to all Edelmann sites unless stated otherwise.

The target readers of this report are our stakeholders, including employees, customers, suppliers, investors, business partners as well as local communities.

Research institutions and industry players are also encouraged to learn more about sustainability at Edelmann Group by the means of this report.

The report was prepared following the standards developed by the Global Reporting Initiative (GRI): Core option. Edelmann Group reports on its sustainability performance annually based on a calendar year. Hence, the report covers the time period of January 1st, 2021 – December 31st, 2021. The preceding report for the year 2020 is available on our website.

WE CHOOSE TO STAY TRANSPARENT AND SHARE OUR PROGRESS THROUGH THE ANNUAL SUSTAINABILITY REPORT.



STATEMENT FROM OUR CEO

Dear Stakeholders,

Despite the ongoing challenges caused by the pandemic, we managed to stay resilient and deliver strongly on our sustainability agenda in 2021. Sustainability is strategically placed on our journey towards a cleaner, healthier and inclusive tomorrow. It is our driving force and a guiding principle for our long-term success as a good corporate citizen.

Harvesting the results of 2021, one of the key milestones was to update our materiality assessment in partnership with our stakeholders and identify priorities going forward. With that, we aim at creating positive impact within energy and emissions, raw materials and supply chain, employee development, social inclusion and social dialogue, centering our roadmap around these focus areas. Several highlights of our achievements in 2021 include first-time verification of the greenhouse gas balance, footprint reduction for our clients through the Customer Sustainability Program, enhanced employee training, global "Joy of Giving" where we supported over a dozen of communities in need along with many other targeted initiatives described in this report.

We are proud to be recognized with a Gold status by EcoVadis, the leading sustainability ranking worldwide, as well as "A-" rating by CDP Climate Change, remaining in the leadership tier for the third consecutive year. Our continuous efforts were also reflected in the "Best Sustainable Packaging Solutions Germany" Award by CFI (Capital Finance International).

We thank our dedicated employees, valued customers, suppliers and business partners for supporting the transformation towards sustainable future. Our ambitions remain strong, commitments transparent and execution well on track.

On behalf of the Edelmann team, I wish you an interesting and inspiring read.

Sincerely,

Dr. Frank Hornung
Chief Executive Officer, Edelmann Group

EDELMANN GROUP AT A GLANCE

Edelmann Group is an international family-owned business, operating in the paper-based packaging sector, delivering solutions with sustainable value to their customers in Health Care, Beauty Care and Consumer Brands markets. The packaging solutions offered by Edelmann are mainly folding boxes and leaflets.

The company was founded in 1913 in Heidenheim, Germany, where it is still headquartered. Edelmann Group is represented by 16 sites in 9 different countries, spread over 4 continents. 3,000 employees guarantee that Edelmann's strong international network is supporting its global presence.

Edelmann Group is a leader in innovation, working with the newest technologies to provide reliable and safe packaging solutions and cutting-edge structural and graphic design. Our products demonstrate measurable transparency and follow rigorous "High Q Packaging" guidelines which promise comparable standards across all plants.

EDELMANN GROUP HAS DELIVERED SUSTAINABLE VALUE TO THEIR CUSTOMERS IN HEALTHCARE, BEAUTY CARE AND CONSUMER BRANDS FOR OVER 100 YEARS.



Edelmann Group Headquarters Heidenheim

€ 300 MILLION
IN SALES

> 4.5 BILLION FOLDING
CARTONS AND
> 1 BILLION LEAFLETS

16 PRODUCTIONS SITES
IN 9 COUNTRIES



3 000 EMPLOYEES

OUR GLOBAL PRESENCE

We are a global player. Today's world is increasingly digital and globalized. Vast distances, different time zones and cultural diversity are part of our everyday working lives at Edelmann.

WHEREVER OUR CUSTOMERS NEED US, THAT'S WHERE WE ARE.
GLOBALLY.



16 SITES
9 COUNTRIES
4 CONTINENTS



GLOBAL NETWORK.
LOCAL ROOTS.

OUR PRODUCT PORTFOLIO & CORE MARKETS



LEAFLETS
Inserts and outserts, Folding & assembling capabilities, Booklets

BEAUTY CARE
We take the challenge to provide solutions which stand out not only with their high-quality embellishment and complex designs, but also minimized environmental footprint. Our product portfolio within beauty care includes cosmetics, skincare, perfumes and hair coloration.



FOLDING CARTONS
Individual packaging solutions
Individual finishings
Coding systems
Security features



RIGID BOXES
Sharp edges
Foldable rigid boxes



WET LABELS, VIAL CARDS, SYSTEM PACKAGING & CO-PACKING



HEALTH CARE
We realize the importance of quality, safety and anti-counterfeiting features in the development of pharmaceutical packaging and information leaflets. We supply packaging for medications, over-the-counter products, dental medicine, generics and food supplements.



CONSUMER BRANDS
We are fully prepared to serve the needs of the mass market as well as premium brands with their highly refined products. Personal care, food and drink, household items, toiletries and multimedia are just a few examples of our capabilities within the segment of consumer brands.



RECOGNITION OF OUR
SUSTAINABILITY PERFORMANCE

We have confirmed the "Gold" Ranking on EcoVadis for the second consecutive year, increasing our total score from 66 to 70 points in 2021. This results places Edelmann Group in the top 4% of over 85,000 reporting companies.



For the third consecutive year, Edelmann Group has reached "A-" Leadership Rating from the CDP Climate Change, supplemented by "A" Rating for supplier engagement.



Edelmann Group has been awarded "Best Sustainable Packaging Solutions Germany" by CFI (Capital Finance International), recognizing our company-wide efforts within social and environmental pillars.



MISSION

We provide our customers with superior and innovative board packaging solutions and leaflets promoting their products perfectly towards customers and protecting their products in an environmentally friendly way.

VISION

We aim to become the global point of reference for packaging solutions, delivering sustainable value to end consumers, customers, employees and shareholders. We will be recognized as preferred supplier due to our superior performance in terms of quality, delivery reliability and sustainability.

VALUES

- 1. Integrity and Honesty:** We say what we think, even when it's uncomfortable and do the right thing, even if nobody is watching.
- 2. Transparency:** We have nothing to hide and share openly where things are not going right and where we need help.
- 3. Ambition:** We thrive for superior performance and quality and do not want to settle for less. We provide room for personal growth and accountability and actively encourage personal initiative.
- 4. Respect:** We treat others the way we want to be treated by them.
- 5. Joy:** Like what you do and who you are doing it with. There is always room for a laugh.

MISSION, VISION, VALUES

ORGANIZATIONAL STRUCTURE

Edelmann GmbH is a family-owned business and belongs to the Edelmann Holding GmbH & Co. KG. The company is led by the Advisory board together with the Chief Executive Officer Dr. Frank Hornung and the Chief Transformation Officer Jörg Weidenfeld.

In 2021, our plants in Leverkusen and Wuppertal started their consolidation at a newly-established location in Burscheid which will be completed by the end of 2022. All figures in the report refer to the two individual plants.



STAKEHOLDERS

Understanding the views and interests of our stakeholders ensures long-term success of our operations, therefore we strive for continuous dialogue and open exchange. The key stakeholder groups and our engagement with them are described below, particularly in relation to our sustainability commitments.

OUR COMMITTED EMPLOYEES ARE AMONG THE MOST VALUABLE RESOURCES THAT ALLOW GROWTH AND DEVELOPMENT OF THE EDELMANN GROUP.



INTRODUCED IN 2020, THE CUSTOMER SUSTAINABILITY PROGRAM CONTINUES TO ENABLE A NEW LEVEL OF ENGAGEMENT WITH OUR CLIENTS TO MINIMIZE THE FOOTPRINT OF PACKAGING.

EMPLOYEES AND MANAGEMENT

Our committed employees are among the most valuable resources that allow growth and development of the Edelmann Group. We engage through career development discussions, biannual Employee Survey, trainings, internal newsletters, regular communication from the Global Executive Board (GEB), location-specific townhall meetings, company events along with cross-functional as well as global initiatives. Our employees also have access to an anonymous whistleblowing channel that can be used for reporting complaints and misconduct.

SUPPLIERS

Our valued suppliers are our key strategic partners who support us in enhancing our CSR performance throughout the entire supply chain. We demand our suppliers to follow our CSR principles based on their commitment to the Supplier Code of Conduct. We engage through managing our daily work, regular meetings, workshops, site visits, business reviews and joint development projects. At least quarterly frequency of contact is maintained. In 2021, we have organized the first Supplier Contest to drive implementation of projects that improve carbon footprint of raw materials, production processes, shipping materials and machinery.

CUSTOMERS

Sustainability is among the key priorities of our customers. Therefore, our engagement is crucial to meet the targets of our customers and support them to decrease the carbon footprint of their packaging. Continuous dialogue is enabled through annual business reviews, topic-specific workshops, joint product developments and new launches, audits, regular site visits and customer events. The frequency is at least quarterly. Introduced in 2020, the Customer Sustainability Program continues to enable a new level of engagement with our clients to minimize the footprint of packaging.

LOCAL COMMUNITIES & SOCIETY

Local communities and society benefit from the positive impact that Edelmann Group is creating, including financial, such as monetary support of sports clubs and orphanages and/or volunteering, such as charity runs and blood donations. Our efforts vary within different plants, but they are united under one common purpose of contribution to the well-being and prosperity of local communities. In 2021, all sites of the Edelmann Group have joined the "Joy of Giving Week" where we have supported and engaged with the local communities in need. In addition, our social inclusion projects provide employment opportunities to minorities and vulnerable groups.

CSR TIMELINE

Sustainable development has always been at the core of our strategy since the early days of our history. Many improvements have been made since then in relation to resource efficiency, health and safety, employee wellbeing, as well as sustainable innovation. The continuous improvement of all key indicators is the goal we pursue steadfastly. Therefore, we are proud of our long-standing track record of CSR engagement which has brought consistent development over time and yet to bring further opportunities for a long-term healthy growth of Edelmann Group.

1975- Surface finishing switches from solvent-based to water-based varnishes. Reduction of pollutants in production.

1977 A system for transporting cartonboard waste from the punching and waste stripping sections to the bailing press is commissioned.

1983 Calculation bases for determining ink quantities using spectrophotometers, specimen printing equipment and analytical balances are developed.

1987 In areas with little natural light, fluorescent lights with electronic ballasts are installed. Ventilation and heating systems are controlled by PC-based management system.

1988 Dies for punching machines are dressed in water-based adhesives, replacing spray-type adhesives with propellants.

1989 The lightning systems in the production areas are equipped with daylight detection control. Three additional press containers are installed for even more effective selection of leftover card waste.

A waste and recyclable material collection system is introduced. Process water is heated by means of heat recovery from the compressed air generation process system is introduced.

1991 All the cooling systems become closed systems. A system of leftover ink utilization is commissioned. Computer programs calculate the precise amount of ink required for each job. Disposable pallets are returned to cartonboard suppliers for reuse. A new mixing plant for gravure inks reduces the amount of leftover ink produced.

1992 A desilverisation system for fixing baths used in film development is commissioned. The exhaust air purification system in the gravure printing section is commissioned. Additional warehouse for storing flammable liquids (as per German ordinance on flammable liquids) is built. Offset ink is delivered in 200-litre drums, from which it is pumped pneumatically to the ink-mixing department. 1800 m² corrugated eternity roof containing asbestos fibers is removed and disposed of.

1993 The TÜV environmental seal is introduced. Calendar varnishes are switched to dispersion basis without solvents (CE-Gloss).

Fire protection insulators from asbestos are removed and disposed of.

1994 A control system switches off demand-dependent electric power consumers to avoid power surges. Hall heating is fed by heat recovery from compressed air generation.

1996 Disposal channels and options are highlighted in a Disposal Manual. The building heating is switched to gas. The burners are controlled by oxygen. A filtration system for leftover inks is commissioned. Hydraulic lifts are powered by biodegradable hydraulic oils. The first environmental report is published.

1999 Processes to produce pharmaceutical packaging are introduced to the OB section.



2000 A fully automated ink-mixing system for offset inks is introduced.

2001 Plates are exposed almost entirely using CTP-systems.

2003 The automatic transport system FTS is introduced.

2004 Logistics and transport workflows are optimized by setting up a central warehouse. The entire roof area in the Weilheim factory is insulated.

2005 The Disposal Manual is introduced.

2006 Natural gas vehicles are introduced for in-plant transport and city journeys. All processes and workflows are risk-assessed.

2008 The ESC office and technology building is built based on the latest ecological consideration. The noise level on the pharmaceuticals production hall is reduced by installing noise-absorbent mats. Edelmann France, Heidenheim and Weilheim are FSC®-certified.

2009 New acquisition of latest indoor concerning ventilation and air conditioning mechanism.

Heat recovery in compressed-air system is optimized.

2010 Installation of photovoltaics on the roof of the factory in Heidenheim.

2013 Installation of a combined heat and power plant. Successful testimonial of an alternative energy management system.

2014 Combined heat and power plant is implemented. Installation of the LED lighting in the gluing department. New air compressor with installed heat recovery.

2015 The new more energy-efficient factory on the site in Hungary was built. Realization of the Energy Audit DIN EN 16247-1 in all German sites.

2016 Introduction of the Code of Conduct. Implementation of Corporate Social Responsibility. Membership in UN Global Compact.

2017 Receiving silver status on the rating platform EcoVadis. Replacement of the old heating pumps through a more efficient version. Human Rights Policy is introduced.

2018 German Packaging Sustainability Award. Replacement of heating pumps in Weilheim. Switching to LED lighting in the USA. GHG Balance is introduced globally.

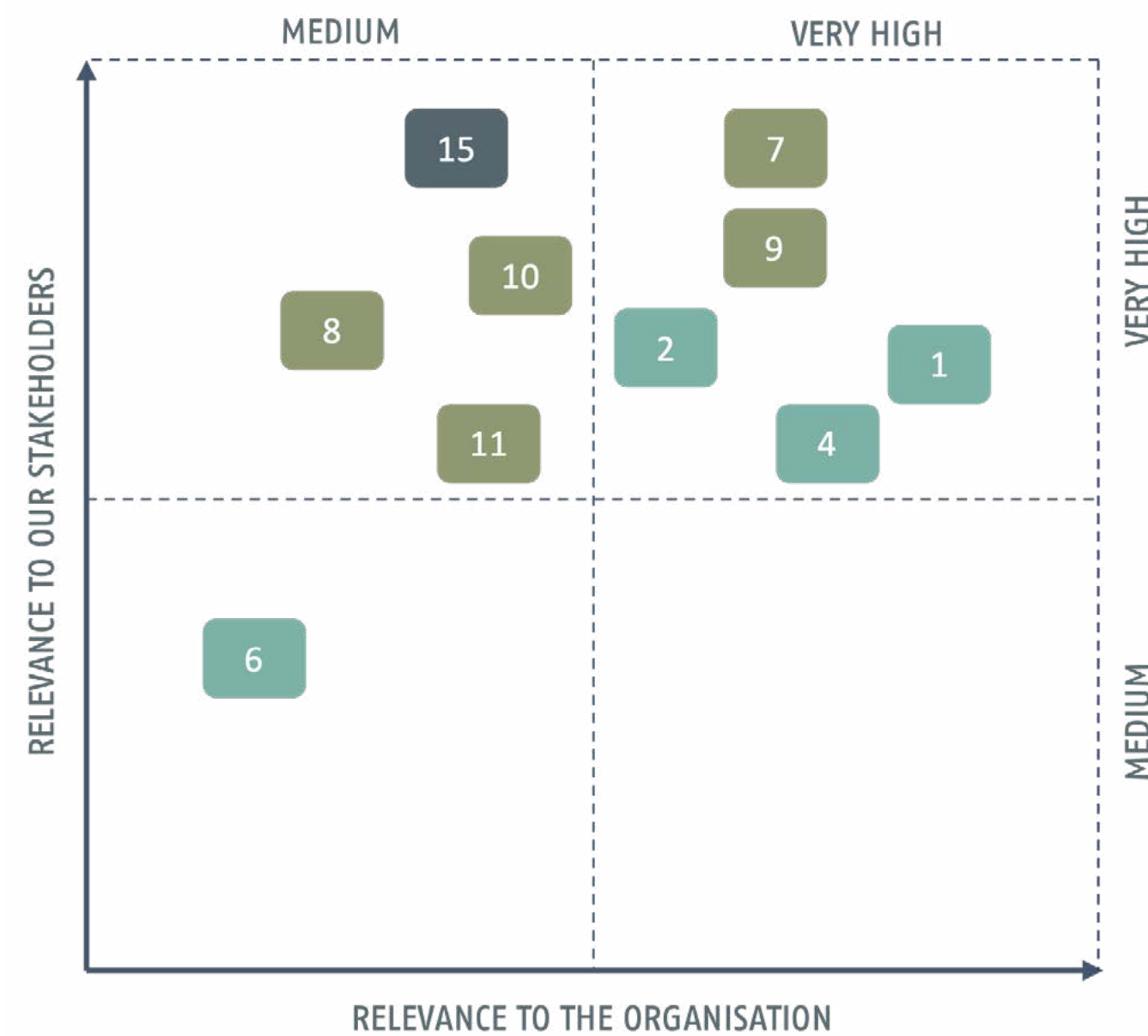
2019 Updated Supplier Code of Conduct. Development of alternative PET lamination solutions. "A-" Rating on CDP Climate Change. 2 company-level Environmental Awards.

2020 Updated materiality assessment; Social inclusion projects; Customer Sustainability Program; 3 sustainability awards.

2021 First GHG emissions audit; CPI Best Sustainable Packaging Solutions Award; Global "Joy of Giving Week"; LED lighting in Heidenheim; Plastic replacement projects; Expansion of social inclusion projects; Supplier Contest on sustainability.

MATERIALITY ASSESSMENT

Materiality assessment is the identification of sustainability topics and their prioritization by relevance and impact based on the voices of internal and external stakeholders. The latest update of the materiality assessment has been completed in 2021.



SOCIAL

- 1. Employee training and development
- 2. Diversity
- 3. Labour and Human Rights
- 4. Social dialogue
- 5. Occupational Health and Safety
- 6. Support of local communities

ENVIRONMENTAL

- 7. Energy and GHG emissions
- 8. Water
- 9. Raw materials
- 10. Waste management
- 11. Product end of life

BUSINESS ETHICS & OTHERS

- 12. Anti-corruption and Bribery
- 13. Fair competition
- 14. Responsible information management
- 15. Supplier management

*the topics marked in brown have been excluded from the assessment, as they correspond to the legal requirements and assigned high relevance by default.



EXTERNAL STAKEHOLDERS

- 23 key customers through a survey and interviews
- 15 key raw material suppliers through a survey and interviews
- 1 industry report

INTERNAL STAKEHOLDERS

- 6 GEB (Global Executive Board) members through an internal workshop
- 72 employees of all levels globally through a survey

OUR SUSTAINABILITY ROADMAP

	ENERGY AND EMISSIONS	RAW MATERIALS AND SOURCING	DIVERSITY AND INCLUSION	EMPLOYEE DEVELOPMENT & ENGAGEMENT
OUR AMBITION	<p>REDUCE our carbon footprint and support our customers to achieve their emission reduction targets for packaging</p>	<p>ACHIEVE sustainable supply chain from transparency to full recyclability of our packaging solutions</p>	<p>BECOME an inclusive employer fostering diversity, equity and social inclusion</p>	<p>SUPPORT our workforce to encourage and strengthen environmental, social and business ethics competence</p>
5-YEAR TARGETS (2027) EXCEPT 2030 TARGETS	<p>Decrease our emissions following an SBT (Science-Based Target) path by 2030*</p> <p>Decrease our energy consumption in line with an SBT</p> <p>Reach 100% renewable energy sources by 2030</p> <p>Support 15 key customers to decrease carbon footprint of their products by at least 25%</p> <p><small>*Until SBT is set, we follow a 10% intensity reduction target for Scope 1 & 2 until the end of 2022</small></p>	<p>Assess and support to improve sustainability performance of 100% of Tier 1 suppliers</p> <p>Support plastic replacement with paper-based solutions</p> <p>95% of our production volumes will be fully recyclable</p> <p>Engage our supply chain partners to drive sustainable improvements</p> <p>100% of investments and new suppliers are assessed against environmental and social impact</p>	<p>Triple the share of our workforce coming from minorities/vulnerable groups</p> <p>Become an inclusive employer fostering diversity, equity and social inclusion</p>	<p>Make sure all our employees are environmentally and socially conscious</p> <p>Increase employee engagement in sustainability (at least 50% of involved workforce)</p> <p>Foster ethical behaviour across the Group</p>

UN SUSTAINABLE DEVELOPMENT GOALS



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Focus targets: 12.2, 12.5, 12.6

Relevant themes (SDG Compass):

- Resource efficiency
- Sustainable sourcing
- Material recycling
- Product environmental information

8 DECENT WORK AND ECONOMIC GROWTH

Focus targets: 8.5, 8.8

Relevant themes (SDG Compass):

- Employment & Economic inclusion
- Non-discrimination
- Health & Safety
- Employee development

13 CLIMATE ACTION

Focus target: 13.2

Relevant themes (SDG Compass):

- Energy efficiency
- GHG emissions
- Green investments
- Risks and opportunities related to climate change



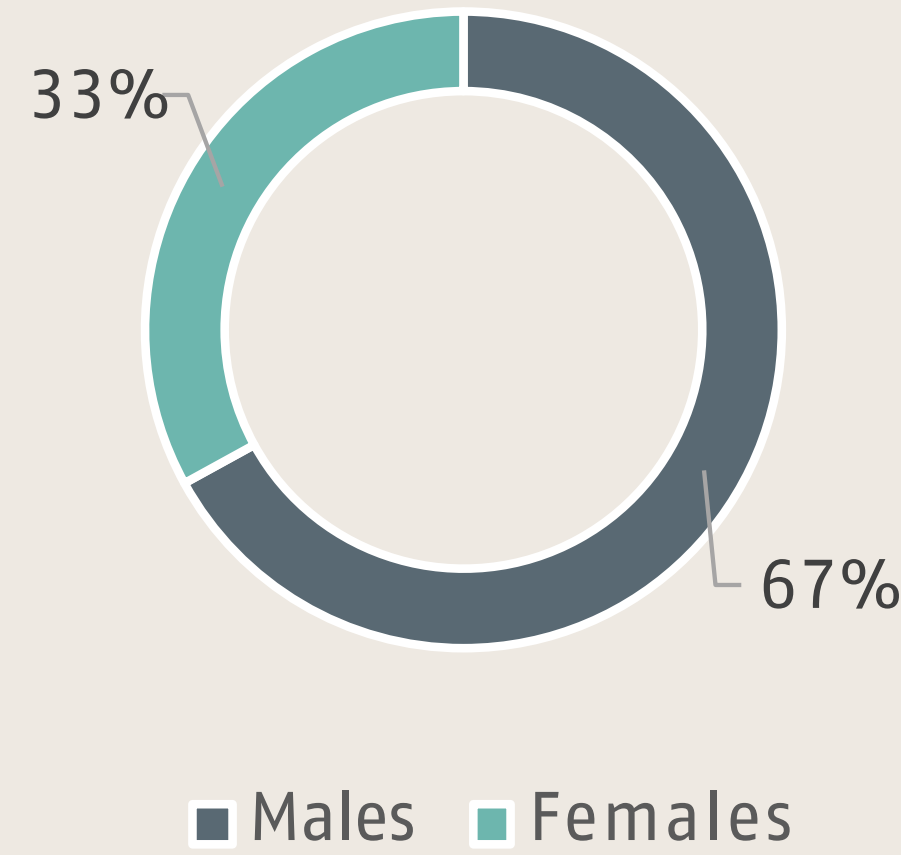
EDELMANN GROUP AND SUSTAINABLE DEVELOPMENT GOALS

Sustainable development goals (SDGs) represent a call for action by the governments, corporations and individuals to protect the planet, reduce inequalities and ensure peace and prosperity around the world. The seventeen goals address the 2030 Agenda for Sustainable Development, unanimously adopted by all UN Member States in 2015 during the UN Summit. Companies are expected to contribute with their input, and so does Edelmann Group. While all SDGs contribute to a better tomorrow, we choose to focus on the three goals to address the 2030 Agenda.

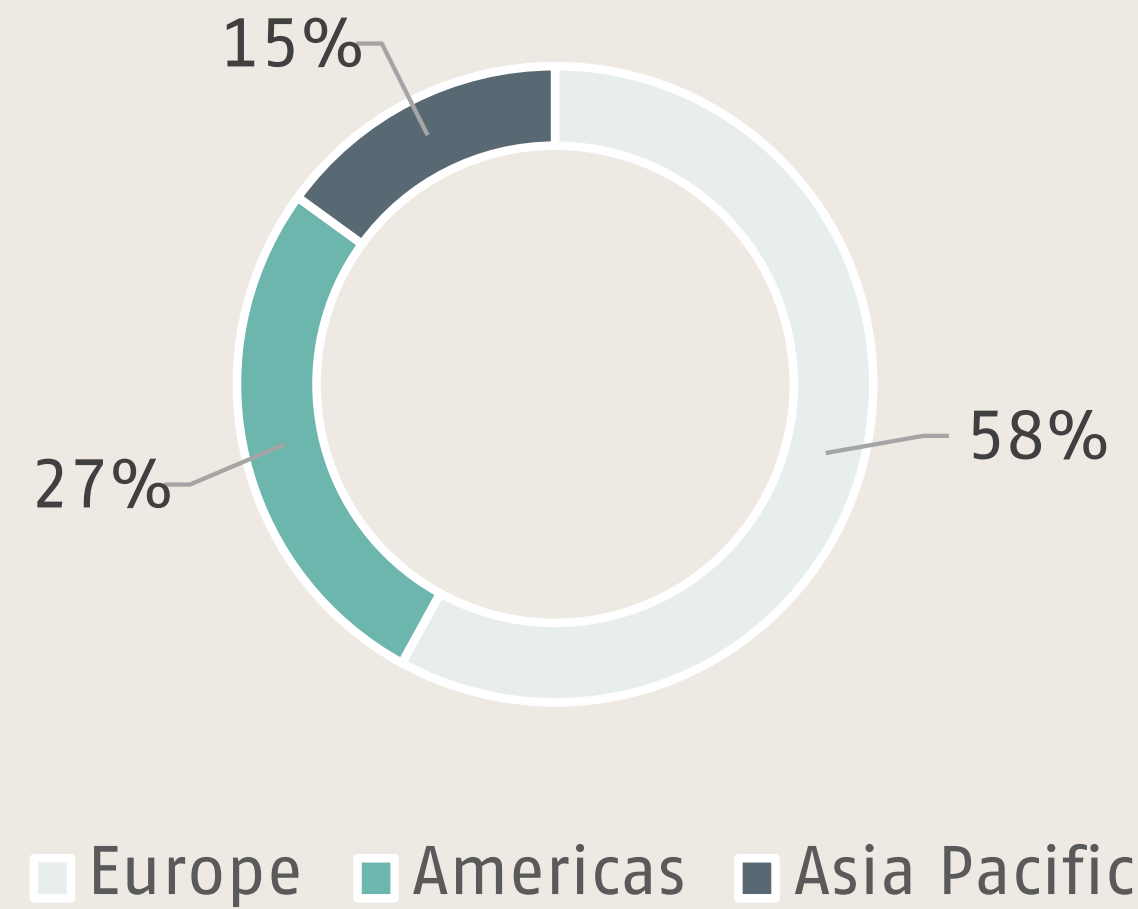


SOCIAL RESPONSIBILITY

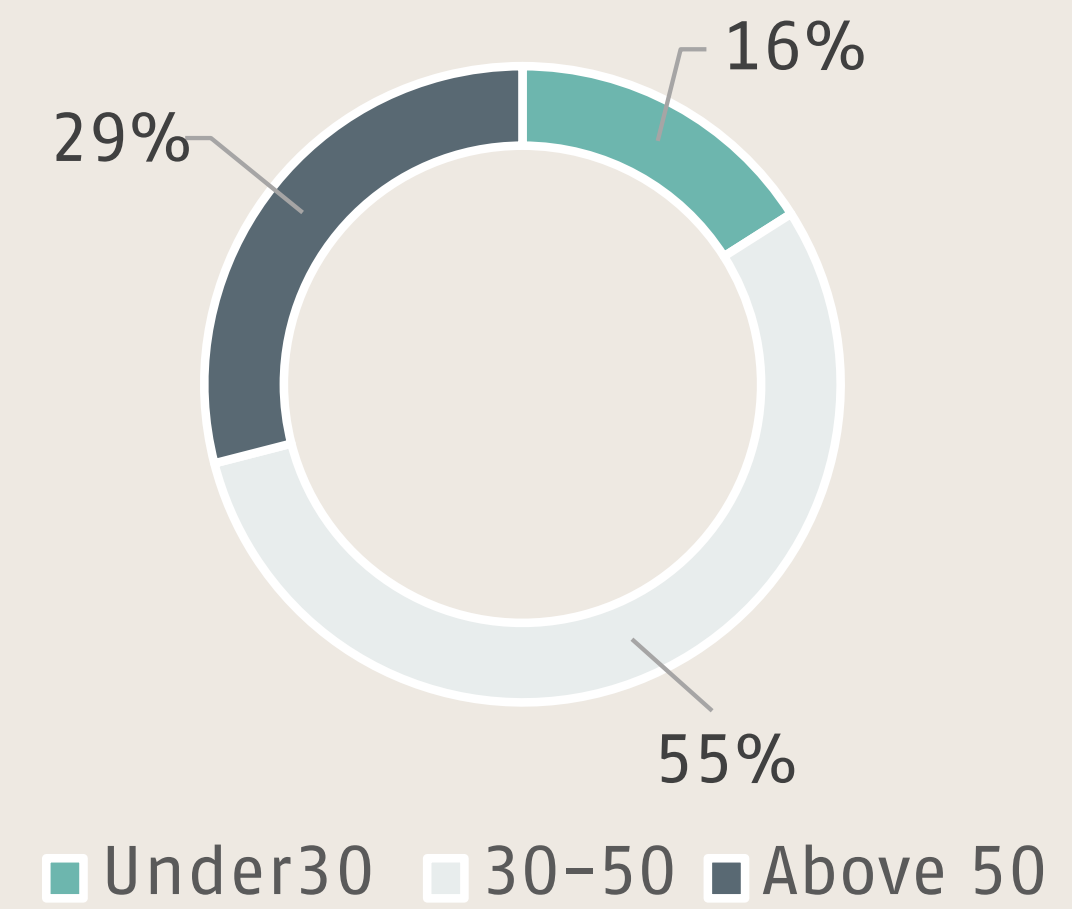
GENDER DISTRIBUTION



SPLIT BY REGION



AGE DISTRIBUTION

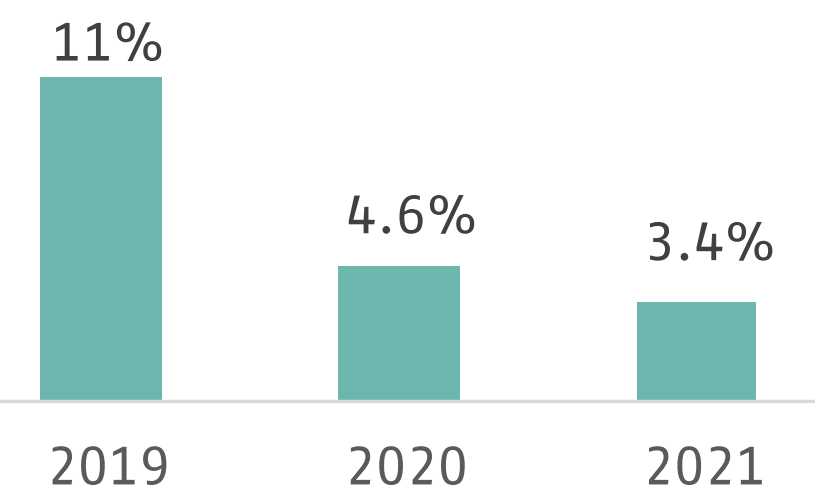


OUR EMPLOYEES

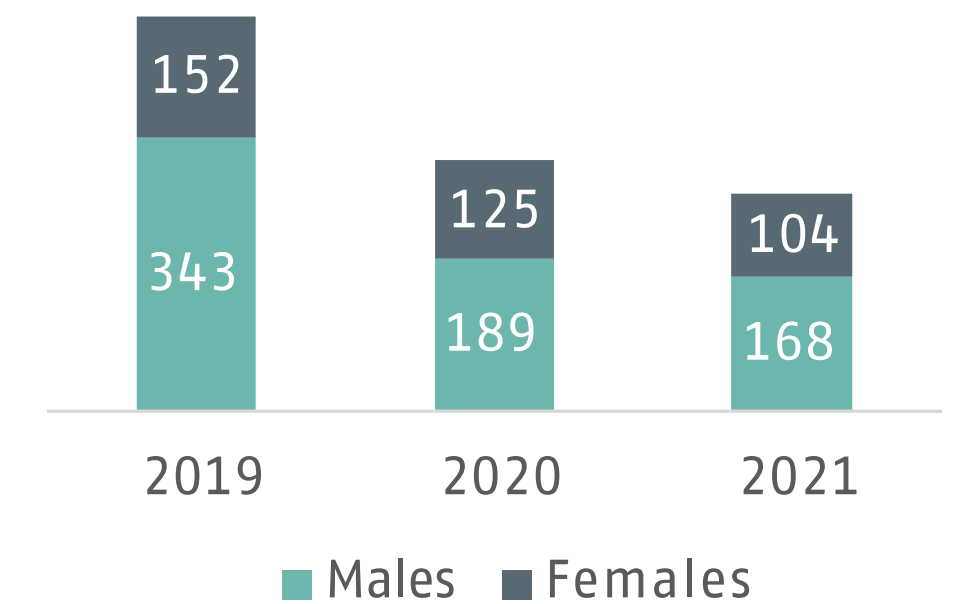
Our employees are the core of our ambition to drive sustainable solutions and contribute to the decarbonization of the packaging market. We foster diversity, equal opportunities, talent development, fair compensation and well-being of our people all across the globe.

WE ARE 3,000 MINDS AND 3,000 HEARTS ON OUR JOURNEY TO DELIVER SUSTAINABLE VALUE.

GLOBAL EMPLOYEE TURNOVER RATE



NEW EMPLOYEE HIRES



SOCIAL INCLUSION

Diversity and inclusion are among the five priority areas of our sustainability agenda. Therefore, we implement a range of social inclusion projects in line with our commitments. This program is aimed at embracing minorities and vulnerable groups, including their employment and development. As of 2021, 3.5% of our workforce comes from minorities and vulnerable groups.



WOMEN EMPOWERMENT



Our Polish plant's split into males and females in senior management is close to reach a 50/50 balance, significantly exceeding the Group level and national average already today. The roles of female colleagues vary from production preparation and quality management to accounting and purchasing.

Additionally, our Indian site has established a female section during 2021 to allow employment opportunities for migrant women through a temporary work agency. All recruits have been trained by Edelmann not only within their tasks, but also for the topics of human rights. In total, 15 female workers were hired and provided wages above the minimum requirement.

VULNERABLE GROUPS



A range of vulnerable groups is supported by Edelmann Mexico, where social responsibility is strongly embedded into the company operations. Supported groups are single mothers, senior workers, employees with disabilities and people coming from economically vulnerable areas. Edelmann Mexico provides employment opportunities and inclusive environment to a total of 79 permanent employees.

RELIGIOUS MINORITIES



There are 6 communities in India which are proclaimed as religious minorities recognized by the Central Government: Muslims, Christians, Sikhs, Buddhists, Zoroastrians (Parsis), Jain. As stated by the Ministry of Minority Affairs of the Indian Government, providing employment to the identified minority groups contributes to the social inclusion and positively supports the targets of the National Commission for Minorities in India. Edelmann India has hired a total of 12 employees from the religious minorities. In addition, the Recruitment Policy clearly underlines equal opportunities and non-tolerance of any discrimination practices.

EMPLOYMENT OF IMMIGRANT WORKERS



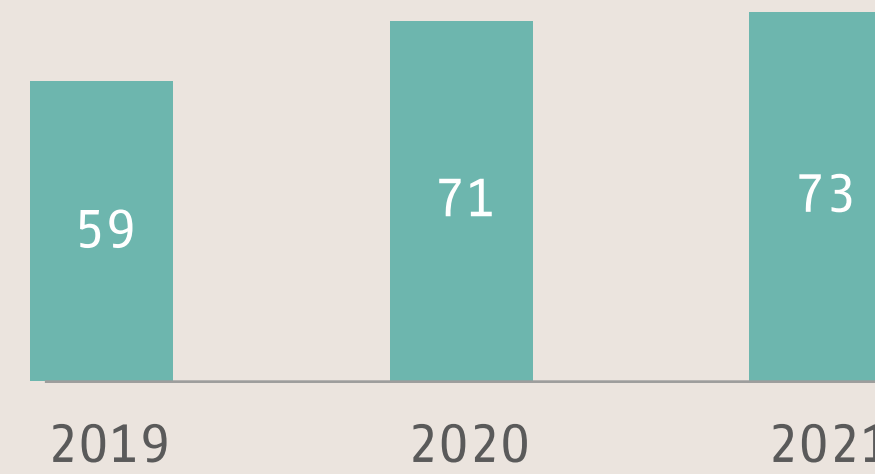
Edelmann USA offers employment to immigrant workers through their temporary work agency. In 2021, half of temporary workers had immigrant background which is often exposed to discrimination in employment.

EMPLOYEES WITH DISABILITIES

Employment of people with disabilities is often regulated nationally. We strive for providing diverse opportunities and supporting vulnerable groups who have disability background across multiple locations, such as Germany and Mexico.



NUMBER OF APPRENTICES AND TRAINEES (GLOBALLY)



VOCATIONAL TRAINING IS AN EXCELLENT WAY TO ATTRACT THE BEST TALENTS AT AN EARLY STAGE AND NURTURE THE YOUNG PROFESSIONALS WITH KNOWLEDGE AND EXPERIENCE.

VOCATIONAL TRAINING

Vocational training is an excellent way to attract the best talents at an early stage and nurture these young professionals with knowledge and experience. Edelmann offers vocational training in the form of apprenticeships and dual studies. These are recognized qualifications involving practical training within the company and formal education with a school or university. They last on average for 3 years. For some of the students, for example, we work in collaboration with the Cooperative State University of Baden-Württemberg (Duale Hochschule Baden-Württemberg). We endeavour to take on our apprentices and students upon completing their vocational training as full-time employees. Their positions vary by major: business management, media design, printing technology, packaging technology and machine operating.

Additionally, we provide opportunities to trainees and interns who spend 3 to 12 months at Edelmann either as part of their studies or as additional professional experience. This approach is more common among our international locations, while German sites focus on apprenticeship and student opportunities.

LONG-STANDING CAREER WITH EDELMANN

This year, we are happy to share an interview with one of our employees who has been with Edelmann since the early days of his career. Helmut Sieber, Head of Packaging Development Construction, has a tenure of 37 years at Edelmann.

How long do you work for Edelmann? How did you start?

I started working for Edelmann almost 37 years ago. During my studies in paper processing in Munich, there was a field trip visiting Edelmann, and I was fascinated by the company. After my studies I didn't go back to my former company where I worked in the development department for corrugated board packaging, and instead started my career at Edelmann.

In your opinion, what has changed over these years?

Today, everything happens much faster. In the beginning, the first contact was only made by telephone, letter or direct visit. After an enquiry, samples or flyers were sent to show Edelmann's portfolio. There was no internet and no mobile phones available. Today, with digitalization, you can quickly send your results or construction data in 2D or 3D. Edelmann has also expanded its global presence. When I started, there were only two plants in Heidenheim and Weilheim. Today we are all over the globe. Together with that, technology has advanced a lot. Cold foil transfer or digital technologies like Steinemann allow excellent graphic designs which were not possible before.



Helmut Sieber,
Head of Packaging Development Construction

What do you enjoy most about your role?

I enjoy searching for solutions and resolving challenges, working in a team with customers, packaging development and technology. The highlight is always when I make a presentation to the customer and see enthusiasm in their eyes.

Do you have your favourite memorable moment of your path with Edelmann?

Yes, it was the award ceremony together with Leica in Beijing in 1995. Leica was looking for an alternative to plastic. The customer supported the idea of carton packaging that we developed, and later on there was an award in the packaging competition. Travelling to China was also something special at that time.

EMPLOYEE TRAINING AND TALENT DEVELOPMENT

As we strive to secure high competence, we invest in continuous training and development of our employees. The responsibility lies within our Human Resources department together with the responsible managers. Trainings are clustered for production and administrative employees.

EDELMANN ACADEMY

Edelmann Academy was introduced in 2021 to provide a global learning platform, where employees can choose to participate in a range of training programs. Communication and presentation skills training as well as the online Sustainability Module are examples of offered possibilities. Edelmann Academy will be further developed and enhanced with diverse topics, allowing each employee to share their expertise through one shared platform.

SKILL-SPECIFIC TRAINING PROGRAMS

We acknowledge that each employee requires a certain set of skills to grow and develop their knowledge. During 2021, multiple skill-specific trainings were completed in Germany, Mexico, China, Brazil, India, USA and Poland. Topics included leadership, communication, IT skills, problem solving skills, job-specific technical skills and process management. We estimate that 25% of our workforce received at least one skill-specific training in 2021.

PREVENTION OF DISCRIMINATION AND HARRASSMENT

In 2021, our sites in Poland, USA, India and Mexico completed a training on prevention of discrimination and harassment both for production and administrative employees.

ENVIRONMENTAL AWARENESS

A new environmental awareness training was developed in 2021 and rolled out in international locations. The purpose was to outline key environmental topics, responsible daily practices, improvement potential and ways of communication locally. The training was fully delivered in China, Poland, USA and Mexico.

30%

of our workforce received formal performance reviews

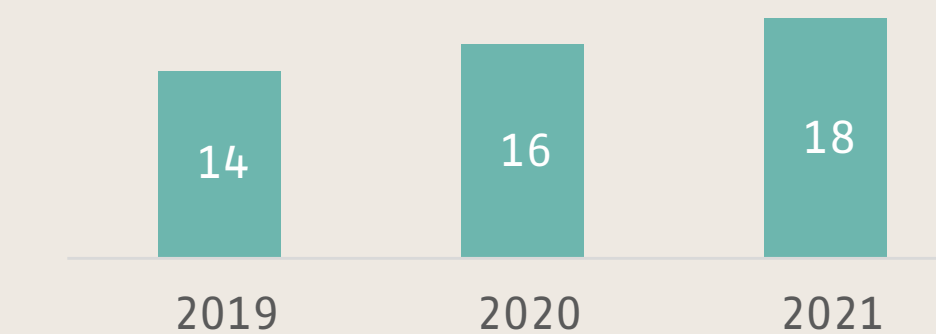
40%

of our workforce received environmental awareness training

42%

of our workforce were trained on prevention of discrimination

AVERAGE TRAINING HOURS PER EMPLOYEE



SOCIAL DIALOGUE

Hearing voices of our employees and making sure that we have sufficient channels for a dialogue is crucial to our efforts on employee satisfaction, communication and engagement. The year of 2021 brought numerous programs aimed at strengthening the social dialogue.

EMPLOYEE SURVEY

In early 2021, we completed a global Employee Survey to hear all voices and seek improvement potential in regard to employee development, communication, facilities, remuneration and engagement. The participation rate of 75% globally ensured a fair representation of opinions. The results were measured in Net Promoter Score (NPS). Consequently, action plans were established through focus groups in each location to work on the key improvements and make sure that representative employees are directly involved in the process.

ENHANCED COMMUNICATION

All Edelmann sites worked on improving internal communication during 2021. Therefore, local monthly newsletters were introduced across all plants, further supported by the quarterly management updates either through townhall meetings, wherever possible, or virtual gatherings. Additionally, informal opportunities, such as tea/coffee with one of the management team members, were also offered to our employees.

EMPLOYEE SUGGESTION PROGRAM

Our sites in Mexico, USA, Brazil, India and China have established an employee feedback program through a suggestion box installed in the plants. Employees use it to communicate their wishes and suggestions regarding their working places, meeting arrangements, canteen facilities and other work-related matters.

WORKS COUNCIL

73% of our workforce are covered by site-specific Employee Councils, which are formally elected and ensure a fair representation of local colleagues. While it is required by law in some locations, the rest are involved voluntarily. The Committee speaks for the employees' rights and interests and negotiates open subjects with the management team.

We managed to increase the coverage from 63% (2020) to 73% (2021), because our plant in India established a formal Works Council of 10 members, representing the interests of the employees.

HEARING VOICES OF OUR EMPLOYEES AND MAKING SURE THAT WE HAVE SUFFICIENT CHANNELS FOR A DIALOGUE IS CRUCIAL TO OUR EFFORTS ON EMPLOYEE SATISFACTION, COMMUNICATION AND ENGAGEMENT.

HUMAN RIGHTS

Our commitments on human rights are formalized through the Code of Ethics and Conduct as well as the Human Rights Policy. In order to extend our ambition, we require our suppliers to commit to the principles of the Supplier Code of Conduct, where one chapter is dedicated to human rights.

EQUALITY OF TREATMENT

DEI (Diversity, Equity and Inclusion) is among the top 4 priorities of our sustainability roadmap. Therefore, equality of treatment and non-discrimination belong to the core principles in our practices for recruitment, talent development and engagement. Our social inclusion projects contribute to the practical implementation of our DEI ambitions. We do not tolerate any discrimination practices on the grounds of race, nationality, colour, sex, disability, religion, political opinion, social origin, or age.

FAIR LABOUR PRACTICES

100% of our work force are covered by collective agreements on working conditions, including remuneration, working hours, vacation days and notice period. Following collective agreements, employment relationship is formalized in a written contract, specifying all location-specific conditions. All contracts of employment comply with applicable national laws. Therefore, we ensure adequate working hours and fair compensation implemented through fixed salary scales in each location.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

All Edelmann employees are free to join unions of their choice as well as appoint their representatives who would communicate their interests in the most efficient way. The right of freedom of association and collective bargaining is clearly stated in Edelmann's Human Rights Policy. We work with employees' representatives in a spirit of trust and open dialogue.

CHILD AND FORCED LABOUR

We refer to child labor as a subject to ILO Conventions. According to the latest ILO Report on child labor, 160 million were in child labour with half of them being exposed to hazardous conditions. We strictly prohibit any form of child and/or forced labour, formalized in the Human Rights Policy. Practically, the age of the applicants is checked as part of the screening and recruitment processes. In addition, SMETA audits are performed for multiple locations to obtain independent verification.

No incidents were registered during the reporting year neither within Edelmann sites, nor in relation to our suppliers' business activities.



BUSINESS ETHICS

All associates of Edelmann are expected to adhere to high ethical standards. We encourage our employees and external partners to use and promote good business practices, communicated in the Code of Ethics and Conduct, Human Rights Policy and Supplier Code of Conduct.

RESPONSIBLE CONDUCT

In addition to the human rights commitments, good business practices include anti-bribery and anti-corruption, fair competition, data protection and interest alignment. All topics are addressed through control mechanisms and tools, such as four-eye principle, approval matrix per spend category and external audits (e.g. SMETA).

In 2021, Anti-Bribery and Anti-Corruption Policy (ABAC) was developed, outlining key commitments, responsibilities, risk assessment and control procedures in place.

No incidents related to bribery, corruption, antitrust, data protection and conflict of interest have been registered during the reporting year.

WHISTLEBLOWING

In 2021, we have introduced a formal whistleblowing program that allows employees to report misconduct through an independent third-party channel. They can choose to remain anonymous. The program is available in all Edelmann languages to facilitate global implementation. As a result, the whistleblowing procedure was formalized with a Whistleblowing Policy, Investigation Protocol and adherence to all national requirements, particularly in relation to the EU Whistleblowing Directive.

Our whistleblowing program covers all topics of misconduct: bribery, corruption, conflict of interest, improper payments, improper gifts and hospitality, financial irregularity, confidentiality breach, competitor interaction, fraud, discrimination, harassment, health and safety.

No whistleblowing reports were received during 2021.

WELL-BEING OF OUR EMPLOYEES

Healthy employees – healthy business. We believe that supporting our employees' health pays off in their well-being, performance and overall satisfaction. Therefore, we choose to commit to health management that goes beyond convenient care.

HEALTHCARE BENEFITS

The benefits given to our employees vary by plant based on national regulations. Most commonly, healthcare, disability, retirement provision and life insurance are offered. We continuously work to improve insurance offers. This way, the US plant offered additional insurance benefits with extended coverage to all employees.

MENTAL HEALTH

Edelmann plants regularly hold special training sessions related to well-being and mental health of their employees. On-site gymnastics, psychological support and mental health awareness are examples of our engagement.

In 2021, our sites in the USA and Mexico have introduced a monthly well-being and wellness newsletter with rotating topics as a preventive and awareness measure to provide extra support to their employees.



CHARITY RUN FOR A GOOD CAUSE

The Premature Babies' Foundation organizes a charity running competition to raise money for supporting premature babies in Hungary. Our Hungarian team participates every year, and 2021 was no exception.



EMPLOYEE HEALTH CHECK-UPS

To ensure the well-being of our employees, regular health checks and examinations are carried out by an external medical officer. Although there are country-specific differences, the common practice is – for employees under the age of 45, a health check is done every 4 years and for employees older than 45 years, a health check is completed every 3 years. Before new employees start to work at Edelmann Group, they also undergo examination by the doctor to ensure a healthy start and implement any supportive and/or preventive measures in relation to their eyesight, hearing, posture or any special working conditions required.

FAMILY BUSINESS – FAMILY VALUES

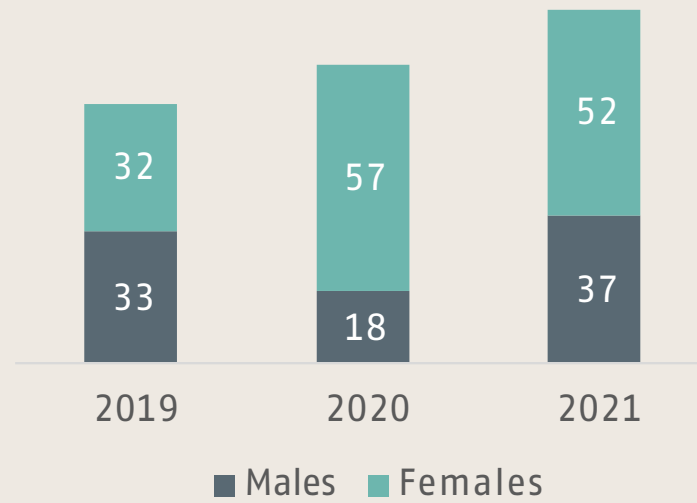
PARENTAL LEAVE

We value the importance of family and support different possibilities of parental leave for both parents. A total of 89 employees took parental leave in 2021. Depending on a specific country, there are variations of approaches. Therefore, the duration of parental leave and the time to come back to work is decided based on local regulations and employees' circumstances.

FAMILY DAY IN HUNGARY

In September 2021, our Hungarian plant organized a Family Day that brought together a total of 170 participants, including Edelmann employees, their family members and children. The day was filled with activities, such as football competition, numerous games and quests for kids, joint lunch, playing with therapeutic dogs and employees' acoustic band performance. The event was highly appreciated and bonded the families of our employees in Hungary.

PARENTAL LEAVE 2021



GLOBAL "JOY OF GIVING" WEEK

Our global "Joy of Giving" week is dedicated to our shared purpose to support communities in need and experience the joy of giving. Within our global effort, we have supported numerous local communities and organizations: schools, orphanages, hospitals, local villages and more.

USA

Our US plant has completed a shoe donation to the organization "Soles for Souls" that distributes shoes to the communities in need. Employees donated over 20 boxes of necessary items.



HEIDENHEIM, GERMANY

Our HQ supports „Haus Dorothee“ – the children’s and young people’s home. School materials and learning books were donated. Additionally, a fundraising campaign by the employees allowed to donate a lot of group games, toys and tickets for a toy factory visit.



FRANCE

Edelmann France has supported the Necker hospital in Paris that takes care of children with long-term diseases. They donated Christmas presents for 100 kids, who would otherwise not receive any gifts.



WEILHEIM, GERMANY

Weilheim supports "Tafel Germany" – an organisation of food banks and daily goods, distributing necessary supplies to the local people in need. "Kircheimer Tafel" was supported with personal donations of our employees.



INDIA

The inspiration for the global "Joy of Giving" came from our plant in India, where the first local initiative took place last year. Our Indian site donated clothing, food and school supplies to the local villages and communities in need.



LINDAU, GERMANY

Painting paper, coloring pages, children’s Sudokus and mandalas were donated to 8 kindergartens in Lindau. For the St. Maria kindergarten: the planned acquisition of a tree house was supported by the monetary donations of our employees.



HUNGARY

A local children’s home was supported through a fundraising campaign. Diapers, toys and hygienic items were donated. In addition, a new washing machine was donated to fulfill the current needs.



CHINA

In China, the children in Guang Ai School received fresh vegetables weekly during winter. Supplies were provided by Edelmann China to support healthy habits of the local kids in Beijing.



POLAND

Edelmann Poland supports the Center of the Benedictine Samaritan Sisters in Pruszków. This Center is a children’s home that accommodates kids with disabilities. Christmas gifts were donated for different age groups.



BITTERFELD, GERMANY

Our site in Bitterfeld supported a local kindergarten with cardboard and some craft supplies. During the visit, there was time to do handicrafts and sing together with the children.



LEVERKUSEN, GERMANY

Our plant in Leverkusen provided paper to a local school to be used for school projects, presentations and everyday needs. In addition, some colleagues volunteered to support a local food bank in Leverkusen-Manfort. They were able to lend a helping hand and get an insight into the work of the volunteers.



MEXICO

“Juan Luis de Guanella” was supported in Mexico. This institution provides aid to people with intellectual disabilities and supports elderly people in need. Food donations of our employees in Mexico allowed to collect 45 boxes of food which equals to more than a ton of necessary supplies.

THROUGH THE “JOY OF GIVING” PROGRAM, WE SUPPORTED OVER A DOZEN OF ORGANIZATIONS AND COMMUNITIES IN NEED. TOGETHER WITH ONE SHARED PURPOSE.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

We are committed to a safe, injury-free workplace. Within Edelmann Group, this material topic refers to regulations, policies, legislation and actions taken to ensure well-being of our employees and a safe work environment. Each Edelmann site is supported by an OHS expert. Monthly OHS reports with KPIs are delivered to the headquarters for centralized data collection and monitoring. No fatal injuries were registered during the reporting year.

The core goal of the OHS management at Edelmann is to prevent work-related accidents and adverse health effects. Compliance with applicable legal OHS requirements and Edelmann OHS group standards is in focus. Measures are implemented to advise on mandatory OHS practices and to prevent injuries and diseases. Adherence to the requirements is monitored with the help of OHS compliance audits and the work of local occupational safety committees (e.g. Germany – Arbeitssicherheitsausschuss (ASA), Brazil – Comissão Interna de Prevenção de Acidentes (CIPA), Poland – Centralny Instytut Ochrony Pracy – Państwowy Instytut Badawczy (CIOP-PIB)). Each site derives individual OHS improvement initiatives, based on these standards and requirements. The usage of adequate personal protective equipment (PPE), such as protective work clothes, protective shoes and earplugs is applied at all sites.

We follow sector-specific OHS guidelines for the printing industry, that allow us to recognize potential OHS risks. Risk assessments are performed in collaboration between Edelmann internal OHS employees and external OHS advisors. In 2021, risk assessments for work activities and equipment were completed for all sites. It is very common to have an external OHS advisor who follows the implementation of required actions. Monthly safety meetings are held to discuss current OHS topics and to monitor the implementation progress.



OCCUPATIONAL HEALTH AND SAFETY (OHS)

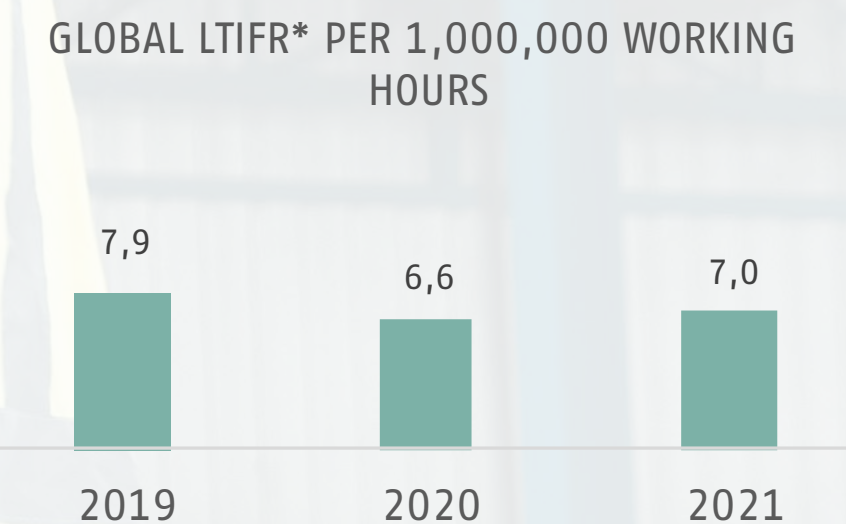
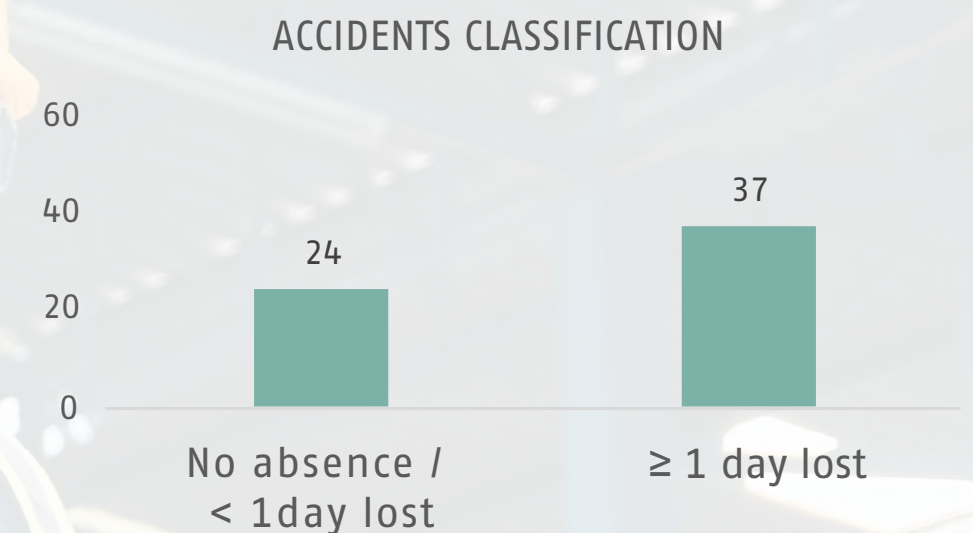
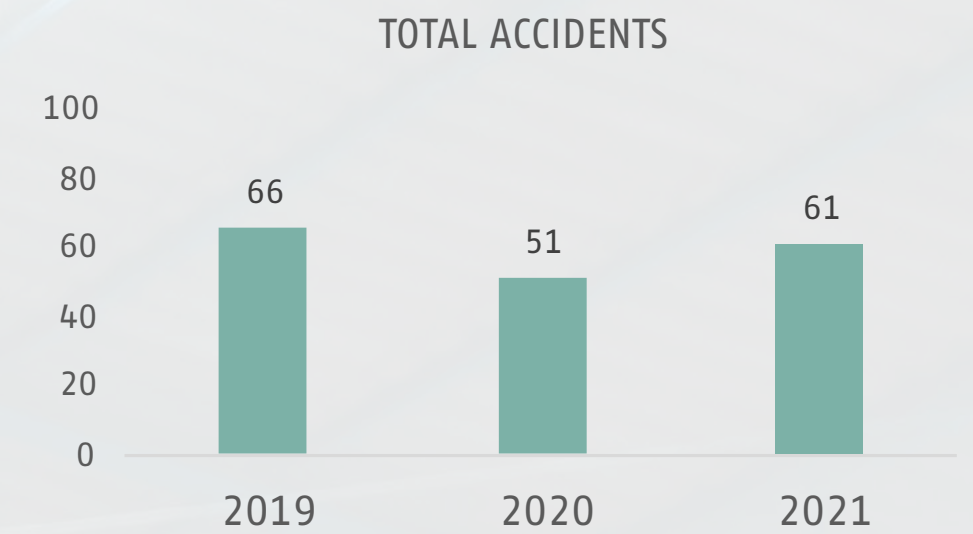
Our long-term goal is to reach zero accidents, while short-term, we target to maintain Lost Time Incidence Frequency Rate (LTIFR) below the industry average per 1,000,000 working hours. Global data collection is carried out monthly to record total number of accidents, classified into no absence / <1 day lost and ≥1 day lost. In addition, total lost days are recorded along with descriptions of all accidents, taken for further assessment to implement preventive and corrective measures.

80% of our sites have formal Health & Safety committees in place with at least quarterly meetings. They are composed of both management and worker representatives. We estimate 3% of our workforce to have membership in the committees.

Training is a fundamental measure to ensure health and safety of our employees. While our administration workers are trained annually on safe work practices and protection measures in case of visiting productions floors, the main focus is on ensuring a safe work environment for production employees who deal with potentially risky work activities, processes and substances.

TRAINING FOCUS AREAS

- Safety briefings (why it is important, how it is managed)
- Tool usage instructions (e.g. forklifts)
- Substance handling instructions (e.g. hazardous substances)
- Safe behaviour instructions (e.g. stacking, lifting and carrying items)
- Fire safety
- Procedure in case of emergency
- Procedure in case of an injury
- Personal protective equipment (PPE) instructions



*LTIFR (Lost Time Incidence Frequency Rate) includes accidents with ≥1 day lost. The data has been recalculated for the previous reporting years.



EDELMANN FOUNDATION

In 2007, the shareholding family of Edelmann established the “Edelmann Stiftung” – a foundation based in Heidenheim. The purpose of this charitable foundation is to generate resources to promote art, culture and sport, help young people and the elderly, support public welfare, science and research as well as the protection and maintenance of historic monuments. Since the foundation was established, we have provided about 285,000 euro of support to around 100 facilities and projects – primarily in Edelmann’s hometown and region of Heidenheim.

In 2021, the Edelmann Foundation donated to various beneficiaries, once again supporting more than 20 initiatives with larger and smaller donations. In the pandemic year, the focus was on supporting institutions in the social, educational, cultural and sports area alike. The Edelmann foundation will remain its commitment to donating.

Edelmann *Stiftung*

EDELMANN SPONSORSHIP

The Edelmann Sponsorship engages in sports and educational support of the local area centralized around Heidenheim. The team of the baseball club Heideköpfe Heidenheim and the football club 1. FC Heidenheim 1846 are supported by the Edelmann Sponsorship. Among the beneficiaries are also soccer and fencing teams. We are also proactively reinforcing multiple projects with nursery schools and universities to strongly support the educational purpose apart from the sports engagement. We are committed to provide all possible resources to the local area and nurture the development of our hometown.



Fencing Days 2020. Photo by Maximilian Rist.



Heideköpfe Heidenheim Baseballteam.
Photo by Susanne Liedtke/
Heidenheim Heideköpfe



1. FC Heidenheim 1846



ENVIRONMENT

RAW MATERIALS

CARTONBOARD / PAPER

We work exclusively with cartonboard/paper as our main raw material that comprises up to 95% of the finished product. Cartonboard is a renewable and recyclable material that allows us to maximize the environmental performance of our solutions. We rely on our key suppliers to ensure that the wood comes from controlled sources, including FSC® (Forest Stewardship Council®), where 100% of our board suppliers can ensure availability, while 93% of our own plants are certified with FSC® Chain of Custody.

INKS AND VARNISHES

More than 60% of the inks and varnishes we use are water-based, excluding the use of strong chemicals. We are committed to the use of inks, varnishes and related products certified as free of conflict minerals and toxic heavy metals as well as compliant with the REACH regulations. Our work has continued to eliminate the usage of mineral oil-based inks, where we have successfully completed multiple projects with our customers to facilitate the transition.

EMBELLISHMENT

Our main goal is to ensure that decorative finishing does not limit the recyclability of our products. Therefore, we are in continuous research and development of innovative solutions. Along with existing technologies such as cold transfer or hot stamping, we have added recyclable digital embellishment to our portfolio in 2021 through a new partnership with Steinemann. We promote solutions with selective application, mono material approach and guaranteed recyclability.

GLUE

Glue is used to ensure sealing and closing of a folding box. We use standard water-based glues which enter a smooth recycling process.

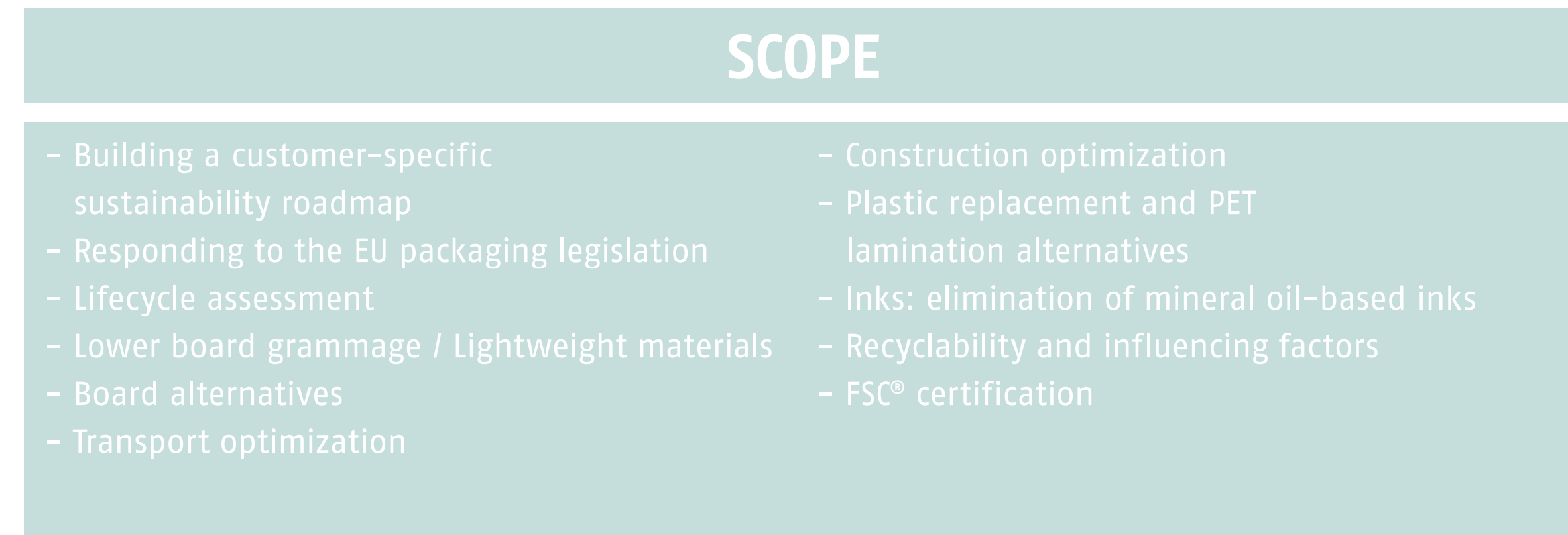
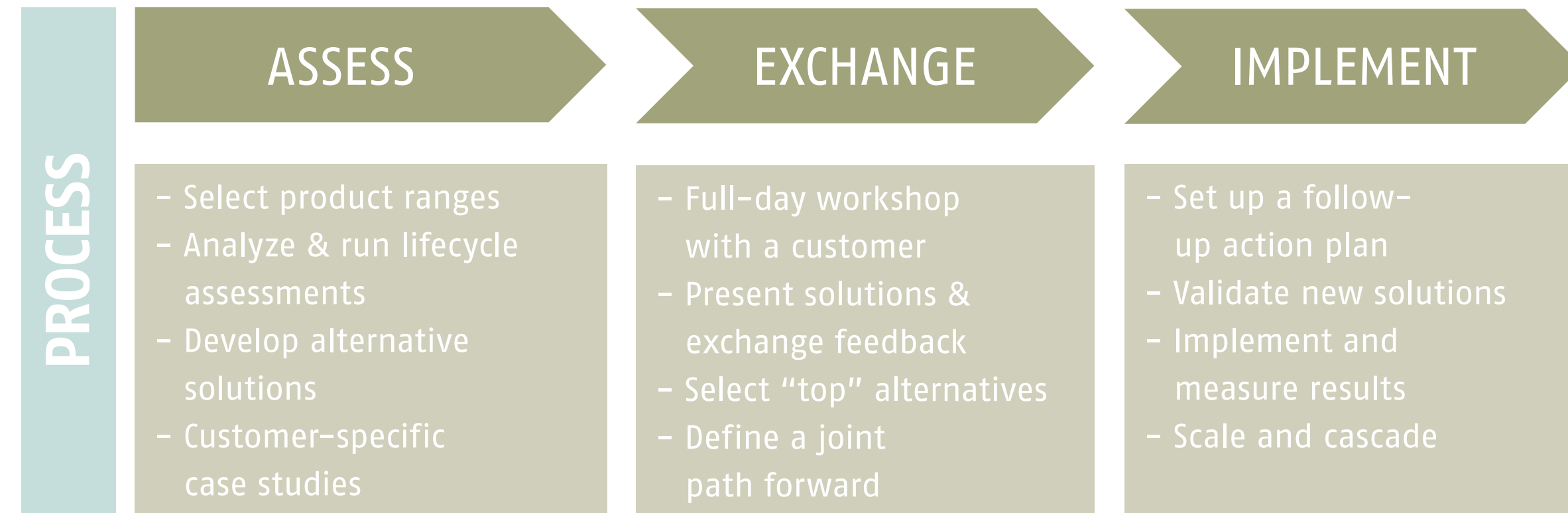
THROUGH A CAREFUL SELECTION OF OUR RAW MATERIALS, OUR PACKAGING SOLUTIONS STAND FOR:

MINIMIZED CARBON FOOTPRINT
RECYCLABILITY
CIRCULARITY



CUSTOMER SUSTAINABILITY PROGRAM

Introduced in 2020, our Customer Sustainability Program continues to support our clients on their journeys to reduce environmental footprint of packaging. In a spirit of partnership and dialogue, we achieve significant results together with our stakeholders. Our Customer Sustainability Program stands for climate change mitigation, circular economy, efficient use of resources, responsible supply chain and sustainable innovation.



RESULTS 2021

2
full-day workshops

>50
lifecycle assessments completed for our customers

4
small-scale workshops

25%
average reduction of carbon footprint per customer

OUR CUSTOMER SUSTAINABILITY PROGRAM STANDS FOR CLIMATE CHANGE MITIGATION, CIRCULAR ECONOMY, EFFICIENT USE OF RESOURCES, RESPONSIBLE SUPPLY CHAIN AND SUSTAINABLE INNOVATION.

SUSTAINABLE INNOVATION



PET LAMINATION ALTERNATIVES

Lamination is often used to create a glossy visual effect, however it also disturbs efficient recycling process. Therefore, our solutions include a range of PET lamination alternatives, such as cold transfer or hot stamping, which are fully recyclable due to selective application technology and no plastic on the final product. We continuously assist our customers to substitute lamination and achieve better recyclability rates of their products.

CELLOPHANE REPLACEMENT

Cellophane wrapping is used for protection purposes mainly in the beauty market. In 2021, our development team worked on a wide range of solutions that allow to eliminate cellophane wrapping and instead, rely on tamper-evident closures designed specifically for the beauty sector. We are proud to support our customers in plastic reduction without compromising product protection.

WE PROMOTE MONO-MATERIAL SOLUTIONS

To ensure full recyclability, we offer solutions made 100% of cartonboard – renewable and recyclable raw material. A common theme of 2021 was plastic replacement, where we supported numerous customers in their transition from hybrid or fully plastic packaging to carton solutions. We join a global effort to reduce plastic waste and foster circularity in the packaging sector.

DIGITAL EMBELLISHMENT

Edelmann Group is among the pioneers of digital embellishment. In 2021, we started a partnership with Steinemann and installed a DM Maxliner machine that enables high-quality digital finishing and varnish application that can be achieved with only one pass. Due to selective application, digitally printed packaging is fully recyclable and can contribute to better environmental performance.



CO₂ COMPENSATION PROGRAM

Edelmann Group is among a few packaging manufacturers who can support customers in CO₂ compensation. We use an external calculation tool certified by The Climate Initiative of the Printing and Media Industries Federations. Customers may choose to invest in CO₂-neutral projects, thereby compensating the carbon footprint of their packaging.

The CO₂ calculator follows a reliable accounting model designed for the needs of the printing industry. All key differences are carefully considered, such as different sorts of cartonboard having varying carbon footprint. The calculator complies with the methods for "Lifecycle assessment and Carbon Balance Calculations" – DIN/ISO 14040, 14044 and 14067, as well as DIN/ISO 16759.

262 tons of CO₂e were compensated by our customers in 2021

2 CO₂-neutral projects supported in 2021

PROJECTS SUPPORTED IN 2021:



Reduction of smoke emissions, Kenya

Distribution of efficient cook stoves and water treatment systems to reduce the consumption of biomass.



Reforestation, Uganda

Afforestation activities to prevent shortage of wood, protect biodiversity, clean air and natural habitat.

TICCIT – PLANT A TREE, GROW A MIND

Education of young generations is crucial towards a more sustainable future. Therefore, Edelmann Group participates in a TICCIT (Trees into Cartons, Cartons into Trees) program developed by Pro Carton – the association of carton and cartonboard manufacturers. In 2021, we organized this program for one of the local schools in Heidenheim. The session includes educating kids about trees, forests, paper making and carton making processes and of course recycling. The second part of the event is dedicated to the preparation of a sapling in a carton to be planted later at home together with the families.

Are you interested to join TICCIT? Find out more at <https://ticcit.info/>



EDUCATION OF YOUNG GENERATIONS IS CRUCIAL
TOWARDS A MORE SUSTAINABLE FUTURE.

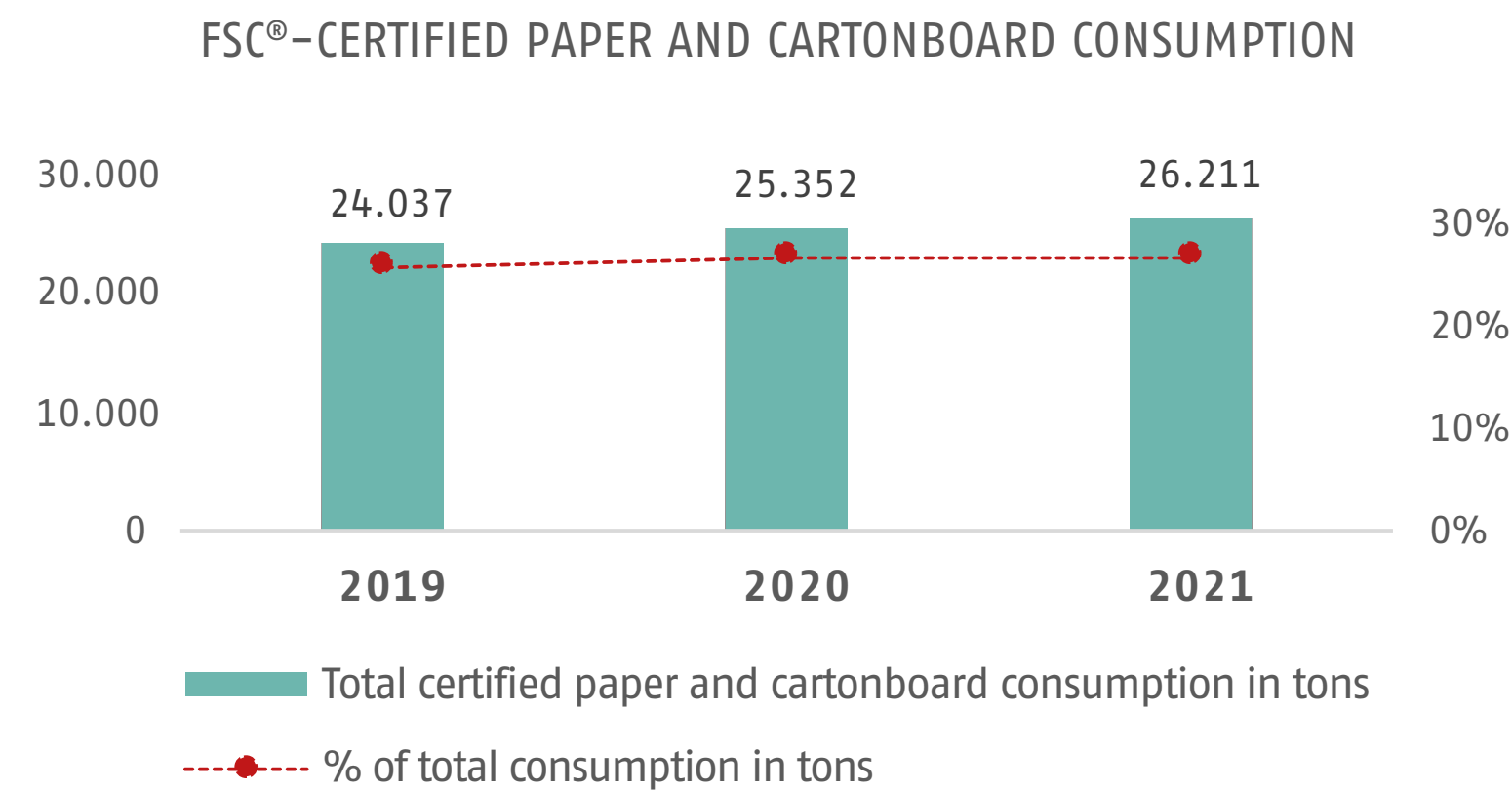


Plant a tree, grow a mind

TREES INTO CARTONS - CARTONS INTO TREES

CARTONBOARD – OUR KEY RAW MATERIAL

Our key raw material is cartonboard – renewable and recyclable. The total consumption mainly refers to cartonboard with an exception of Leaflet Solutions located in Lindau and Leverkusen, where paper consumption stands for more than 90% of the total due to the nature of leaflet business.



93%

of Edelmann plants are certified with FSC® Chain of Custody

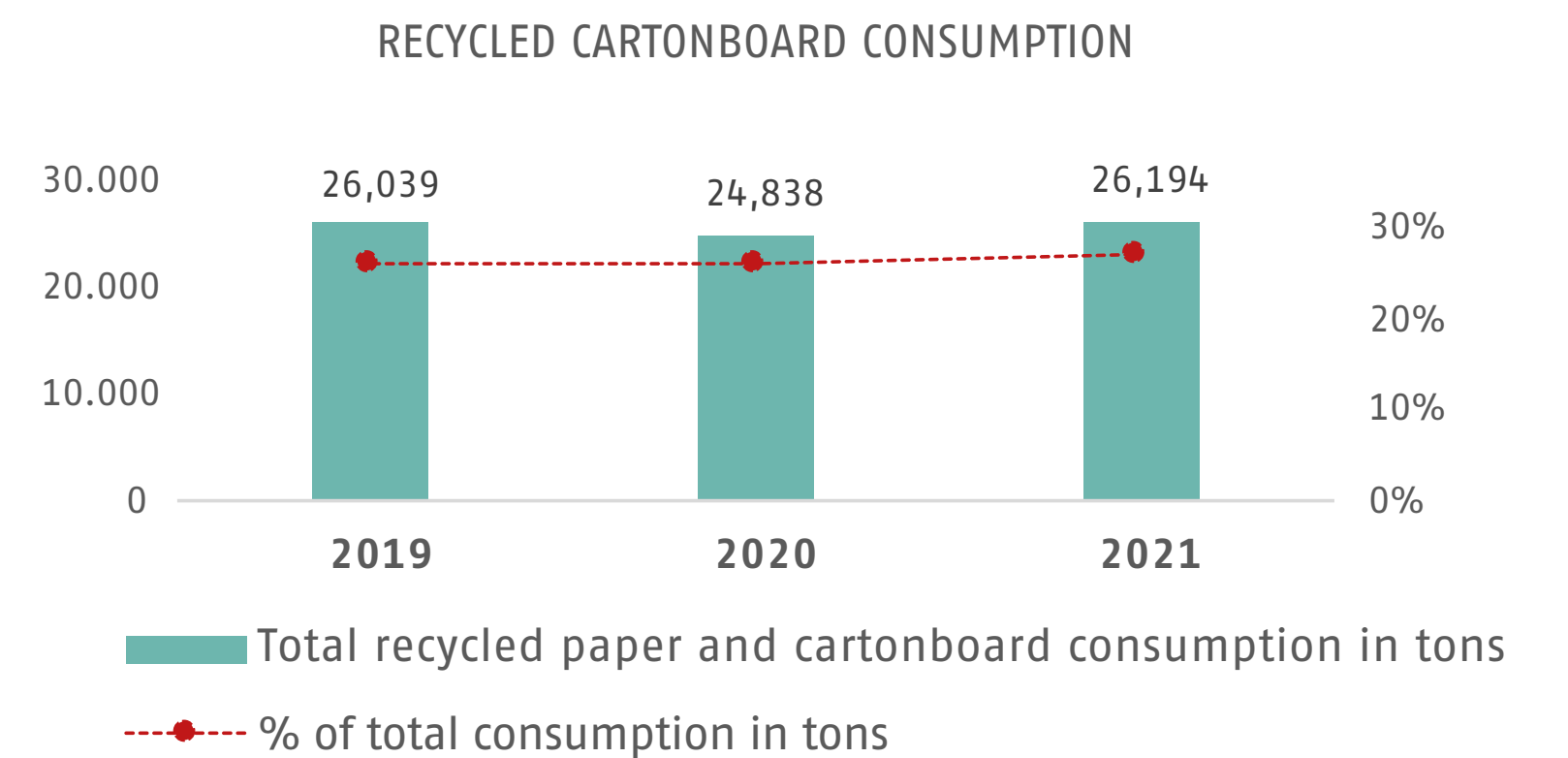
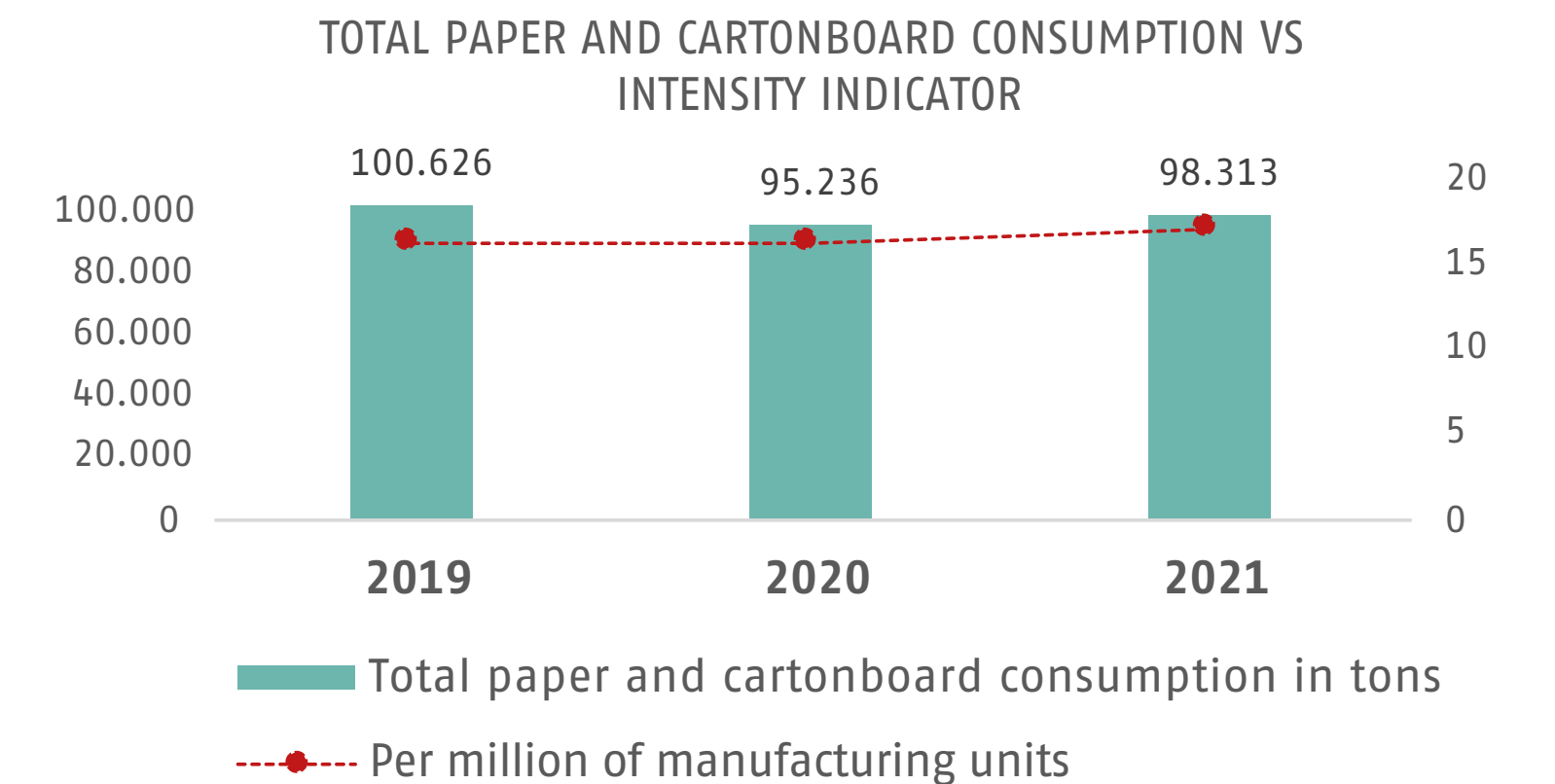
3%

increase in FSC®-certified board consumption

It is our responsibility to educate our customers on the environmental impact of board material, however the share of certified and recycled board depends on the customer specifications.

We encourage the approach of a balanced use of virgin and recycled fibers, as they both belong to an interlinked and interdependent fiber cycle. We choose to run lifecycle assessment for each individual case when the type of the board material needs to be selected or recommended.

FSC® trademark was used under the licence code FSC-C012363.



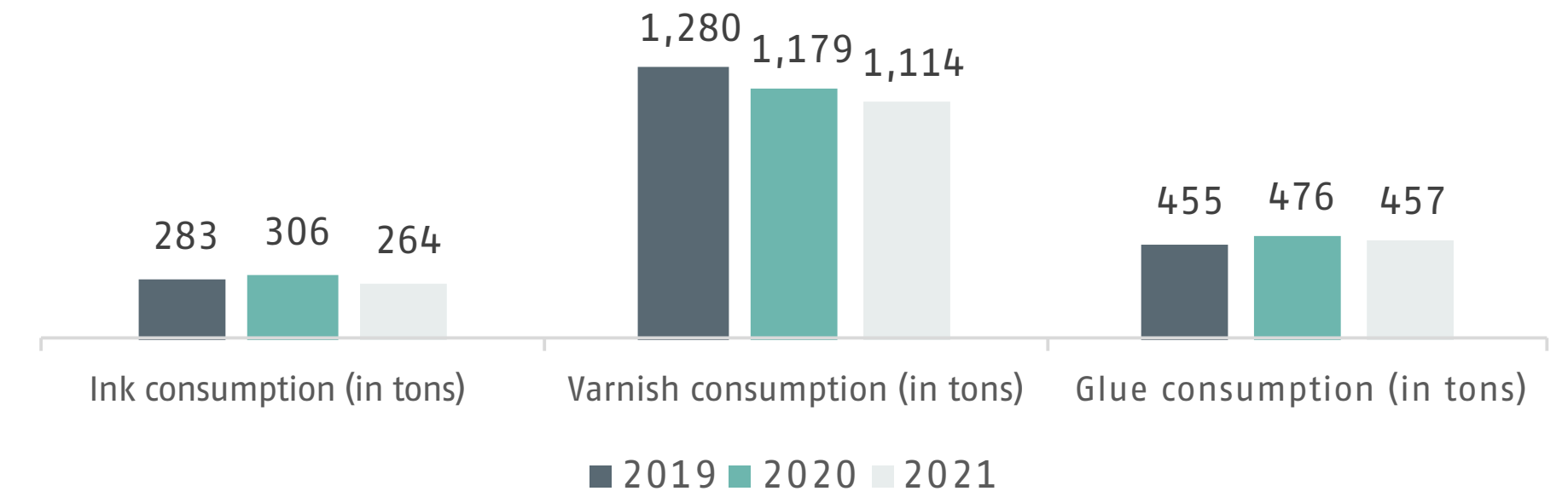
OTHER RAW MATERIALS

Apart from paper and cartonboard, inks and varnishes are used to print and decorate our products. Most inks and varnishes are water-based (61%), excluding the use of strong chemicals. We are committed to the use of inks, varnishes and related products certified as free of conflict minerals and toxic heavy metals. Water-based glue is used to ensure closing of our packaging products.

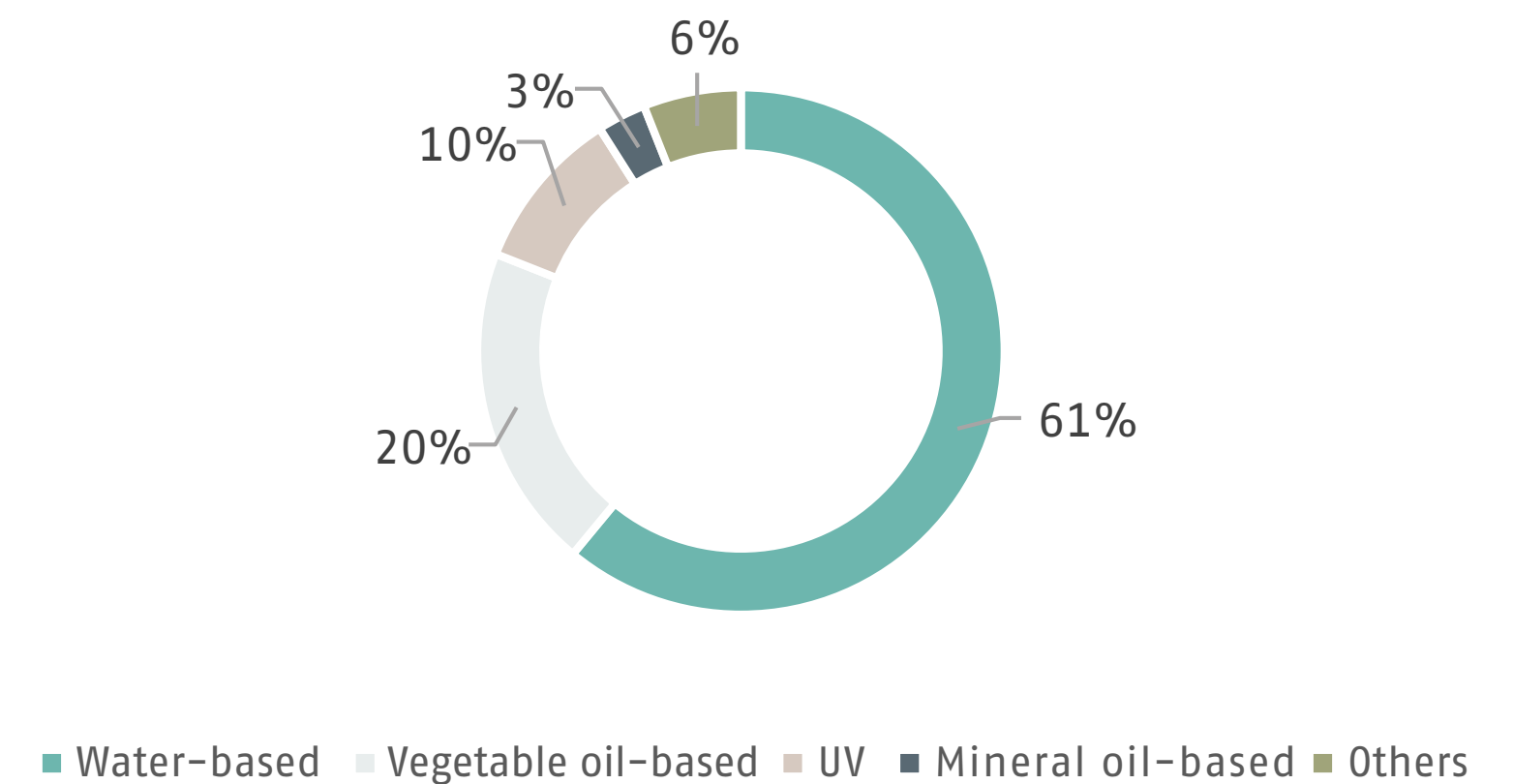
MINERAL OIL-FREE INKS

We continue our work to support our customers to switch to mineral oil-free inks. It is among our environmental commitments to support the transition and eliminate the use of mineral oil-based inks globally. There are numerous solutions which are based on vegetable oils and can provide similar technical performance.

INK, VARNISH AND GLUE CONSUMPTION IN TONS



INK BY TYPE



SUSTAINABLE SUPPLY CHAIN

Environmental and social performance of our suppliers directly affect our sustainability performance throughout the entire supply chain. Therefore, we aim at ensuring transparency and traceability through partnership and dialogue with our key supply chain partners.

SUPPLIER CONTEST ON SUSTAINABILITY

In June 2021, we have engaged with our key suppliers through a supplier event dedicated to sustainability. The event consisted of two training sessions during the opening and closing, where we shared our environmental challenges as well as developing requirements for our suppliers. The main part of the event was split into individual sessions where suppliers presented their pre-selected improvement proposals aimed at waste reduction, process optimization, emissions reduction, recyclability enhancement and other topics. Out of 30 project ideas, we focused on 8 to be considered for implementation. Several of them, such as plastic reduction in packaging material, were already completed in 2021.

ENGAGEMENT WITH OUR SUPPLIERS IS KEY TO ACHIEVING SUSTAINABILITY IN SUPPLY CHAIN.

OUR SUPPLIERS COMMIT TO THE EDELMANN GROUP SUPPLIER CODE OF CONDUCT THAT CONSISTS OF THE FOLLOWING TOPICS AND PRINCIPLES:



BUSINESS ETHICS

- Laws and regulations
- Anti-bribery and anti-corruption
- Fair competition
- Data protection
- Conflict of interest
- Sensitive transactions



SOCIAL RESPONSIBILITY

- Health & Safety
- Freedom of association
- Child and forced labour
- Fair compensation and working hours
- Non-discrimination
- Anti-harassment



ENVIRONMENT

- Energy
- Water
- Biodiversity
- GHG emissions and climate change
- Waste management

ENERGY CONSUMPTION

Energy is among our top priority topics based on the latest materiality assessment, therefore we focus on energy preservation, maximizing renewable energy sources and incorporating energy efficiency in our business processes, such as CapEx. Each Edelmann site is supported by an environmental expert, either internal or external. The scope of our work includes production processes, machinery and equipment, facilities and everyday work practices.

The total energy consumption consists of electricity consumption, district heating used in Poland (1149 MWh in 2021 – not included in the charts) and natural gas for applicable sites. We measure consumption in absolute value as well as in intensity value per million of manufacturing units (5500 million in 2021).

23%

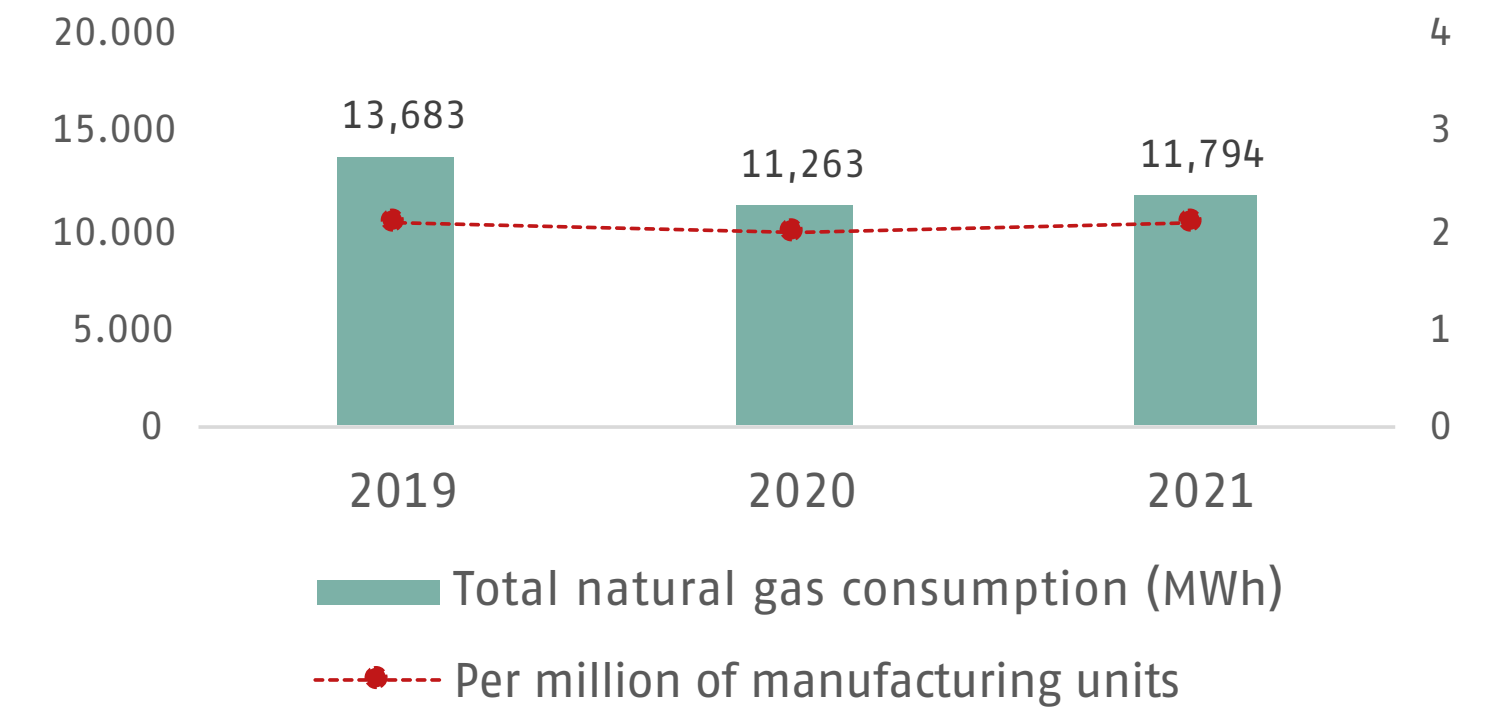
reduction in total energy consumption against 2017 (base year) as an intensity value per million of manufacturing units

43%

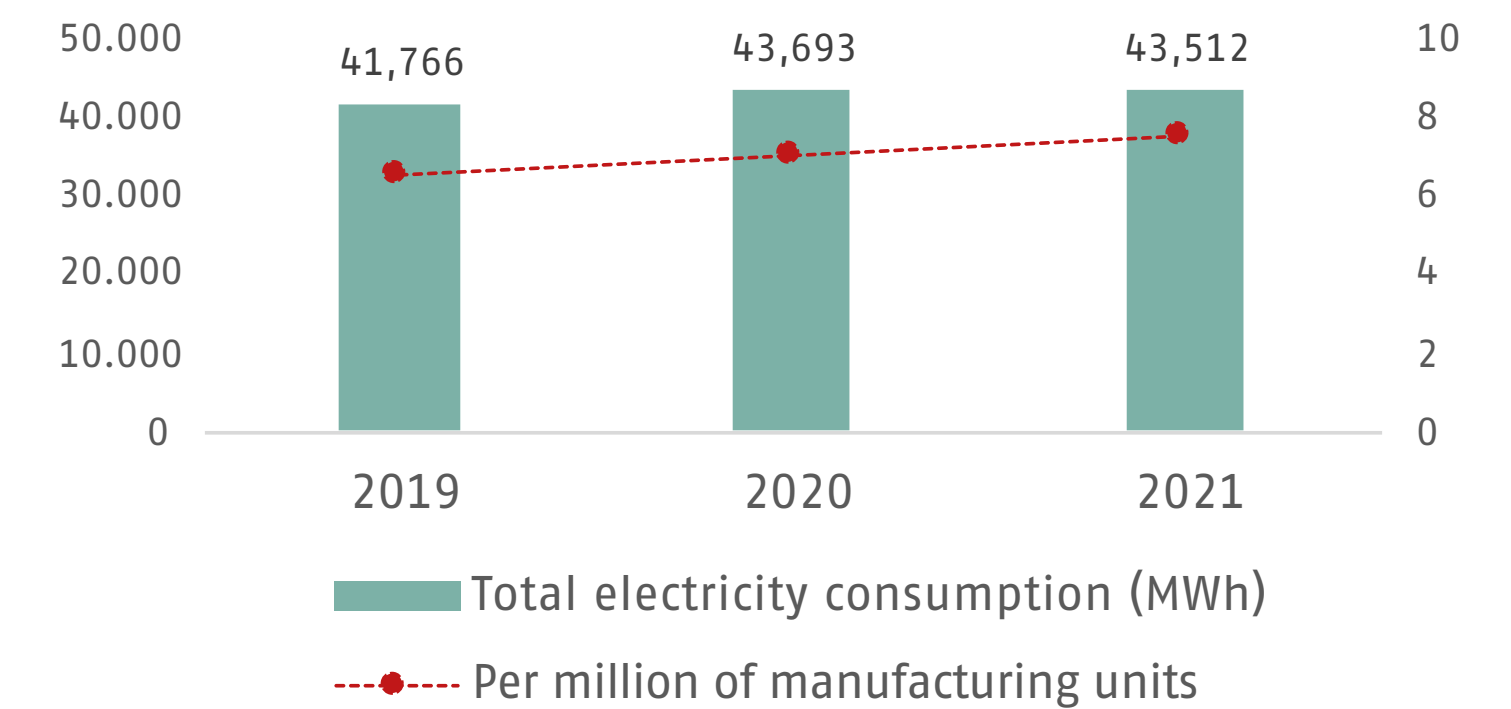
of our electricity consumption comes from renewable sources (hydropower)



TOTAL NATURAL GAS CONSUMPTION VS INTENSITY INDICATOR



TOTAL ELECTRICITY CONSUMPTION VS INTENSITY INDICATOR



GREENHOUSE GAS EMISSIONS

Our environmental agenda addresses climate change through energy and emissions pillar. We report on Scope 1, Scope 2 and Scope 3 GHG emissions in absolute value and in intensity value per million of manufacturing units (5500 million in 2021).

We have set a target to reduce our total Scope 1 and Scope 2 (location-based) emissions by 10% in intensity value per million of manufacturing units by the end of 2022. Our latest results correspond to 8% reduction against the base year 2017. The future reduction roadmap will correspond to the standards of an SBT (Science-Based Target).

Scope 1 direct GHG emissions: arising from stationary combustion, our Scope 1 emissions mainly come from the use of natural gas. As of 2020, we have extended our reporting to further categories of fuel consumption (diesel and petrol) and refrigerant leaks.

8%

reduction in Scope 1&2 GHG emissions against 2017 (base year) as an intensity value per million of manufacturing units

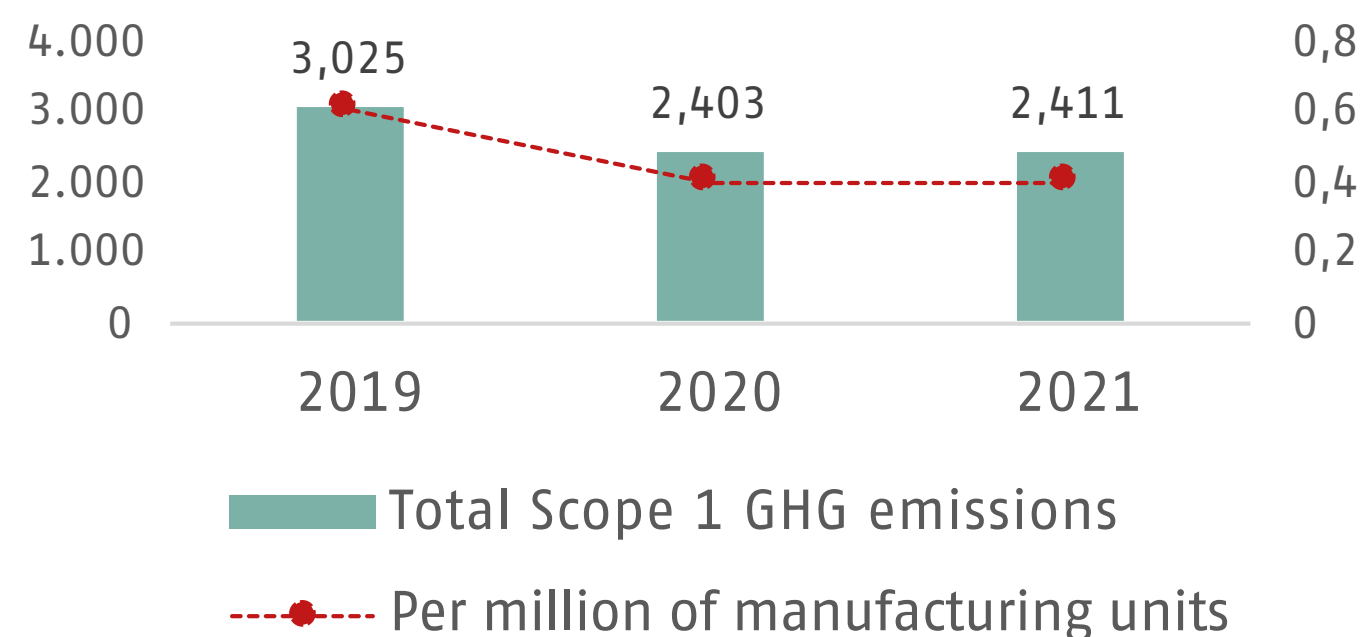
Scope 2 indirect GHG emissions: these emissions refer to the purchased energy, i.e. purchased electricity for all sites and district heating in Poland. We report based on both location-based and market-based approach.

Scope 3 other indirect emissions: indirect emissions arise from the activities happening outside the company itself, but still belonging to the value chain. We report on the emissions generated by waste, water, purchased goods (cartonboard), capital goods (machines and IT equipment), upstream and downstream transportation, employee commuting and end of life treatment of sold products.

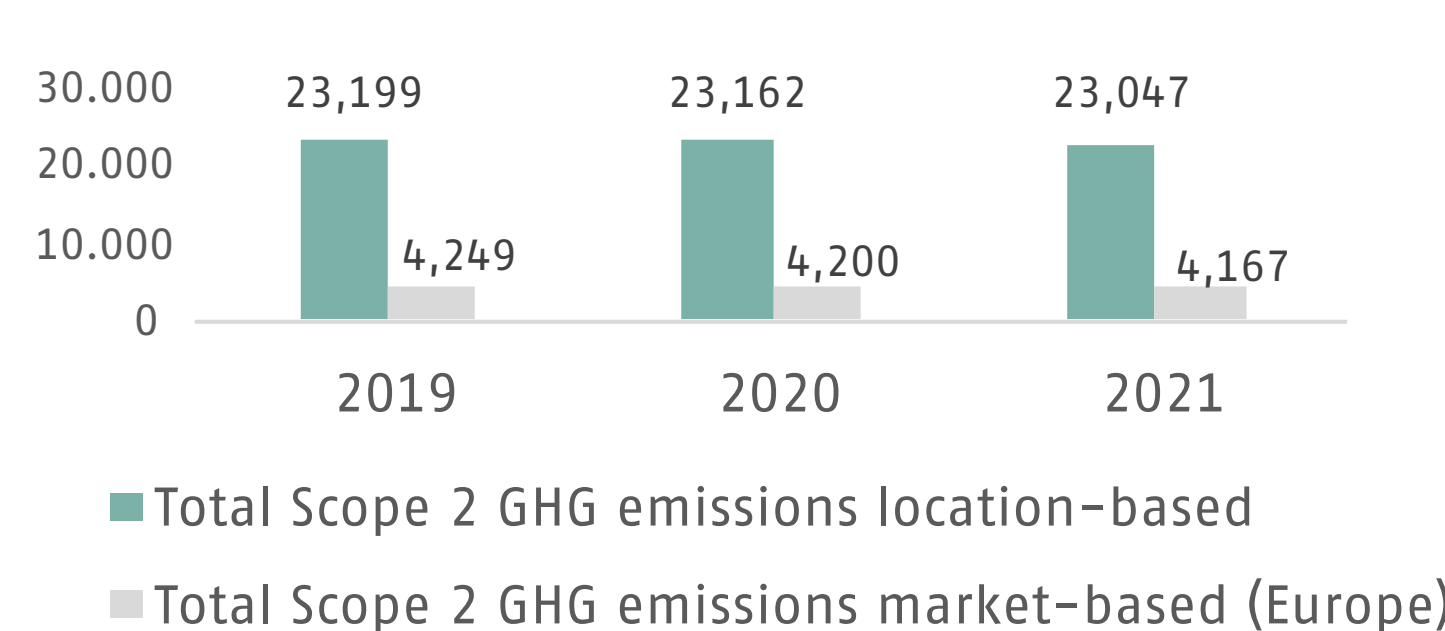
100%

of Edelmann sites completed a third-party verification of the GHG balance in accordance with the GHG Protocol (Scope 1, 2 and 3) for the reporting year 2021

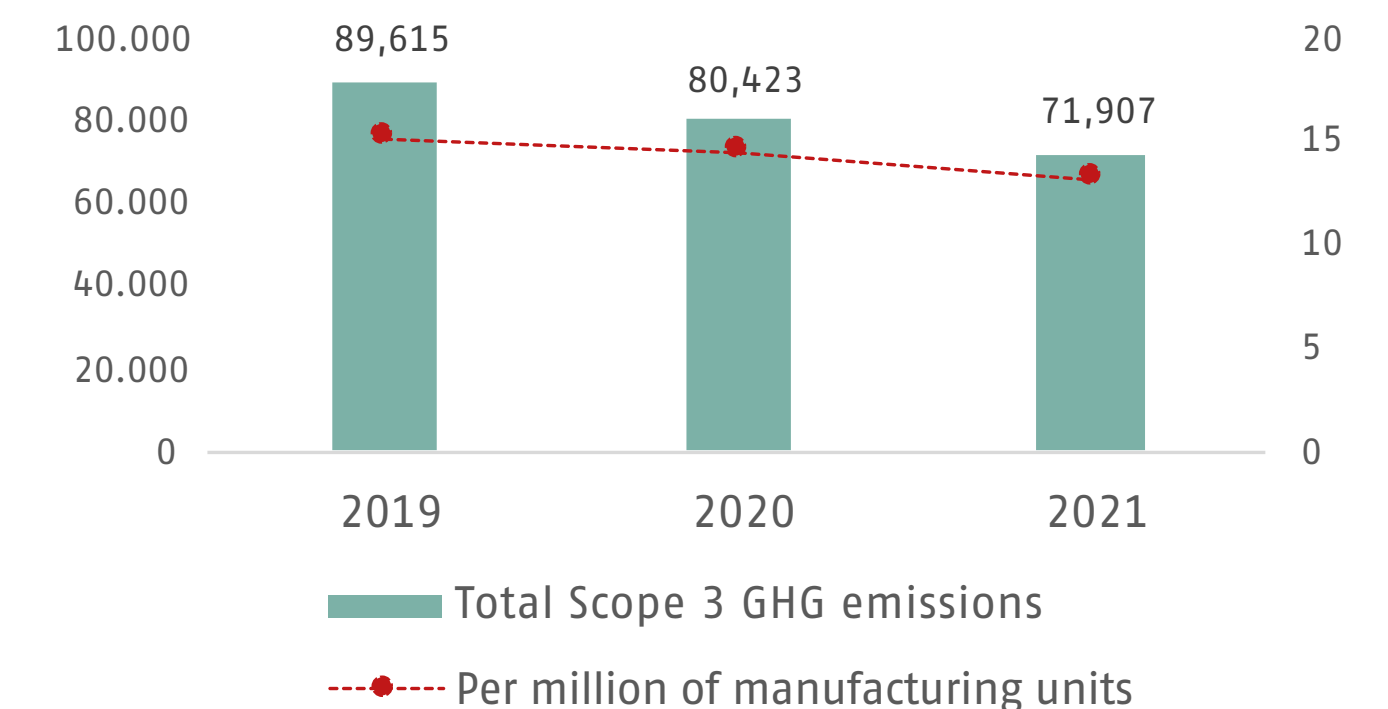
TOTAL SCOPE 1 GHG EMISSIONS (in tons of CO₂e) VS INTENSITY INDICATOR



TOTAL SCOPE 2 GHG EMISSIONS LOCATION-BASED AND MARKET-BASED (in tons of CO₂e)

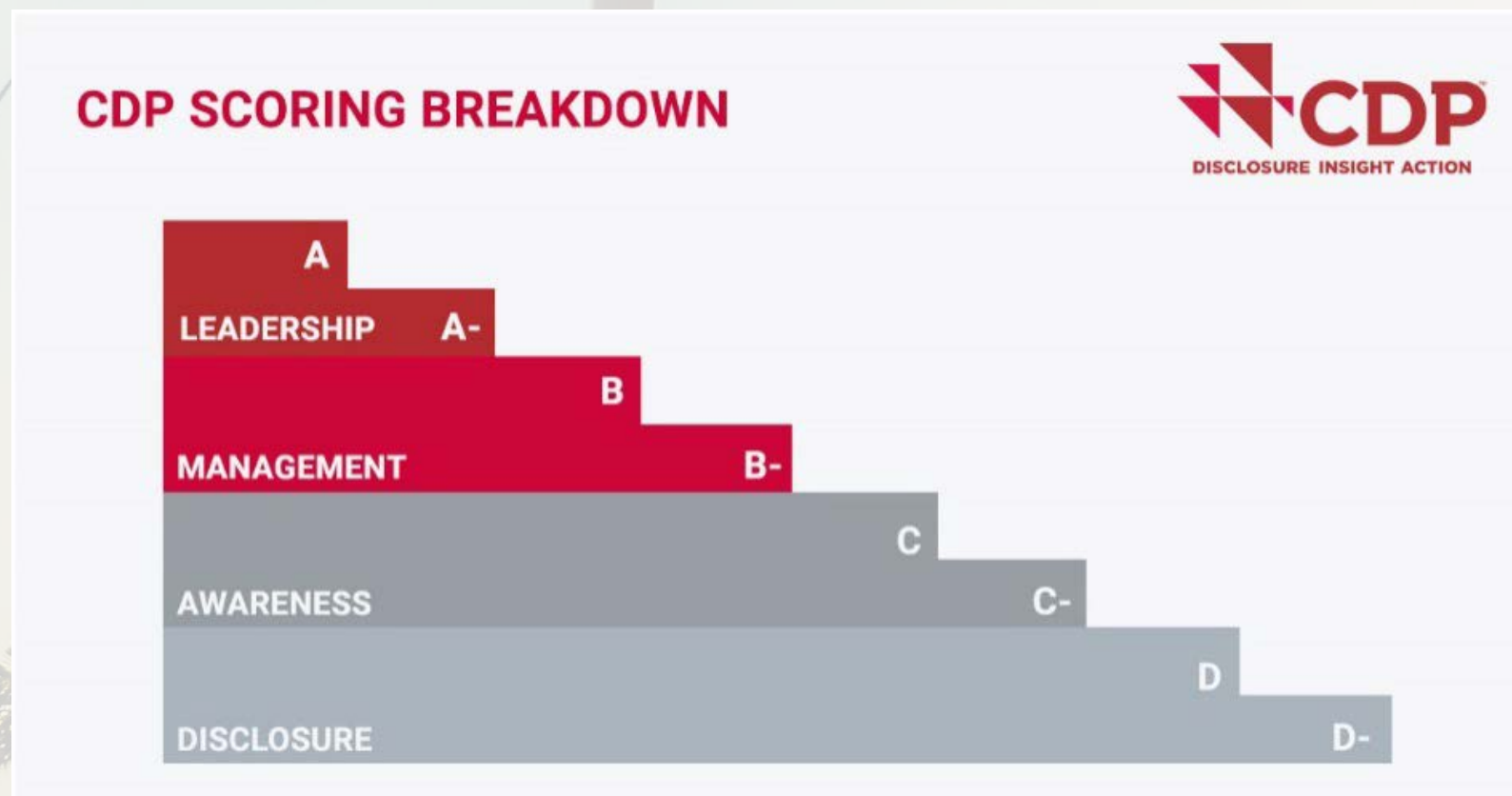


TOTAL SCOPE 3 GHG EMISSIONS (in tons of CO₂e) VS INTENSITY INDICATOR

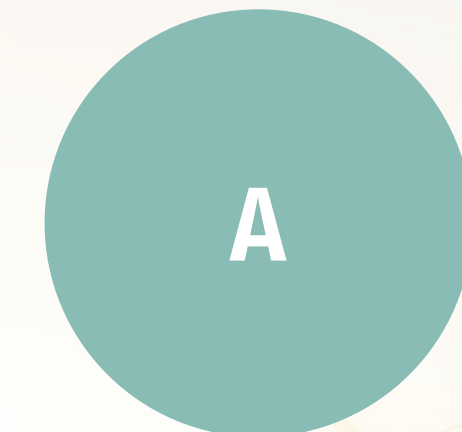


CLIMATE CHANGE

Our commitment to mitigate climate change is transparent through the membership of Carbon Disclosure Project (CDP), where Edelmann Group reports annually. The report is assessed externally and independently, including risks and opportunities in relation to climate change, governance structure, energy consumption, GHG emissions and reduction initiatives. We report on the Group level globally. We are pleased to be recognized with A- (Leadership) rating in 2021 for the third consecutive year.



Edelmann Group 2021 score



Edelmann Group Supplier Engagement 2021 score

Average performance



Print and publishing services



Europe



Global average

Our rating 2021 is outperforming the industry average as well as the European and global average performance. Additionally, we were granted with A rating for CDP Supplier Engagement, being included in the A list of 2021.

WATER AND BIODIVERSITY

Both water and biodiversity are rated with low relevance and minimized to no impact based on the latest materiality assessment. Yet, we choose to disclose basic reporting on both topics, following GRI standards.

WATER

The nature of Edelmann's business operations does not require an extensive use of water. Most of the total water consumption comes from sanitary usage, entering the municipal sewage systems. The resource is also utilized for humidification to meet the storage conditions for cartonboard. Only 10% of the total consumption is process water. For that reason, we do not assign intensity indicators for water.

No water bodies were affected by the operations of Edelmann Group during the reporting year, therefore bearing no impact upon nationally or internationally protected water areas and related habitat.

BIODIVERSITY

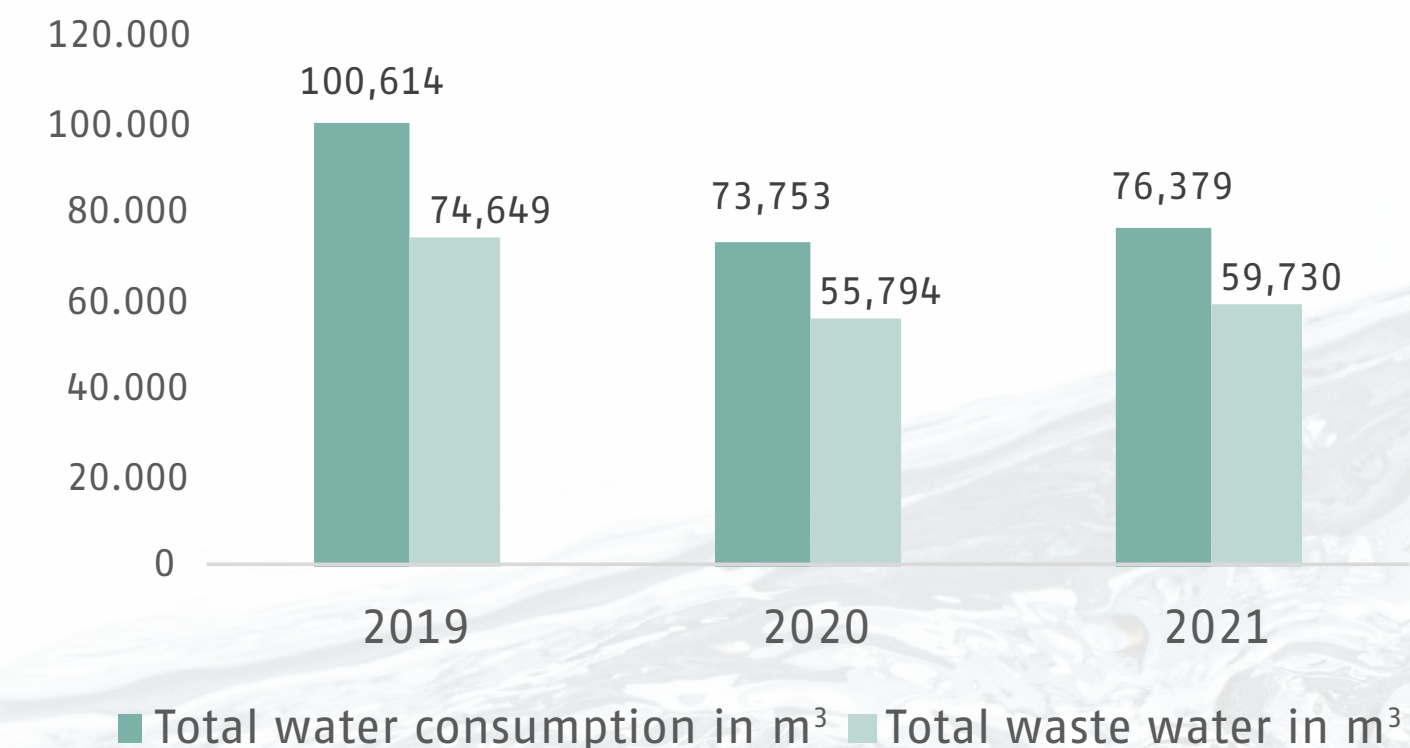
With our respect to the importance of biodiversity, it does not belong to the material topics, as Edelmann Group does not own, lease or manage any operational sites which are within or adjacent to protected areas or areas of high biodiversity value. Consequently, Edelmann Group does not put any risk upon any endangered species of flora and fauna at any time, including the period of the reporting year.

Additionally, Edelmann Group has not received any fines or non-monetary sanctions for non-compliance with environmental laws and regulations during the reporting year for all environmental indicators, such as water, energy, biodiversity, waste, and emissions.

WATER SAVING INITIATIVES

Although water is not the key resource for our business, we still strive for continuous improvement in everyday work practices, e.g. the use of taps with sensors. In Norderstedt and Mexico, water dosing systems were installed in restrooms. In India, a new sewage treatment plant with a treated water storage of 400k liters was installed for use in fire hydrant system, restrooms, drain cleaning and air handling units. It allows to reduce consumption of fresh water. In addition, standard water taps were replaced with push button taps to avoid running water.

TOTAL WATER CONSUMPTION AND WASTE WATER IN M³



WASTE MANAGEMENT

As a strong supporter of circular economy, Edelmann Group takes responsible care of all generated waste and its disposal. All production waste is handled by the corresponding waste disposal contractors. Each Edelmann site is supported by a local representative to ensure that the system in place corresponds to applicable regulations.

WASTE DISPOSAL

Although country-specific infrastructure represents a diverse range of approaches and waste management standards, recycling remains the leading method for most of the waste categories. For example, board and paper is recycled by our suppliers to produce degraded board qualities, and all printing plates are returned back to the supplier for recycling.

No hazardous waste was imported or exported by or on behalf of Edelmann Group based on the terms of the Basel Convention (Annex I, II, III, and VIII). There were no significant spills during the reporting year.

TYPE OF WASTE	CLASSIFICATION	2019 (IN TONS)	2020 (IN TONS)	2021 (IN TONS)
Paper / cartonboard	Non-hazardous	26,749	25,618	28,044
Plastics	Non-hazardous	989	349	580
Metals	Non-hazardous	295	126	321
Compost	Non-hazardous	26	35	76
Industrial waste	Hazardous	275	312	335
Wood, wooden pallets	Non-hazardous	156	736	771
Printing plates	Non-hazardous	111	96	209
Inks and varnishes	Non-hazardous	–	–	120
Others	Non-hazardous	469	123	268
TOTAL		29,070	27,395	30,724

WASTE REDUCTION INITIATIVES

Board standard sizes initiative is aimed at optimizing different board sheet sizes and therefore reduce waste coming from the outdated stock as well as cutting process. The total number of sheet sizes will be reduced from 1800 to 350 along with 10% less overdeliveries. The first optimization steps were implemented in 2021.

In addition, our plant in Norderstedt reduced plastic waste by switching from small single-use containers to large multi-use containers for glue and varnishes.

Across multiple sites, we also work with our suppliers and customers to reduce packaging material, e.g. decreasing thickness of corrugated board as well as using thinner stretch foils for outer packaging and plastic elimination for inner packaging.

Additionally, our sites in China and India worked on production waste separation improvements, introducing new waste categories to implement a diligent sorting procedure.

CSR MEMBERSHIPS

The logo for EcoVadis, featuring the word "ecovadis" in a lowercase, sans-serif font. The letter "v" is green, and the letter "i" is blue.

EcoVadis is among the leading sustainability ratings, covering assessment on environment, business ethics, labour and human rights and sustainable procurement. Edelmann Group currently holds a gold medal in recognition of sustainability achievements. We improved our scoring from 66 to 70 points in 2021.

The logo for CDP (Carbon Disclosure Project), featuring a red stylized cross icon to the left of the letters "CDP" in a bold, red, sans-serif font.

CDP (Carbon Disclosure Project) is an organisation aiming to make environmental reporting and risk management a business norm. Edelmann Group reports on climate change annually. We achieved A- Rating for the third consecutive year in 2021 remaining at the Leadership level.

The logo for Sedex, featuring the word "Sedex" in a bold, black, sans-serif font, with a red circular icon containing a white stylized "S" to the right.

Sedex is the largest platform for sharing responsible sourcing data. Our sites in Heidenheim, Weilheim, Norderstedt, Mexico, India, Hungary, Brazil, China and Poland are Sedex members, reporting either through SMETA audits or self-assessment questionnaires.

GRI INDEX

GRI STANDARD

Page number

GRI 102 General

102-1	Name of the organization	6
102-2	Activities, brands, products, and services	8
102-3	Location of headquarters	6
102-4	Location of operations	7
102-5	Ownership and legal form	11
102-6	Markets served	8
102-7	Scale of the organization	6
102-8	Information on employees and other workers	19
102-9	Supply chain	43
102-10	Significant changes to the organization and its supply chain	N/A No significant changes in 2021.
102-12	External initiatives	29-30, 33-34
102-13	Membership of associations	49
102-14	Statement from senior decision-maker	5
102-16	Values, principles, standards, and norms of behaviour	10, 25-26
102-18	Governance structure	11
102-40	List of stakeholder groups	12
102-41	Collective bargaining agreements	25
102-42	Identifying and selecting stakeholders	12
102-43	Approach to stakeholder engagement	12
102-44	Key topics and concerns raised	15
102-46	Defining report content and topic boundaries	4
102-47	List of material topics	15
102-48	Restatements of information	32. Recalculation of LTIFR for the previous reporting years based on a new calculation approach.
102-49	Changes in reporting	N/A No changes for the reporting year.
102-50	Reporting period	4
102-51	Date of most recent report	4

GRI INDEX

GRI Standard	Page number
GRI 102 General	
102-52 Reporting cycle	4
102-53 Contact point for questions regarding the report	54
102-54 Claims of reporting in accordance with the GRI Standards	4
102-55 GRI content index	50-53
GRI 103 Management Approach	
103-1 Explanation of the material topic and its Boundary	At the beginning of each chapter
103-2 The management approach and its components	At the beginning of each chapter
103-3 Evaluation of the management approach	At the beginning of each chapter
GRI 200 Economic	
201-1 Direct economic value generated and distributed	6
205-2 Communication and training about anti-corruption policies and procedures	26
205-3 Confirmed incidents of corruption and actions taken	26. Confirmation of no incidents.
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	N/A
GRI 300 Environmental	
301-1 Materials used by weight or volume	41-42
301-2 Recycled input materials used	41
302-1 Energy consumption within the organization	44
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303-1 Interactions with water as a shared resource	47
303-5 Water consumption	47

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GRI Standard

Page number

GRI 300 Environmental

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	47
304-2	Significant impacts of activities, products, and services on biodiversity	47
305-1	Direct (Scope 1) GHG emissions	45
305-2	Energy indirect (Scope 2) GHG emissions	45
305-3	Other indirect (Scope 3) GHG emissions	45
306-1	Water discharge by quality and destination	47
306-2	Waste by type and disposal method	48
306-3	Significant spills	N/A. No spills in 2021.
306-4	Transport of hazardous waste	48
306-5	Water bodies affected by water discharges and/or runoff	N/A
307-1	Non-compliance with environmental laws and regulations	N/A
308-1	New suppliers that were screened using environmental criteria	43
308-2	Negative environmental impacts in the supply chain and actions taken	N/A

GRI 400 Social

401-1	New employee hires and employee turnover	19
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	27
401-3	Parental leave	28
402-1	Minimum notice periods regarding operational changes	25
403-1	Occupational health and safety management system	31
403-2	Hazard identification, risk assessment, and incident investigation	31-32

GRI INDEX

GRI Standard		Page number	GRI Standard		Page number
GRI 400 Social			GRI 400 Social		
403-3	Occupational health services	31	412-2	Employee training on human rights policies or procedures	23
403-4	Worker participation, consultation, and communication on occupational health and safety	32	413-1	Operations with local community engagement, impact assessments, and development programs	29-30, 33-34
403-5	Worker training on occupational health and safety	32	413-2	Operations with significant actual and potential negative impacts on local communities	N/A
403-6	Promotion of worker health	27	414-2	Negative social impacts in the supply chain and actions taken	N/A
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	31-32	416-1	Assessment of the health and safety impacts of product and service categories	N/A
403-8	Workers covered by an occupational health and safety management system	31	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
403-9	Work-related injuries	32			
404-1	Average hours of training per year per employee	23			
404-2	Programs for upgrading employee skills and transition assistance programs	23			
404-3	Percentage of employees receiving regular performance and career development reviews	23			
405-1	Diversity of governance bodies and employees	19-20			
406-1	Incidents of discrimination and corrective actions taken	N/A			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A			
408-1	Operations and suppliers at significant risk for incidents of child labour	N/A			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	N/A			
411-1	Incidents of violations involving rights of indigenous people	N/A			
412-1	Operations that have been subject to human rights reviews or impact assessments	N/A			



FURTHER INFORMATION AND CONTACTS

Further information on sustainability at Edelmann Group is available at:
<https://www.edelmann-group.com/en/sustainability/>

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