corporate social responsibility
report 2024

delfort
creative collaboration

the future is light
another year on
our sustainability mission

This report has been prepared in accordance with the GRI Standards 2021.

This brochure is a summary of our 2023 sustainability highlights. The full version of the report is available at:
delfortgroup.com/sustainability

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Dear readers,

We would like to take the opportunity of this 14th edition of the delfort CSR report to cast a look back at 2023. Our extensive research efforts have borne substantial fruit in the form of further advances in the sustainability of delfort solutions. All of our product development revolves around the concept of DfCE (design for the circular economy). Not only do we focus on ensuring that our products are recyclable, but we also make sure that they contain as little raw material as possible.

One of delfort’s core competences lies in being able to fulfill the needs of our customers by delivering extremely lightweight papers that are also robust and functional. This is the philosophy behind our development of genuine alternatives to existing materials for – and in collaboration with – our customers, enabling them to save up to 80% volume in waste. We are also focusing on the re-use of fibers, which allows us to close the recycling loop. In markets that do not have adequate waste collection systems in place yet, the compostability of our products is of key importance.

In line with the UN Sustainable Development Goals and the Ten Principles of the UN Global Compact, we continuously work toward driving delfort’s sustainability forward on all levels. Having invested no less than €79 million in the modernization of our production facilities and in processes to reduce carbon emissions in 2023, we are sending a clear message to our commitment toward net zero, which is also reinforced by our commitment to the Science Based Target initiative (SBTi) Net-Zero Standard. According to our decarbonization roadmap, we will reduce the group’s total carbon emissions by 35% until 2026 (baseline 2023, Scope 1 & 2).

Our progress was primarily enabled by the very close relationships we have with many of our business partners, with whom we have been able to define and pursue tangible target ranges. Our thanks go to all these partners for their commitment.

However, we would not have been able to achieve such results were it not for the backing of our outstanding employees. Supported by a comprehensive training and professional development program in the areas of the environment, social affairs and corporate leadership, our employees are the guarantors of us achieving our shared goals. Every single day, they show an intrinsic commitment to go the extra mile to bring us one step closer to net zero.

Testimony to our successful performance is the Platinum award that we received again from EcoVadis in 2024 – an award that is only granted to the top 1% of the 130,000+ companies that they assess worldwide.

Last but not least, delfort is also focusing on sustainability in terms of corporate governance. The generation change that was started in 2022 will be finalized in 2024. Roland Faihs will be taking on a new role within our group in July 2024, after serving for 17 years as CFO and COO. He hands over the reins to Hannes Kinast as COO and Ilkka Saarinen as CFO, who have joined the existing team of Martin Zahlbruckner (CEO) and Christoph Steger (CSO). Both Hannes and Ilkka have moved internally within delfort, ensuring continuity in delfort’s contribution to a better and more sustainable world.

This report provides an insight into the progress that delfort has made in 2023. It was a year marked by a multitude of challenges and uncertainties. Having now entered its second year, the war in Ukraine threw its shadow over the entire global economy, and the reignition of the conflict in the Middle East brought additional uncertainty.

Furthermore, high inflation has continued, contributing to a significant change in consumer behavior in virtually all areas in which delfort operates. However, our portfolio has enabled us to benefit from the situation in different business segments despite the challenges – thanks to the continuing trend that is driving forward product sustainability. We were not able to meet all of our ambitious goals in full. But where there’s a gap, there’s an even greater will to go another extra mile. We are well aware that the path toward net zero carbon emissions is a challenge that requires a lot of effort from employees, customers and suppliers. However, it is a path that is absolutely necessary – and we can manage it, together!

We hope that you will find this CSR report inspirational and look forward to receiving your feedback at sustainability@delfortgroup.com.

Yours sincerely,

Hannes Kinast
Ilkka Saarinen
Martin Zahlbruckner
Christoph Steger
Founded in 2006 and headquartered in Austria, delfort is a global innovation leader in developing, manufacturing and distributing specialty papers. We are a team of 3,220 employees who collaborate across more than 20 countries. Our family-owned company runs six paper mills, seven converting facilities and seven sales offices. With over 1,500 types of specialty paper delivered to more than 100 countries worldwide, our products can be found in various industries.

High standards and enthusiasm for what we do are not only reflected in our core philosophy of creative collaboration but can be felt in every single project. Tomorrow’s needs will always drive the paper industry to evolve – and delfort with it. We encourage and support industries in their transition toward circularity, as we unlock the power of renewable resources, and we shape papers’ future.

a safe place to work
Our occupational safety campaigns again contributed to a 26% reduction of work-related injuries compared to 2022. Additionally, we have achieved 365 accident-free days on 14 sites.

EcoVadis platinum medal
2024 is the third year in a row that EcoVadis has awarded us with the “Platinum” medal for outstanding achievements in the areas of Environment, Labor & Human Rights, Ethics and Sustainable Procurement.

united forces for recyclability
As a member of 4evergreen, we join more than 100 companies in advancing the sustainability and circularity of the fiber-based packaging industry with recyclable solutions.

“B” in CDP’s 2023 rating
We have been recognized by the global environmental non-profit organization CDP in all three categories with the very good rating of B/B- for our management in corporate transparency and environmental performance. We received a B rating in forests and a B- in climate change and water security.
Ultra-light. High-performing. That’s what our portfolio is all about. While our papers weigh up to half as much as conventional paper, they feature excellent functionality.

**Ultra-light.**

**High-performing.**

**That’s what our portfolio is all about.**

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---

**baking & cooking**

Whether for professional or household use, our papers offer excellent release and grease-resistant properties for high-temperature cooking, baking, frying and grilling.

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**thinprint**

Unleash the power of our lightweight thinprint papers for accurate and easily readable texts and product information, perfect for any publications and leaflets.

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**design, sketch & archive**

Specialty paper in the true sense of the word: archive paper engineered for enduring lifespans, outstanding design paper or easy-to-use transparent sketch paper.

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**release base & label face**

Superior strength, transparency, silicone resistance, cost-efficiency and quality – the ideal solution for silicone coating, lamination and die-cutting.

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**food packaging**

What a blast! Be part of a sustainable future with our fiber-based food packaging solutions, available with or without barrier.

---

**prints & flexibles**

Explore our packaging with outstanding and colorful printing designs: shrink sleeves and cosmetic packages, bottle labels and tobacco pouches, to name but a few.

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**battery separator**

Our advanced fiber-based battery separators are an important part of lithium-powered battery applications.

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**cigarette & tobacco**

We offer modern equipment, experienced experts and a fully integrated innovation process for all cigarette paper and packaging needs.

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**electrical insulation**

Let’s power up the future! Our electrical insulation and crepe papers are leading the markets and can be applied in the most demanding high voltage environments.

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**laboratory & analysis**

Our laboratory, LIP testing and analysis papers are perfectly manufactured for filtration, analysis and laboratory applications.

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**non-food packaging**

We customize our paper solutions to your needs: Highly transparent, super light, colored, versatile, wrinkle-resistant, robust and rich to the touch.

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**How we create value**

<table>
<thead>
<tr>
<th>Key Inputs</th>
<th>Value Creation</th>
<th>Products</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Responsibly sourced wood-based materials</td>
<td>- Skilled employees</td>
<td>- Baking &amp; cooking papers</td>
<td>- Converters</td>
</tr>
<tr>
<td>- Energy with the smallest possible &amp; economically viable CO2 footprint</td>
<td>- Sustainable &amp; innovative solutions</td>
<td>- Battery separator papers</td>
<td>- Printers</td>
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<tr>
<td>- Services &amp; products supplied by companies with the highest standards and impeccable business practices</td>
<td>- Advanced technologies</td>
<td>- Cigarette &amp; tobacco solutions</td>
<td>- Manufacturers</td>
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<td></td>
<td>- Efficient production</td>
<td>- Design, sketch &amp; archive papers</td>
<td>- Brand owners</td>
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<td></td>
<td>- Sound &amp; sold business partner</td>
<td>- Electrical insulation papers</td>
<td>- Wholesalers</td>
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<td>- Food packaging papers</td>
<td>- Retailers</td>
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<td>5,300 suppliers</td>
<td>3,220 employees worldwide</td>
<td>1,600 employees across more than 20 countries</td>
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<tr>
<td>1,500 employees</td>
<td>330 mio. end-users around the globe</td>
<td>1,140bn euros sales revenue</td>
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<td>10,017 km saleable paper</td>
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  - Non-food packaging papers
  - Release base & label face papers
  - Laboratory, LIP testing & analysis papers
  - Leaflet papers
  - Print & publishing papers
  - Prints & flexibles

- Customers
  - Converters
  - Printers
  - Manufacturers
  - Brand owners
  - Wholesalers
  - Retailers
Empowered by our core philosophy of creative collaboration, we want to enable customers to contribute to the healthiest planet possible. Our mission is to support the success of our customers by means of tailor-made solutions. We achieve this by placing our customers at the center of our strategic focus and continually striving toward improvement and excellence.
We are well prepared to address challenges and to strengthen delfort for the future. Four pillars define our path, as we navigate our sustainability journey. We monitor progress and implement systematic changes. For 14 years now, we have been providing our customers with a clear picture of where our journey is heading.

Below you will find the 2030 goals we set for ourselves in 2019.

We support the UN Global Compact and the UN Sustainable Development Goals.
secure business

a viable supply chain

We build prosperous, value-driven procurement practices to manage business risk, improve the supply chain and create the most advanced solutions for our customers.

By 2030, 80% of our raw materials (pulp, fillers and chemicals) and packaging by spend will be procured in accordance with our supplier management framework.

Let’s supply change

We strive for long-term partnerships and strictly adhere to due diligence requirements. Our lead buyers conduct supplier audits and check if our suppliers apply social and environmental standards. CSR certifications and external ratings from independent agencies like EcoVadis make sure that our suppliers comply with our stringent standards. 92% of our supplier spend was assessed by certified, independent CSR assessment agencies. Furthermore, we’ve initiated the practice of soliciting GHG emission data from our suppliers. This not only enables us to report our indirect emissions (Scope 3), but it also allows us to collaborate with our suppliers to reduce these emissions.

It is in our and our customers’ interest that we cooperate only with trustworthy, compliant and righteous suppliers.

Supplier management framework

We ensure that our suppliers share our principles of ethics, integrity and respect for people and the environment. The tools we use to manage this are our Supplier Code of Conduct, supplier performance evaluation and supplier risk evaluation. Our supply chain is complex and characterized by diversity, as we work with more than 5,300 vendors in Europe, Asia, America and Africa. In the interests of our customers, we attach great importance to risk management and compliance with legal standards that ensure fair and safe working conditions and environmental standards.

Learn more about our commitment to responsible sourcing

Group-wide standardization of our supplier risk evaluation and performance evaluation

Development of a uniform risk evaluation sheet for the entire group, as well as standardized guidance for the auditing process

Sanction screening “Know your Supplier (KYS)” before starting a business relationship with suppliers from high-risk countries

Adoption of a multi-supplier strategy to secure availability of materials

Trainings for lead buyers to support fast adoption of the updated procedures

89% of our suppliers (by spend) successfully passed our risk evaluation

86% of our suppliers (by spend) successfully passed our performance evaluation

84% of our suppliers (by spend) signed our Supplier Code of Conduct

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a sustainable business partner

2023 was a year marked by a multitude of challenges affecting the entire global economy: the war in Ukraine, the conflict in the Middle East, the high inflation – contributing to a significant change in consumer behaviour in virtually all areas in which delfort operates, and affecting the prices of raw materials as well as the supply chain.

Our rigorous risk management helped us identify market conditions and respond to them in a timely manner. We managed to maneuver through the challenging year, to continue delivering to our customers, to provide stability for our employees, and we have made progress on our sustainability agenda.

A solid equity structure with debt <2.5 times EBITDA.

Continuous investment in assets, machinery, equipment and processes measured by CAPEX over 3 years in relation to depreciation being higher than 35%.

Learn more about our commitment to economic performance

delfort is a stable and solid business partner with excellent levels of equity and liquidity. In 2023, our equity in relation to debt (total investments of the year without goodwill in relation to depreciation without goodwill) was -2.34.

At the same time, our equity ratio improved to 80%. These figures demonstrate our financial stability despite the turbulent global economy.

Our research efforts have enabled us to advance the sustainability of our product portfolio. In 2023, we have invested no less than €79 million in the modernization of our production facilities and in processes to reduce carbon emissions. Over the last 3 years, our CAPEX investment in relation to depreciation was 46%.

While in the previous year, it was our top priority to maintain deliveries to our customers, and we had to reduce our investment program, we were back on track in 2023 and exceeded our target of 35%.

delfort is solidly positioned. In 2023, the company achieved a satisfactory sales revenue of 1.14 billion euros, despite the challenging market situation that led to a decline in order volumes. As market dynamics evolve, delfort remains agile and adaptable, consistently striving for innovation to maintain a competitive edge. The resilient strategy has enabled the company to navigate adversities with determination.

net sales
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While in the previous year, it was our top priority to maintain deliveries to our customers, and we had to reduce our investment program, we were back on track in 2023 and exceeded our target of 35%.

We aim for balanced, profitable growth, operational excellence, product and service leadership and an innovation-driven approach.

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While in the previous year, it was our top priority to maintain deliveries to our customers, and we had to reduce our investment program, we were back on track in 2023 and exceeded our target of 35%.
We have always been committed to sustainable forestry and continued, in 2023, to purchase our pulp exclusively from suppliers that are certified by leading international forest certification programs.

By 2030, we aim to purchase 100% certified pulp.

Learn more about our commitment to responsible pulp sourcing.

We have developed a comprehensive due diligence process to assess all our pulp for compliance with current regulations (e.g. EU Timber Regulation and EU Deforestation Regulation) and various certification schemes such as FSC™ or PEFC. These include social risk assessment and ancient and endangered forest assessment.

In mid-2023, the EU Deforestation Regulation came into force. It ensures deforestation-free supply chains, to bring down greenhouse gas emissions resulting from deforestation and assists in the fight against global biodiversity loss.

In the run-up, we worked together with Preferred by Nature and prepared ourselves optimally for the EUDR.

Our suppliers only harvest as much wood as can grow back. Either trees are replanted or they grow back naturally – ecosystems and biodiversity are kept safe. When selecting our suppliers, we ensure that the long-term economic, social and environmental benefits of the forest are preserved for future generations.

We are partnering with Canopy to protect ancient and endangered forests.

We are well prepared for the entry into force of the EU Deforestation Regulation.

All paper mills are certified FSC™ and/or PEFC Chain of Custody (COC).

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We are committed to delivering more sustainable products and solutions that enable our customers to achieve or exceed their sustainability goals with all our product development revolving around the concept of design for the circular economy.

By 2030, 100% of our new product development projects will fulfill at least one of our sustainability framework targets.

We are working on the development of applications that allow for recycled content.

Our team of regulatory experts ensures we and our solutions comply with applicable regulatory requirements (e.g. PFAS-free, SUPD, PPWR, EU TPD, FDA, BfR) and national laws.

R&D departments on each of our sites establish a network with external R&D partners, laboratories, universities and research facilities.

Fully equipped laboratories, rapid prototyping and pilot lines to run fast and effective trials with small quantities for test phases.

State-of-the-art R&D center for tobacco solutions (Wattens/Austria)

Collaboration with R&D partner delci to develop barrier packaging paper for food and non-food applications (Traun/Austria)

Learn more about our commitment to responsible product design.

We continually optimize the use of resources such as energy, heat, water and raw materials in our manufacturing processes. We invest in energy conservation and renewable energy.

Efficient & clean production

We optimize our papers for further processing and finishing processes, which can lead to reduced ink or coating applications, for example.

Optimize & facilitate processability

We use our technology expertise to develop papers from renewable sources that have superior performance and are recyclable and/or compostable.

Designed for circularity

We already take sustainability into account when sourcing our raw materials. This includes, however, is not limited to pulp, chemicals, packaging and other raw materials.

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We are committed to a clear decarbonization roadmap and have created a corridor of different scenarios. Through collaborative efforts with our customers, we can leverage rapid decarbonization possibilities, fostering a joint approach.

**SUPPLIERS & MATERIALS**
- Engage suppliers and implement procurement standards to reduce our Scope 3 emissions
- Work together with suppliers on sustainability goals and climate projects
- Purchase pulp exclusively from suppliers who are certified FSC™ and/or PEFC (FSC-C1039921, PEFC/06-33-163)

**TRANSPORT**
- Use means of transportation powered by renewable and alternative fuels
- Collaborate with suppliers to optimize transportation routes and methods

**OPERATIONS**
- Energy savings
- Improve energy efficiency through data analysis & process optimization
- Invest in highly efficient processes & Best Available Technologies (BAT) (e.g. heat pumps, solvent recovery, output increase, etc.)
- Own energy generation
- Renewable electricity generation (e.g. PV plants, hydropower, etc.)
- Hybrid and multi-fuel boilers for flexible energy generation on-site with different fuels
- Source carbon-free/renewable electricity (PPA)

**CUSTOMERS**
- Contribute to the reduction of GHG emissions along the whole value chain by implementing innovative solutions
- Deliver lightweight solutions that offer excellent performance
- Provide fiber-based alternatives to non-renewable materials
- Provide compostable and/or recyclable paper solutions supporting circular economy
- Use as little packaging material as possible or more sustainable alternatives

**OUR PATH TO NET ZERO**

By 2030, we aim to improve our energy efficiency by more than 15%* and to reduce our specific GHG emissions by more than 20%*.

We plan to invest 200 million euros in improvement and decarbonization projects over the next ten years. Our most conservative reduction goal already surpasses the targets outlined in the SBTi Net-Zero Standard.

In 2023, we achieved a 7.2% reduction in specific heating energy and a 4.7% reduction in NOx compared to our base year of 2016. The decrease in heat consumption is associated with an energy-saving project.

Our specific electricity consumption increased by 15%, and our specific GHG emissions increased by 10.8%. This is linked to reduced output and frequent standstill periods caused by economic challenges in 2023.

We plan to reduce CO2 emissions in the next ten years.

By 2050, we plan to reduce our total Scope 1 & 2 GHG emissions to net zero. Learn more about our commitment to net zero.
We are continuously monitoring and optimizing water consumption, as well as increasing reuse and recycling.

The illustration below provides an overview of our water management, including measures and figures for key KPIs. In 2023, we slightly increased our specific freshwater withdrawal by 1.2% per 1,000m² of net saleable paper*.

**1) WATER WITHDRAWAL**
Our water sources are groundwater from our own wells (41%) and surface water (59%). As our high-quality papers require extremely pure water, we treat extracted water prior to use to prevent the introduction of any impurities.

**2) WATER CONSUMPTION**
We apply the WRI Aqueduct Water Risk Framework to determine water risk and evaluate water stress on all our sites that depend on high volumes of water.

We continuously invest in water efficiency projects, process optimization and Best Available Techniques to reduce our water withdrawal volumes.

We differentiate between usage and consumption of water. Water consumption corresponds to the volume of water that evaporates during paper production, especially in the drying section. Water usage refers to cooling water and process water.

We keep cooling water in separate circuits to reduce freshwater withdrawal and use the warm water for internal processes.

We reuse clarified water to clean our paper machines, which reduces the freshwater consumption of our mills.

**3) WATER DISCHARGE**
All water discharged from paper mills is continuously monitored due to the fact that some paper sites discharge water to freshwater bodies and surface water. Monitoring this water ensures that discharges are always well within the limits for each production site, in compliance with standards and regulations.

Learn more about our commitment to saving water.

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By 2030, we aim to reduce our freshwater withdrawal by more than 20% per 1,000 m² of net saleable paper*.
We provide a safe, healthy and supportive working environment and continuously invest in safety initiatives beyond statutory minimum requirements.

We aim to achieve zero Lost Time Accidents on all sites.

By 2025, we aim to achieve 500 Safety Awareness Talks per 1,000 employees per month.

26% reduction of Lost Time Accidents (A1 + A2) compared to 2022
employ people
a desirable employer

We support diversity in the workplace and provide equal opportunities for employment. Our employees are fairly rewarded for their performance and have equal access to career development so that they can grow their individual talents and strengths.

In 2023, we implemented an annual Human Rights Performance Assessment at board level, concerning our own operations and our supply chain.

The aim of this assessment is to discuss any incidents, risks or impacts regarding labor and human rights, or topics that might have been reported through our whistleblower channels. We also track our performance and review our related policies as part of the assessment. We agree on appropriate measures to minimize risks, future targets and training initiatives.

In annual personal development reviews employees and managers discuss on performance, training needs, mutual feedback and development opportunities. Additionally, we offer training and education and more than 400 customized activities to support our employees’ physical and mental health.

As a family-owned business it is self-evident for us to respect the fundamental human rights of all people within our own company, our supply chains and the communities in which we operate. Appropriate policies and their strict monitoring ensure our compliance. In 2023, we implemented a new Diversity, Equality and Inclusion Policy and started to train all our employees regarding its content.

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We train and develop our employees at all levels and in a variety of local and global development initiatives tailored to their needs to create a highly skilled workforce and a satisfying work environment.

We aim to implement a group-wide, tailor-made training program that will be reviewed and adjusted as necessary on a regular basis, but at least every two years.

optimal conditions for excellent talents
Throughout the group, we support the development of our employees and enable them to strengthen their skills. With the support of our training program, people grow in their current positions and expand their potential for future roles within delfort. We provide equal access to education and training for all our employees.

the best performance for our customers
A solid talent pool within the company guarantees successors for key positions in the future. Specific skill development programs support long-term employment and enable our business to succeed. This approach ensures the long-term stability of delfort. We deliver the best quality and solutions, and we will always have the right skills to develop, produce and distribute specialty papers.

equal training hours for blue & white collar employees
Vast yet specific knowledge is essential for driving the development of our sustainable specialty paper. In 2023, our employees collectively completed a total of 52,000 hours of training worldwide (Ø 16h/employee). The figures show that our blue collar and white collar employees completed almost the same hours of training, aligning with our diversity strategy aimed at ensuring equal training opportunities for all employees.

five delfort training programs have been reviewed and updated in 2023
Creation of a vast assortment of permanent e-learning courses, for instance, work safety, human rights and IT security

100% of our apprentices became permanent employees
International Trainee Program finished in 2023 and next start planned in 2024

Learn more about our commitment to developing talents

We train and develop our employees at all levels and in a variety of local and global development initiatives tailored to their needs to create a highly skilled workforce and a satisfying work environment.
Corporate social responsibility, as well as our journey toward net zero, is a strategy that we chose to follow many years ago. Since then, we have continually set ourselves tangible goals that reinforce this commitment and ensure that we remain leaders in these key areas. These are based on materiality analyses, which allow us to determine which sustainability issues are of key importance to our stakeholders and to us as a company. We carried out our first materiality analysis in 2014; others followed in 2015, 2016, 2018 and 2020.

In 2023, with the support of an external partner, we started the preparatory process for implementing the EU Corporate Sustainability Reporting Directive, which now provides for a comprehensive double materiality analysis. As this process had not yet been completed at the time this CSR report was prepared, the reported topics relate to the 2020 materiality analysis.

In the course of 2023, we carried out the following steps for our double materiality analysis: First, we drew up a longlist of potentially relevant sustainability topics in accordance with the European Sustainability Reporting Standards (ESRS), determined initial impacts, risks and opportunities and reduced the topics to a shortlist. In comprehensive workshops for the environmental, social and governance categories, the impact of our business activities on people and the environment (impact materiality) and the financial opportunities and risks (financial materiality) for each topic on the shortlist were developed and evaluated together with managers and employees. Following the workshops, the matrix resulting from the assessment was checked and reviewed once again for consistency.

At the beginning of 2024, we prepared a detailed overview of the results. Together with the Board of Directors, the Corporate CSR Committee will now develop the strategic implications of this analysis, revise existing targets and KPIs and define new targets and KPIs.

In association with the Board of Directors, the Head of ESG connects, coordinates and steers all sustainability resources to drive forward and implement delfort’s CSR strategy.

The managing directors of all operating companies have sustainability goals integrated in their objectives. They are responsible for contributing to and integrating delfort’s CSR strategy, including (but not limited to) the delfort climate care program as well as policies, initiatives and commitments on their respective sites.

The Heads of our Strategic Business Areas (SBA) have specific sustainability goals. They are responsible for contributing to and integrating delfort’s CSR strategy in their respective SBAs with regard to our customers and business partners, as well as for driving sustainable product development.

The CSR Business Team members are key players from our Strategic Business Areas. They are the interface between delfort and our stakeholders with regard to CSR matters and play an important role in representing market expectations and needs with regard to our company.

CSR Coordinators serve as dedicated contacts for internal business partners with regard to sustainability issues. They also support the implementation of sustainability measures.

Help to integrate sustainability in our business activities.

In association with the Board of Directors, the Head of ESG connects, coordinates and steers all sustainability resources to drive forward and implement delfort’s CSR strategy.
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nice to know
Find our locations on the world map on page 6

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In our quest to minimize the need for non-renewable materials and support a circular economy, our scientists are developing something truly remarkable – ultra-lightweight barrier papers for food and non-food packaging that perform. Lightweight paper means less raw materials and less weight. This highlights the benefits of reducing greenhouse gas emissions in transportation and minimizing storage space requirements.
continuing our sustainability mission

The following pages complement our 2023 sustainability highlights.

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We drive change in the specialty paper industry, leading by example with sustainable practices. We deliver functional specialty paper solutions with the aim of supporting customers in their transition toward a circular economy by focusing on fairness and equality in all our partnerships. Therefore, we have set ourselves very clear goals that we consistently pursue in our daily operations.

We promote fair and balanced partnerships
For many years, delfort has established a strong network with R&D partners, laboratories, universities, and research facilities to scale up innovation. By collaborating with the cross-disciplinary team of scientists and technologists at delsci, we are taking the future of packaging to a new level. Vendors are a crucial part of our business, and we foster partnerships with them based on mutual trust. Developing sustainable supply chains helps mitigate risk, ensure on-time delivery, secure our supply of goods, improve processes, drive innovation, and continuously enhance our products in terms of sustainability and quality.

We contribute to a circular society
At delfort, we look at the whole lifecycle of our solutions, from the origin of raw materials to the way they are designed, produced and processed, including how they can be recycled or degraded after use. We provide true fiber-based alternatives to non-renewable materials. Our products support circular economy principles such as recyclability and/or compostability.

We foster solid business collaborations
Our business strategy is designed to ensure the continuous improvement of our solid business partnerships, which in turn allows us to invest in value-adding and sustainable projects for our customers. delfort aims to achieve controlled growth, taking into account the prevailing market situation. This growth will be supported by qualified employees, industry-leading products, and innovative specialty paper solutions. The growing need for sustainable and reliable solutions supports our growth. With ample financial resources, we are committed to providing long-term value to our customers and stakeholders by producing responsible products, maintaining sustainable operations, and ensuring supply security.
supplier management framework helps us to manage business risk, improve the supply chain and create the most advanced solutions for our customers. It covers environmental and social aspects.

In 2023, we once again exceeded our target with a result of 86%. It is important to note that this number only reflects the result from our paper technology platform, as figures from our printing technology platform are excluded due to their lower purchasing volume.

Our supplier performance evaluations are conducted by our own lead buyers and quality managers, following a group-wide defined process with clear criteria. We assess our suppliers on criteria such as price, quality, capacity, certifications, creditworthiness, logistics infrastructure, supply chain security, as well as environmental and social standards.

We collaborate with over 5,300 suppliers across Europe, Asia, the Americas, and Africa. Of these, 879 new suppliers joined our supplier pool in 2023. 92% of our suppliers are located in Europe. We use additional measures and quality managers, following a group-wide defined process with clear criteria. We assess our suppliers on criteria such as price, quality, capacity, certifications, creditworthiness, logistics infrastructure, supply chain security, as well as environmental and social standards.

We collaborate with over 5,300 suppliers across Europe, Asia, the Americas, and Africa. Of these, 879 new suppliers joined our supplier pool in 2023. 92% of our suppliers are located in Europe. We use additional measures for suppliers from high-risk countries, for example, sanction screening, and quality, health and safety of people and products, the environment and sustainability, and management practices.

The lead buyers and local procurement managers are accountable for ensuring that each supplier signs our Supplier Code of Conduct. The head of Corporate Procurement keeps track of the number of Supplier Codes of Conduct that have been signed with the ultimate aim of increasing this number year on year. The policy is publicly available on our website. In 2022, 84% of our suppliers (by spend) signed our Supplier Code of Conduct (paper technology platform only). In 2022, 86% of our suppliers (by spend) were qualified against our Supplier Performance Evaluation (paper technology platform only).

1 – Onboarding. A critical part of our regulatory framework is our due diligence process prior to starting new business or operations. We use third-party screening processes and KYC to prevent us from engaging with sanctioned companies, entities or individuals.

All suppliers are required to sign our Supplier Code of Conduct, which upholds the same standards as our own. This Supplier Code of Conduct covers the areas of business integrity, labor standards (such as freedom of association and collective bargaining, avoidance of forced, compulsory and child labor), quality, health and safety of people and products, the environment and sustainability, and management practices.

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2 – Supplier performance evaluation & audit process. At least once a year, we use our internally developed supplier performance evaluation system to assess our key suppliers’ compliance with our standards. This self-assessment is carried out by employees from purchasing, quality management and logistics. The results are shared and discussed with the supplier.

Additionally, we conduct audits with selected suppliers. In a first step our lead buyers are accountable for ensuring that each supplier signs our Supplier Code of Conduct. The head of Corporate Procurement keeps track of the number of Supplier Codes of Conduct that have been signed with the ultimate aim of increasing this number year on year. The policy is publicly available on our website. In 2022, 84% of our suppliers (by spend) signed our Supplier Code of Conduct (paper technology platform only).

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3 – Supplier risk analysis. A systematic risk analysis process helps us ensure the availability of material, reduce possible dependencies and make objective purchasing decisions. In 2022, we carried out a systematic risk analysis project for 90% of our suppliers (by spend). As a result, we began to implement a strategy that included qualifying additional suppliers (multi-supplier approach), qualifying alternative products, and increasing safety stock levels. This process will be updated in 2024 to include financial and regional risks. If a supplier is found to have a significant potential negative environmental and social impact, we will terminate our relationship with the company (selective phase-out).

4 – Supplier development. Our lead buyers analyze the results of the questionnaires and audits according to a clearly defined standard process. The supplier is provided with a copy of our evaluation and an action plan. If any sustainability deficiencies are identified, we engage with the supplier to understand the risk areas and work together to define actions for improvement. Repeated failure to comply will result in the termination of the supplier relationship. We did not find any of our evaluated suppliers to have a significant actual or potential negative environmental or social impact in 2022. Due to our efforts in supplier relations, we did not need to agree on any improvements resulting from our evaluation or audits, nor did we have to terminate our relationship with any company during the reporting period.
economic performance

2023 was a year marked by a multitude of challenges and uncertainties. Having now entered its second year, the war in Ukraine threw its shadow over the entire global economy, and the reignment of the conflict in the Middle East brought additional uncertainty. Furthermore, high inflation has continued and contributed to a change in consumer behavior in virtually all areas in which Delfort operates. However, our portfolio has enabled us to benefit from the situation in different business segments despite the challenges – thanks to the continuing trend that is driving forward product sustainability.

The financial stability of Delfort is vital to our stakeholders. In particular, our suppliers, customers, employees and the wider communities in which we operate need to be confident that the company is financially secure and fit for the future.

We strive for balanced and profitable growth, operational excellence, product and service leadership, and an innovation-driven approach to ensure that we remain a reliable and long-term partner to our stakeholders.

To assess our performance, we have defined two key objectives – a solid equity structure with debt <2.5 times EBITDA, and continuous investment in assets, machinery, equipment and processes measured by CAPEX over 3 years in relation to depreciation being higher than 35%. Furthermore, we also report on various financial parameters in accordance with the GRI Standards 2021.

The previous year demonstrated that the market is sensitive to geopolitical uncertainties, which caused an increase in volatility. We adapted cautiously, taking into account the impact of high energy prices and rising inflation on personnel, raw materials and logistics costs. Although we faced challenges, we navigated through the turbulent year successfully, ensuring uninterrupted service for our customers. As a forward-thinking company, we also prioritized maintaining stability for our employees.

Our strong economic performance was a direct result of rigorous risk management, which enabled us to assess market conditions and adapt quickly. This approach resulted in a solid operating result.

With substantial financial reserves at our disposal, we are poised to make additional investments in our assets, machinery, research and development departments, and innovative solutions. This strategic allocation of resources aligns with our commitment to achieving the goals outlined in our 2030 sustainability agenda.

Net sales
Overall, the company is solidly positioned. We achieved a satisfactory sales revenue of 1.14bn euros in 2023, reflecting sufficient order volumes in all our businesses.

Debt <2.5 times EBITDA
Our goal is a solid equity structure with debt <2.5 times EBITDA. In 2023, we again exceeded this target, as our balance sheet shows no net financial debt. Equity in relation to debt (total investments of the year without goodwill in relation to depreciation without goodwill) was -2.34. Our equity ratio remained strong at 80%.

CAPEX investments
Our goal is a continuous investment in assets, machinery, equipment and processes measured by CAPEX over three years in relation to depreciation, at a rate greater than 35%. We have also exceeded this target, with a performance of 46% over the last three years.

Operating costs
In 2023, operating costs (excluding HR and depreciation) were approximately 740m euros (2022: 929m euros). These costs include material expenses, energy and other received services, maintenance, administration and distribution expenses and other operating costs. Expenses for materials, energy and maintenance account for more than 80% of these operating costs.

Net sales generated 2019–2023
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Financial implications, risks & opportunities due to climate change

We continuously analyze our climate-related risks and opportunities as a basis for adapting to climate change. Climate change presents both risks and opportunities for delfort and our stakeholders. We conducted a comprehensive 360-degree analysis to identify potential disruption risks to our supply chain and our own operations. These risks could lead to increased costs, reduced profits, and limited growth. In the risk management section, a detailed and updated overview of identified risks and mitigation measures is available. We take a precautionary approach to protect our business and our business partners from potential threats.

Reducing global greenhouse gas emissions is critical to mitigating climate change. We are contributing by committing to a clear roadmap for decarbonization by 2050, which we are continuously updating. Since 2009, we have reported on our progress in our annual CSR report. Our roadmap is supported by a series of scenario calculations, concrete actions based on these calculations and long-term investment projects.

In the energy & emissions section, we provide detailed information on the steps we plan to take and where we stand today.

At the same time, we offer specialty paper solutions to help customers transition to a circular economy. Please see our product design section for more information.

Financial assistance received from government

In 2023, we received approximately 14m euros of financial assistance from governments. This mainly includes subsidies, investment grants, as well as research and development grants. The table below provides an overview of the government assistance and the related amounts per category of assistance on group-level.

<table>
<thead>
<tr>
<th>Subsidies</th>
<th>R&amp;D &amp; investment incentives</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>in euros</td>
<td>12,241,371</td>
<td>1,066,665</td>
</tr>
</tbody>
</table>

Payments

Payments are made to capital providers, governments and communities in the countries where we operate. As a family-owned company, we follow a prudent dividend policy. It is in the best interests of our shareholders to reinvest in the company so that it can continue to develop the next generation of sustainable products.

We are a significant employer and maintain strong local connections with surrounding communities. To support these connections, we provide funding on a voluntary basis. We support projects worldwide, carried out by local citizen associations, research institutes, universities and other organizations, including charitable projects. Our donations amount to up to 100,000 euros per year.

In 2023, we paid approximately 36 million euros in taxes to various governments. The majority of the tax payments were made in Austria (over 70%), followed by Vietnam (just under 7%), the USA (over 6%), and Germany (over 5%). Finland accounted for just over 3% of the tax payments listed above, while Hungary and Malaysia accounted for less than 3%.

Employee wages & benefits

Total expenses for employee wages and defined benefit plans are approx. 191m euros (2022: 167m euros). Most of our retirement obligations are contribution-orientated (97.7%). In the majority of the countries in which we operate, there is a state retirement plan that is also funded through monthly social contributions. Benefit-oriented obligations only refer to former employees who are already retired.
We are committed to zero deforestation and zero illegal logging by procuring fiber exclusively from responsibly managed sources. In order to minimize the impact of the raw materials we use, our strategy is focused on sustainable pulp.

Chain of custody (COC)

Forest certification programs and Chain of Custody certification guarantee that our customers can rely on strict standards in forestry operation and alignment along the supply chain. All our paper mills are certified FSC™ and PEFC certified (FSC-C109921, PEFC/06-33-163). The remaining 9% is supplied exclusively from controlled origins according to FSC™ and PEFC standards.

FSC™ and PEFC banned countries

In case of significant conflicts or similar incidents, certification bodies ban wood and other wood products from certain regions. We have made an agreement with our suppliers to refrain from sourcing wood pulp and wood from countries that have been banned by FSC™ and PEFC.

FSC™ core labor requirements

FSC™ has incorporated higher core labor standards into the requirements of its Chain of Custody certification: abolition of child labor, elimination of all forms of forced or compulsory labor, elimination of discrimination with respect to employment and occupation, upholding freedom of association, and the effective recognition of the right to collective bargaining. The full compliance with these FSC™ core labor requirements of our certified paper mills is additional proof of our already high human rights standards. Additionally, we worked on identifying evidence of implementation in self-assessments that are verified by auditors.

Strict due diligence system

To maintain our high standards, we apply a strict due diligence system for sourcing wood pulp. This is linked to our supplier management framework. During the selection phase, we assess the pulp vendor to ensure that it is FSC™ and/or PEFC-certified, that the material complies with the EUDR, and that it is FSC™ and/or PEFC-certified, that the species of wood used, as well as its origin, is traceable. We also (2025) for on-site visits of supplier operations. Intermediate risk assessments help to identify critical incidents related to suppliers, countries, wood or forest, and we carry out an extended Chain of Custody. All our converting facilities are certified PEFC Chain of Custody. These chain of custody certifications provide credible assurance that our wood pulp is sourced responsibly and transparently.

EU Deforestation Regulation

For nearly a decade, the European Timber Regulation (EUTR) has been in force. In mid-2023, it was replaced with the EU Deforestation Regulation (EUDR) to ensure deforestation-free supply chains, to bring down greenhouse gas emissions resulting from deforestation and to assist in the fight against global biodiversity loss. In the run-up, we are working together with Preferred by Nature and are preparing ourselves optimally for the EUDR. We regularly assess the new regulation regarding its progress and prepare our processes for future compliance with all requirements.

Partnering with Canopy

We committed ourselves to bringing forest conservation solutions to the mainstream and to demonstrating environmental and social leadership in the packaging paper industry. To achieve this, we avoid sourcing from the world’s ancient and endangered forests, as well as from other controversial fiber sources, we strive to prevent pollution and to reduce our greenhouse gas footprint. Our partners, suppliers, and customers come together to foster forest conservation, information exchange and direct contact in case of need. This provides interesting insights regarding solutions or approaches to solve or handle issues that involve our suppliers. Whenever a query arises, we get in touch with our suppliers to learn about the circumstances and possible solution scenarios.

Material used by type

Paper, as a highly renewable material, is underlined through its main natural raw material, namely pulp. Approximately 80% of delfort’s paper raw materials and packaging is renewable. This includes pulp, starch, packaging and embalage paper, paper cores, end discs and pallets. Non-renewable material includes chemicals, fillers and pigments, which are used in combination with other materials to manufacture high-performance specialty paper. For the purpose of standardization, the quantity of material used is reported in tons. In the case of certain packaging material (plastic and paper cores, wood pallets, etc.), where the quantity used is recorded in units, we have converted the data into weight, based on an informed estimation.

Most of our products are approved for food contact or manufactured for hygiene applications and therefore are required to be produced using only virgin fibers. Please refer to the chapter responsible product design for more extensive information.
In our quest to minimize the need for non-renewable materials and support a circular economy, our scientists are developing something truly remarkable – ultra-lightweight papers that perform, are responsible and fit for purpose. At delfort, we strive to meet the growing expectations of different users and industries with the lightest papers possible, because lightweight paper means less raw materials and less weight. This highlights the benefits in terms of GHG savings in transport and reduced storage space requirements. In addition, our specialty papers are leading the way with outstanding key attributes such as renewability, recyclability and compostability.

To design products that consider material efficiency and circular design, we apply our framework of responsible product design (sustainability framework), which reflects all stages of the value chain. This includes examining the entire life cycle of our products, from the design of our specialty papers to efficient production and converting, as well as end use and disposal (see sustainability framework description on the right). Our aim is to ensure that 100% of our new product developments will meet at least one of our sustainability framework criteria by 2030. We are on track to achieve our goal: In 2023, 80% of our new product developments fulfilled at least one of our sustainability framework criteria.

Scaling up with R&D

Our customers can rely on skilled R&D teams, state-of-the-art R&D equipment and partnerships to drive sustainable and innovative specialty paper solutions.

We have R&D departments at each of our sites. Our fully equipped laboratories, rapid prototyping and pilot lines enable us to conduct fast and effective trials during development phases.

At our site in Wattens (Austria), we have a state-of-the-art R&D center for tobacco solutions.

At our site in Traun (Austria), we have partnered with R&D expert delci to develop sustainable barrier papers for both food and non-food applications.

A team of over 25 skilled experts develops high-performance paper with barriers against water, vapor, mineral oil, grease, oxygen and aroma, as well as functional sealing for protective paper packaging. In 2023, delci expanded its cutting-edge coating laboratory to include a comprehensive shelf-life testing facility. This expansion underscores our commitment to supporting our customers in their transition to barrier paper packaging. By enhancing our in-house packaging development and adding shelf-life testing, our customers receive comprehensive support throughout the development process, from concept to market-ready packaging.

Our framework of responsible product design

Responsible sourcing

All raw materials are sourced responsibly with fibers, chemicals and other raw materials being certified and/or approved by legislation. Furthermore, we only procure from suppliers that endorse our high standards of societal and environmental responsibility.

Efficient production

During our manufacturing processes, we steadily optimize the use of resources, such as energy, heat, water and raw materials. We invest in energy conservation and renewable energy, which will result in reduced greenhouse gas emissions from our operations.

Optimize processability

Our product design takes into consideration not only what happens within our factory gates, but also the processability and converting processes that come after. We have a thorough understanding of the ideal mixture of ingredients, paper production processes, coating and finishing. When everything is in perfect balance, the paper performs excellently, resulting in reduced use of resources, additional materials and colors or coatings at the converting facility.

Designed for circularity

Our technology expertise enables us to create papers from renewable sources that perform excellently and are recyclable and/or compostable. This approach provides fiber-based alternatives with an optimized product lifespan.

In addition, we’ve built a strong network of external R&D partners, laboratories, universities and research facilities. This has helped us to scale innovation over the years. We also participate in various industry associations, multi-stakeholder organizations and non-profit initiatives to support our customers, retailers and brand owners in driving positive change (+ Mem- berships associations).

Patents

In 2023, we filed 51 patent applications, increasing our total patent portfolio to 633 patents and patent applications, of which nearly 73% have been granted already. All patents granted and in force at the end of the reporting period amounted to 335.

Legislation & regulatory

Countries around the world are setting climate targets and implementing programs to advance the circular economy. The result is evolving legislation and regulatory frameworks. The challenge is a lack of harmonization across countries and regions, as well as constantly evolving regulations. In addition, several of our product solutions, such as those for the food and tobacco industries, are subject to extensive and strict regulations regarding food contact, consumer health and safety. At delfort, a team of regulatory experts monitors the rapidly changing environment, anticipates changes, and communicates regularly with product management to ensure that our solutions are in strict compliance with regulations and applicable laws.

Our sites are certified according to international standards such as ISO. Our products comply with regulations from the German Advisory Body BfR (Bundesinstitut für Risikobewertung), FDA (U.S. Food and Drug Administration) and the EU TPD (European Union Tobacco Products Directive) regulations where applicable. Additionally, our products undergo assessment by independent testing institutes for recyclability, compostability, food safety and more (+ Certifications).

PFAS-free food packaging

As a leading manufacturer of specialty papers, we have taken on the challenge of developing and producing sustainable packaging papers that are free of engineered perfluorinated and polyfluorinated chemicals (PFAS/PFC).

In recent years, we have established our own and independent research facilities to promote the research and development of PFAS alternatives. In addition, we have initiated several collaborations with universities and many with customers. Our R&D investments have enabled us to offer PFAS-free papers on an industrial scale that are perfect for food wrapping and packaging.
energy & emissions

We prioritize energy transition, innovation and circularity to lead a significant shift within our industry. Our primary objective is to contribute to solving the challenges at hand by setting clear decarbonization goals.

Our roadmap to net zero
Our goal is to create and implement a comprehensive decarbonization roadmap that not only aligns with our customers’ sustainability requirements, but also remains economically tenable. To accomplish this goal, we must consider various dynamic factors that may arise in the future and affect our decarbonization strategy. These factors include changes in our product portfolio, based on customer needs, the security of energy and water supply, geopolitical uncertainties, regulatory demands, advances in product and technology and the effects of climate change, among others.

To prepare for an uncertain future, we use scenario planning to analyze various potential outcomes and to adapt quickly to changing circumstances and customer needs. Our decarbonization corridor for Scope 1 and 2 – delfort’s climate care program – has been agreed with all decision makers, fostering a joint approach.

Our goal is to decrease our greenhouse gas emissions and global environmental impact through genuine innovations in products, technology and processes. The timeline and paths to our net zero goal will depend on the progress of these innovations and our careful evaluation of economic and environmental factors.

To achieve a balance between economic and environmental factors for our customers and stakeholders, we have developed a catalog that includes various measures such as emission reductions, investment costs and operational costs. These plans consider the potential changes in our product portfolio, the adoption of new technologies, and the necessity to remain competitive in a dynamic market.

We will continue to seek new opportunities for development while maintaining our adaptability to respond effectively to future changes and challenges. Our primary focus is to serve our customers and stakeholders to the best of our ability.

SBTi Net-Zero Standard
We are committed to setting company-wide greenhouse gas (GHG) emission reduction targets in line with the Science Based Target initiative (SBTi) Net-Zero Standard. We aim to achieve at least a 50% reduction in emissions by 2030 and attain net zero emissions by 2050. Our latest scenario exceeds the minimum requirements set by the Science Based Targets initiative (SBTi). Our targets will include all Scope 1, 2 and 3 GHG emissions. We signed our commitment at the beginning of 2023 and started analyzing our existing options. Based on the results of this analysis, we have defined our short- and long-term net zero targets for Scope 1 and 2 and will submit these, along with our Scope 3 reduction targets, to SBTi no later than the end of this year.

CDP
We have been recognized by the global environmental non-profit organization CDP in all three categories with the very good rating of B/B- for our management in corporate transparency and environmental performance. We received a B rating in forests, and a B rating in climate change and water security. CDP evaluates companies on a scale from A to D based on the comprehensiveness of disclosure, awareness and management of environmental risks.

The ratings demonstrate our commitment to environmental responsibility and sustainability. The results indicate a significant level of transparency, and that we actively manage all three areas.

Plan, do, check, act
To ensure continuous improvement, we break down long-term goal-setting into site-specific objectives on an annual basis. Subsequently, each site develops and implements an action plan for environmental projects. We conduct ongoing monitoring of heat, water and electricity figures, as well as related GHG emission reduction progress, through monthly reviews by the Corporate Manufacturing and Technical Affairs (CMTA) team and quarterly steering meetings with managing directors. During quarterly management result reviews with the board of directors, managing directors report on progress and discuss any deviations, initiating countermeasures as needed. In addition, the corporate energy manager, energy experts from all sites, and the energy lead buyer meet once a month to discuss actual energy consumption, share best practices, and enforce efficiency measures and cost reductions organization-wide.

This approach allows us to identify and effectively address current and potential negative impacts, as well as opportunities.

Managing our decarbonization roadmap (Scope 1 and 2)
Our roadmap has three priorities of action:

Energy saving initiatives
- Real-time monitoring to measure, control and optimize the consumption of heat, pressurized air, electricity and water
- Using Best Available Technologies (BAT)
- Deriving ideas for efficiency projects by best practice scouting throughout the group and external technology scouting

Efficient energy generation on-site
- Decarbonization of our own energy generation by the introduction of hybrid and multi-fuel boilers
- Improvements in heat & power systems including the potential use of hydrogen in the long term
- Continuous analysis of possibilities for investments in renewable electric and heat energy generation facilities on-site (e.g. PV plants, hydropower, etc.)

Secure energy supply & enforce green transition
- Purchasing carbon-neutral/renewable electricity
- Striving for long-term partnerships and contracts with electricity suppliers (PPA)
Corporate and Product Carbon Footprint (CCF, PCF)

In our last CSR report, we disclosed, for the first time, Scope 1 and 2 GHG emissions categorized under the distinct technology platforms (paper production and printing), alongside one consolidated figure for the entire organization. This serves as the baseline for our decarbonization strategy. In addition, we started with the calculation of our Scope 3 emissions.

In a first step, to understand our impact in terms of Scope 3 emissions, we conducted a materiality analysis for all 15 Scope 3 categories with a reputable external consultant using a spend-based approach. This analysis shows the Scope 3 categories that contribute the most to our GHG inventory: purchased goods and services, upstream transportation and distribution, as well as fuel and energy-related emissions. This indicates the materiality of the different Scope 3 categories, but does not provide a complete picture of the Scope 3 GHG emissions of our business areas.

Therefore, we collected the activity data for purchased goods throughout the group in their original units (kg or pieces of material), as well as the necessary conversion factors from our suppliers to convert the data to the target unit (activity-based approach).

We continued to engage our suppliers to provide GHG footprint data to improve the data quality and accuracy of our Scope 3 emissions figures, and to decrease the proportion of secondary data (which is obtained from databases such as Ecoinvent or other reliable sources) for our calculations. In the second quarter of 2024, we will validate the calculation of all Scope 3 categories for 2023 using a mixed approach of activity-based and spend-based data (see graph on the left). The planned validation and certification of the calculation model ensures the correctness of our base year emissions and serves as the basis for automatic calculations in the future.

Our next step is to support our customers with the Product Carbon Footprint declaration for our products. For the activity-based and certified Corporate Carbon Footprint of all scopes (especially Scope 3, including its decarbonization roadmap), we expect to report detailed figures (together with the SBTi targets that will include Scope 3) in the next CSR report.

Carbon pricing

To better plan our low-carbon investments across the group, we apply an internal shadow carbon price that is aligned to the price of allowances in an emissions trading scheme. This approach assists in identifying and seizing low-carbon opportunities and in anticipating stakeholder expectations. The shadow price is used in various decision-making processes, including capital expenditure, operations, risk management, opportunity management and long-term strategy. It also enables us to prepare for potential future carbon taxes in the different countries we operate. All energy investments and efficiency projects are evaluated based on their potential for energy savings, reduction of CO2 emissions, water conservation and reduction of fiber loss.
Priorities 2023

In 2023, we continued to advance our climate care program and associated net zero goal. Many of our CAPEX investments include energy efficiency projects directly linked to GHG emission savings. Most of these are long-term projects, and in 2023 we began planning for them primarily as follows:

- Convening a global meeting of energy experts and operations managers from each site to develop detailed measures for energy conservation and decarbonization.
- Using big data software in our European sites to identify the consumption of heat, electricity, pressurized air and water in real-time directly at the machine.
- Minimizing consumption during standstill periods.
- Installation of decarbonization measures for one delfort site (accounts for approx. 20% of group-wide Scope 1 and 2 emissions compared to our new SBTi baseline year 2023) to enable its decarbonization for Scope 1 and 2 emissions by 2026.
- Preparing boiler houses for burning alternative and biological fuel sources at three paper mills.
- Planning of a hybrid boiler house for one paper mill.
- Planning of PV plants for several paper mills and printing sites.
- Negotiating and contracting Power Purchase Agreements (PPA).

Energy consumption

In 2019, we set a goal to achieve by 2030 to improve our energy efficiency by more than 15% per 1000m² of net saleable paper against baseline 2016 for the paper technology platform. We break down our reporting into the thermal energy and electricity consumption of our paper mills.

Energy consumption highlights

In 2023, we achieved a 7.2% reduction in thermal energy consumption per 1000m² of net saleable paper compared to our 2016 baseline. The electricity consumption figures for the paper mills indicate a 15% increase per 1000m² of net saleable paper compared to the 2016 baseline.

Air emissions

We only disclose information about the quantity and specific release of NOX emissions into the environment. Data on other air emissions is not significant. At present, NOX emissions data is only available for the paper technology platform. Printing technology platform figures are not yet included in our reporting system. In 2023, we achieved a -4.7% reduction of NOX emissions per 1000m² of net saleable paper compared to our 2016 baseline. This downward trend reflects the continuous efficiency improvements within the group and use of the Best Available Technologies for energy generation on-site.
<table>
<thead>
<tr>
<th>Year</th>
<th>total purchased electricity [MWh]</th>
<th>proportion of CO₂-free purchased electricity [gross market-based] [%]</th>
<th>GHG emissions [t CO₂e]</th>
<th>GHG emissions intensity [kg CO₂e/1,000m²net saleable paper]</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>2020</td>
<td>411,100</td>
<td>457,100</td>
<td>529,800</td>
<td>548,700</td>
</tr>
<tr>
<td>2021</td>
<td>457,100</td>
<td>529,800</td>
<td>548,700</td>
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</tr>
<tr>
<td>2022</td>
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<td>548,700</td>
<td>527,470</td>
<td>516,400</td>
</tr>
<tr>
<td>2023</td>
<td>548,700</td>
<td>527,470</td>
<td>516,400</td>
<td>468,200</td>
</tr>
</tbody>
</table>

**Note:** Total purchased electricity across the whole organization includes all externally supplied electricity (including power used for the small pulping operations at op papírna) minus electricity generated on-site. The proportion of CO₂-free purchased electricity is based on the purchased electricity mix according to the proof of origin of electricity suppliers, if available. Otherwise, the calculation is made using site-specific emission factors based on the IEA emissions database of the respective country (https://www.iea.org/). The GHG emissions intensity is based on the purchased electricity mix according to the proof of origin of electricity suppliers, if available. Otherwise, the calculation is made using site-specific emission factors based on the IEA emissions database of the respective country (https://www.iea.org/).

**Printing technology platform**

<table>
<thead>
<tr>
<th>Year</th>
<th>total purchased electricity [MWh]</th>
<th>proportion of CO₂-free purchased electricity [gross market-based] [%]</th>
<th>GHG emissions [t CO₂e]</th>
<th>GHG emissions intensity [kg CO₂e/1,000m²net saleable paper]</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2017</td>
<td>16,600</td>
<td>32,200</td>
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<tr>
<td>2020</td>
<td>16,600</td>
<td>32,200</td>
<td>31,800</td>
<td>32,500</td>
</tr>
<tr>
<td>2021</td>
<td>16,600</td>
<td>32,200</td>
<td>31,800</td>
<td>32,500</td>
</tr>
<tr>
<td>2022</td>
<td>16,600</td>
<td>32,200</td>
<td>31,800</td>
<td>32,500</td>
</tr>
<tr>
<td>2023</td>
<td>16,600</td>
<td>32,200</td>
<td>31,800</td>
<td>32,500</td>
</tr>
</tbody>
</table>

**Note:** Total purchased electricity across the whole organization includes all externally supplied electricity (including power used for the small pulping operations at op papírna) minus electricity generated on-site. The proportion of CO₂-free purchased electricity is based on the purchased electricity mix according to the proof of origin of electricity suppliers, if available. Otherwise, the calculation is made using site-specific emission factors based on the IEA emissions database of the respective country (https://www.iea.org/). The GHG emissions intensity is based on the purchased electricity mix according to the proof of origin of electricity suppliers, if available. Otherwise, the calculation is made using site-specific emission factors based on the IEA emissions database of the respective country (https://www.iea.org/).
saving water

At defort, we are committed to using water efficiently and responsibly. Our goal for 2030 is to reduce our freshwater withdrawal by over 20% per 1,000 m³ of net saleable paper compared to our 2016 baseline. To achieve this goal, we have developed a water stewardship strategy that focuses on closing cycles through water recycling and reuse, minimizing environmental impact through continuous water-saving measures and improving wastewater treatment. We apply a systematic approach to risk assessment, risk management, as well as monitoring and improving our water withdrawal, consumption and discharge.

We use water in various applications such as process water, cooling water and wastewater for boiler houses. While water is essential for the paper production, it is only used for cooling purposes and personal hygiene in the converting operations. The production of high-quality specialty paper requires pure water, resulting in biological and physical limitations for the closure of water circles in the mills. Depending on the mix and applications, water consumption for specialty papers is commonly higher than in the production of commodity paper grades.

Our continuous investments into efficiency improvements, smart water technology and process optimizations will support us to further reduce our water withdrawal.

Water withdrawal

We apply the WRI Aqueduct Water Risk Framework to determine water risk at each of our production sites. Few of our sites – located in catchments of potential water stress – have been subject to more detailed site-specific risk assessments which revealed only low or medium water risks. For that reason, we do not report water withdrawal from and discharge to water stress areas. In addition to investigating the risks, we are developing appropriate contingency plans to mitigate any possible environmental, operational or strategic challenges.

To manage our water withdrawal, consumption and discharge, we apply a systematic approach to water management. We use big data software in our European mills to measure water withdrawal and consumption in real-time on our machines, and to detect deviations from the expected targets online. This software-driven approach helps us to understand the parameters that affect our water withdrawal and consumption during production. Since tracking occurs in real-time, we can immediately react to any deviations from previously defined limits. It also allows us to enhance the settings by identifying the golden runs that use the fewest resources without compromising the quality of our products.

We withdraw water from the surface (55%) or from groundwater (41%), via our own wells. A minor volume (4%) is supplied by a third party. In comparison to papermaking, the water consumption per unit of production is minimal, and only water supplied by the municipal network is used. In 2022, additional wells were drilled at one of our sites to reduce surface water withdrawal. Further well drills are planned at this site for 2024. One advantage of using well water is that it is typically cooler than surface water, resulting in a higher cooling capacity with less freshwater withdrawal. This, in turn, reduces the electricity consumption of the pumps. At one site, we performed a very detailed analysis of the water circuits and adjusted the settings of the controls to reduce the overflow of warm water into the drain and thus the withdrawal of freshwater. In addition to water savings, this results in lower energy consumption and higher process water temperatures.

In 2023, the specific water withdrawal per 1,000 m³ of net saleable paper reported by the paper technology platform increased by 1.2% compared to the 2016 baseline. Compared to 2022, the specific value increased by 2.6%.

There are two main reasons for the increase in absolute and specific water consumption volumes: We carried out two major rebuilds of paper machines; the testing phases of new paper grades require higher water consump-

Water consumption

Water for specialty paper production is mainly used for two purposes – processing our raw materials and cooling. Our water consumption mainly corresponds to the volume of water that evaporates in the drying section of our paper manufacturing machines; the water is returned unchanged to the environment. The water content of the products that leave our mills varies according to the equilibrium state of external conditions but is between five to seven per cent. The difference between water withdrawal and water discharge also depends on the variability of incoming products and their water content.

Water discharge

Sustainable specialty paper production is subject to strict criteria, above all regarding wastewater and water treatment. National or regional legislation, as well as industry standards and certification systems (such as ISO 14001, IPPC Integrated Pollution Prevention and Control) identify particularly problematic substances and provide guidelines on how to reduce emissions and avoid harmful effects on water. We manage water quality by employing state-of-the-art water treatment technologies in line with national laws and requirements.
### Emissions in discharged water after wastewater treatment plant

<table>
<thead>
<tr>
<th>Year</th>
<th>surface water (total)</th>
<th>groundwater (total)</th>
<th>sewer water (total)</th>
<th>produced water (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>7,665,919</td>
<td>4,950,458</td>
<td>56,187</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>7,621,318</td>
<td>4,915,076</td>
<td>57,247</td>
<td>0</td>
</tr>
<tr>
<td>2022</td>
<td>7,586,727</td>
<td>4,881,065</td>
<td>58,317</td>
<td>0</td>
</tr>
<tr>
<td>2023</td>
<td>7,552,136</td>
<td>4,847,194</td>
<td>59,387</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Total third-party water by withdrawal source

<table>
<thead>
<tr>
<th>Source</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>surface water</td>
<td>1,699,228</td>
<td>1,753,183</td>
<td>1,780,183</td>
<td>1,154,177</td>
<td>574,773</td>
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<tr>
<td>groundwater</td>
<td>12,189,747</td>
<td>12,420,401</td>
<td>13,509,189</td>
<td>14,013,422</td>
<td>12,918,242</td>
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<tr>
<td>sewer water</td>
<td>1,383,573</td>
<td>1,491,647</td>
<td>1,534,660</td>
<td>1,583,789</td>
<td>1,632,910</td>
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<tr>
<td>produced water</td>
<td>4,926,228</td>
<td>4,942,006</td>
<td>5,278,515</td>
<td>5,638,117</td>
<td>5,473,673</td>
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</table>

#### Water discharge by destination

<table>
<thead>
<tr>
<th>Destination</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
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<tbody>
<tr>
<td>surface water</td>
<td>7,665,919</td>
<td>7,586,727</td>
<td>7,552,136</td>
<td>7,527,543</td>
</tr>
<tr>
<td>groundwater</td>
<td>4,950,458</td>
<td>4,915,076</td>
<td>4,881,065</td>
<td>4,847,194</td>
</tr>
<tr>
<td>sewer water</td>
<td>56,187</td>
<td>57,247</td>
<td>58,317</td>
<td>59,387</td>
</tr>
<tr>
<td>produced water</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Total discharge by water content

<table>
<thead>
<tr>
<th>Water content</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>freshwater (≤1,000 mg/L Total Dissolved Solids)</td>
<td>11,330,940</td>
<td>11,539,430</td>
<td>11,860,277</td>
<td>11,697,094</td>
</tr>
<tr>
<td>seawater (&gt;1,000 mg/L Total Dissolved Solids)</td>
<td>1,929,906</td>
<td>2,336,185</td>
<td>2,479,827</td>
<td>2,263,801</td>
</tr>
</tbody>
</table>

#### Wastewater treatment plants

- All water discharged from our papermills needs to comply with statutory emission limits with regard to the standard effluent parameters. Deficit monitors water quality data for all discharges from the facilities that treat the effluent before it is released back into the environment. All deficit does not have access to data on the quality of discharge for their third party facilities.
- Water consumption corresponds to the volume of water that evaporates during paper production, and is calculated within certain parameters from the water withdrawn and the water consumption within the WRI aqueduct-water-risk-framework shows no or low to medium water risks. Water withdrawal and discharge are calculated using operating data that is measured on a monthly basis and reported on a corporate level.
- COD is measured in kg, with corresponding limits for each site. The variation between water withdrawal and water discharge figure can also be explained by the variability in the water content of incoming products, as well as inaccuracies in the measurement of water withdrawal and water discharge.
We manage our goal with the help of our occupational health and safety management system. The global, uniform guidelines and policies relating to risk prevention, leadership culture, effective communication and risk management according to ISO 45001.

We achieve a 25% reduction in Lost Time Accidents (A1 + A2) per 1,000,000 hours worked in 2023, compared to 2022. At seven of our sites, no accident occurred during the entire 2023 reporting period. At two of our sites, no accident occurred for over 1,000 days. As of the end of 2023, the site with the best safety record had gone 1,088 days without any accidents.

Hazard identification

We monitor and record all incidents, including safety observations, near misses and injuries. Reporting via incident flash reports is mandatory for all employees. We publish these reports on the intranet and share them in meetings and discussions, to learn from others’ experiences. Employees may also report incidents confidentially via safety trust persons, who have been appointed at all sites. In addition, we use our daily Go & See meetings to make co-workers aware of sources of risk and danger so that necessary precautions can be taken. Safety engineers and supervisors regularly evaluate workplaces together with employees to ensure a safe and healthy working environment. All heads of department analyze and follow up any observations. Corrective action is taken to prevent recurrence. Learnings are shared via our global health and work safety team in monthly meetings. Employees and contractors must follow our occupational health and safety principles and have the right to leave a working environment if they believe that it could cause injury or sickness.

Global safety network

100% of our employees, as well as workers who are not directly employed by delfort whose work and/or workplace is controlled by us, are covered by our occupational health and safety management system, which is regularly audited internally. In addition, seven of our sites are certified according to ISO 45001 and are regularly audited externally. Each manager is responsible for occupational safety in the area under their supervision. In addition, all of our sites have dedicated work safety managers and safety trust persons. All employees are represented in formal, joint management-worker health and safety committees and at regular European Works Council meetings.

Our global occupational health and safety team meets virtually once a month to share, learn and evolve our health and safety practices. In addition, the team holds an annual meeting on global health and safety at one of our sites, rotating the location each year. During this meeting, agenda item 1 is to conduct a site audit and present the results for discussion with the managing directors.

Participation and communication

We engage our workforce in the development, implementation and execution of appropriate management systems and programs and apply the same precautionary approach to all subcontractors working on our sites. For preventive protection, delfort provides its employees with the required personal protective equipment free of charge, depending on the work assignment. Every year, the sites conduct local work safety assessments with the full involvement of the local general and first-level managers.

Another important aspect is our Safety Awareness Talks (SATs), which have already been implemented on all of our sites. These talks are 5 to 10-minute discussions between nominated work safety coaches and employees, regardless of their department and location. The SATs aim to raise awareness of risks through face-to-face discussions, in which safety measures are shared. Over the last few years, we have been able to steadily increase the number of SATs that have taken place. In 2023, we reached an average of 378 SATs per 1,000 employees. As we have already achieved our first goal to implement SATs for the next target of achieving an average of 500 Safety Awareness Talks per 1,000 employees per month.

In the group-wide digital news channel, occupational safety managers keep the organization informed when a team or site has achieved a specific number of accident-free days, months or years.

Health and safety awareness

During the reporting period, the work safety team, with the support of the managing directors, conducted safety culture perception surveys among employees at two of our sites to gather insights regarding possible weaknesses. Every two years, we develop and implement group-wide health and safety campaigns. In 2023, the Life Saving Rules campaign was completed, while a new one – Safe Together – has been developed. It is also planned to last for two years and consists of eight topics, each of which will run for three months. The campaign aims to ensure that each employee maintains sustainable awareness of health and safety.

Also, training is mandatory for all employees and offered in a variety of formats, including e-learning courses and on-the-job sessions. Workers who are not directly employed by delfort are informed about possible risks and hazards via safety instructions before they start working. Every new delfort employee is trained on safety instructions during the onboarding. In 2023, we continued the e-learning training on work safety for delfort employees. 6,200 assigned participants successfully completed these work safety trainings. Additionally, local on-site training is organized based on the requirements of each location.

Work safety leadership program

We provide occupational health and safety training to individual workers and employees, as well as to our contractors. In close cooperation with all departments, we have developed a tailor-made training program for operational leaders. Targeted awareness raising is important so that leaders can optimally serve as role models. Before the training program is rolled out to the group, we are launching a pilot phase in spring 2024 with two of our sites (88 operational leaders) to measure the impact and optimize content, if necessary. A workshop in December 2023 served to prepare everybody involved.

Promotion of employee health

Promoting employee health is important to us, even outside of work. To this end, we offer a wide range of medical and health services, such as on-site doctors, psychiatrist and psychologist consultations, free medical check-ups and vaccinations. In addition, we offer voluntary health promotion programs such as sponsored fitness classes, nutrition counseling and group sports events.

Our occupational health services respect an employee’s right to privacy. delfort will not use employee’s participation in such services and training as a criterion in making employment or hiring decisions, including termination, demotion, promotion or offer of employment, compensation, or other favorable or unfavorable treatment. There have been no reported or confirmed cases of work-related illness since the company was founded in 2006.

The company was established in 2006, there have been no fatalities.
The KPIs related to our occupational health and safety management system include measures to prevent accidents and figures on work-related injuries.

### Employees and other workers covered by an occupational health & safety management system

<table>
<thead>
<tr>
<th>Year</th>
<th>Total workers</th>
<th>delfort employees</th>
<th>Workers not directly employed by delfort</th>
<th>Total covered by our occupational health &amp; safety management system that has been internally audited</th>
<th>Total covered by our occupational health &amp; safety management system that has been audited or certified by an independent body</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>3,163</td>
<td>3,076</td>
<td>87</td>
<td>3,163</td>
<td>2,542</td>
</tr>
<tr>
<td>2022</td>
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<td>3,202</td>
<td>115</td>
<td>3,317</td>
<td>2,644</td>
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<tr>
<td>2023</td>
<td>3,292</td>
<td>3,111</td>
<td>181</td>
<td>3,292</td>
<td>2,637</td>
</tr>
</tbody>
</table>

### Measures to prevent occupational accidents

<table>
<thead>
<tr>
<th>Year</th>
<th>Reported near misses</th>
<th>Reported near misses per 1,000 average productive employees</th>
<th>Reported safety observations</th>
<th>Reported safety observations per 1,000 average productive employees</th>
<th>Safety Awareness Talks</th>
<th>Safety Awareness Talks per 1,000 average productive employees</th>
<th>Average productive employees (average value per month within the reporting year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>302</td>
<td>95</td>
<td>6,393</td>
<td>158</td>
<td>10,687</td>
<td>262</td>
<td>3,166</td>
</tr>
<tr>
<td>2022</td>
<td>379</td>
<td>96</td>
<td>4,578</td>
<td>175</td>
<td>10,135</td>
<td>255</td>
<td>3,202</td>
</tr>
<tr>
<td>2023</td>
<td>272</td>
<td>98</td>
<td>4,661</td>
<td>175</td>
<td>11,155</td>
<td>252</td>
<td>3,213</td>
</tr>
</tbody>
</table>

### Injuries from high-risk activities (main injury categories)

<table>
<thead>
<tr>
<th>Year</th>
<th>Burns</th>
<th>Bruising / squeezing</th>
<th>Fractures</th>
<th>Twist / sprains</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

### Main types of work-related injury

<table>
<thead>
<tr>
<th>Year</th>
<th>Burns</th>
<th>Bruising / squeezing</th>
<th>Fractures</th>
<th>Twist / sprains</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

### Work-related injuries among all employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Fatalities</th>
<th>Fatalities per 1,000,000 hours worked</th>
<th>Work-related injuries (A1+A2 accidents, excl. fatalities)</th>
<th>Work-related injuries (A1+A2 accidents, excl. fatalities) per 1,000,000 hours worked, LTI frequency rate</th>
<th>Number of days lost due to work-related injuries</th>
<th>Absence days due to work-related injuries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>0</td>
<td>0</td>
<td>47</td>
<td>9.1</td>
<td>0.21</td>
<td>1.17</td>
</tr>
<tr>
<td>2022</td>
<td>0</td>
<td>0</td>
<td>42</td>
<td>8.0</td>
<td>0.21</td>
<td>1.12</td>
</tr>
<tr>
<td>2023</td>
<td>0</td>
<td>0</td>
<td>31</td>
<td>6.9</td>
<td>0.22</td>
<td>1.02</td>
</tr>
</tbody>
</table>

### Work-related injuries for all workers not directly employed by Delfort

<table>
<thead>
<tr>
<th>Year</th>
<th>Fatalities</th>
<th>Fatalities per 1,000,000 hours worked</th>
<th>Work-related injuries (A1+A2 accidents, excl. fatalities)</th>
<th>Work-related injuries (A1+A2 accidents, excl. fatalities) per 1,000,000 hours worked, LTI frequency rate</th>
<th>Number of days lost due to work-related injuries</th>
<th>Absence days due to work-related injuries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>8.3</td>
<td>n.a.</td>
<td>n.a</td>
</tr>
<tr>
<td>2022</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>8.7</td>
<td>n.a.</td>
<td>n.a</td>
</tr>
<tr>
<td>2023</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>11</td>
<td>n.a.</td>
<td>n.a</td>
</tr>
</tbody>
</table>

### Footnotes for both tables

1. LTIFR (frequency rate): total number of lost time injuries (A1+A2) × 1,000,000 / total hours worked
2. LTISR (severity rate): number of days lost due to injuries × 1,000 / total hours worked
3. KPIs include Delfort employees and workers who are not employees but whose work and/or workplace is controlled by Delfort, as per headcount on September 30, 2023
4. delfort’s health & safety management system
5. delfort’s health & safety management system and management system ISO 45001

### 2023 in numbers

The KPIs related to our occupational health and safety management system include measures to prevent accidents and figures on work-related injuries.
fair employment

Led by the principles of human rights, we aim to provide our employees fair, equal and rewarding employment opportunities. We prioritize trust-based relationships, fair compensation, and talent retention beyond compliance with ethical and legal standards.

Personal development reviews

We ensure a culture of open feedback between employees and managers. As a central tool for promoting appreciative and supportive collaboration, we have introduced the Let’s Talk annual personal development review. Our goal is to install our annual development review process on all sites no later than 2030 and provide all employees access to annual development reviews. By 2023, Let’s Talk was implemented in ten of our 13 sites worldwide and 65% of all delfort employees completed at least one Let’s Talk session.

The concept includes a performance appraisal, feedback from the employee’s manager, and, vice versa, the identification of the employee’s training needs and the planning of development measures. delfort aims to support employees in their performance and development within a culture of continuous improvement, aligning personal goals with those of the company so that both — individuals and the company as a whole — benefit.

Manager work through a structured form in the review, allowing them to concentrate on discussing competencies, personality, strengths and development. Supervisors are trained on how to use the Let’s Talk form and how to provide constructive feedback. Employees are able to access the Let’s Talk form on their intranet. To increase the number of Let’s Talk reviews, managers are actively encouraged to conduct them. Likewise, delfort sites are required to report the number of Let’s Talk reviews conducted on a quarterly basis.

We look forward to rolling out the program to further sites over the coming years, making annual Let’s Talk reviews accessible to every employee. Wherever possible, we offer our employees individual and flexible working arrangements, ranging from part-time employment to remote working options. Based on local legal frameworks, we provide our employees with life-phase-oriented working conditions and balanced shift models.

delfort employees 2023

Employment figures across delfort sites remained stable with no significant changes in the number of employees, turnover or staff structure. New hires for the year totaled 232, compared to 279 exits, resulting in a year-end headcount of 3,221. 97% of our staff are full-time employees. 21% of our workforce are female, 79% are male. All figures reflect the composition of our entire workforce, from specialty paper production and converting to general administration and management.

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nationalities successfully work together across the group

New employee hires and employee turnover

The following tables show the total number and rate of new employee hires and turnover by age group, gender and region.

<table>
<thead>
<tr>
<th>gender</th>
<th>total</th>
<th>female</th>
<th>male</th>
<th>age group</th>
<th>turnover</th>
<th>female</th>
<th>male</th>
<th>age group</th>
<th>turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>new hires</td>
<td>26</td>
<td>(3.05%)</td>
<td>16</td>
<td>(15.5%)</td>
<td>10</td>
<td>(10.82%)</td>
<td>16</td>
<td>(15.5%)</td>
<td>26</td>
</tr>
<tr>
<td>turnover</td>
<td>15</td>
<td>(1.74%)</td>
<td>8</td>
<td>(1.08%)</td>
<td>7</td>
<td>(0.81%)</td>
<td>7</td>
<td>(1.08%)</td>
<td>15</td>
</tr>
<tr>
<td>Americas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>new hires</td>
<td>14</td>
<td>(2.48%)</td>
<td>7</td>
<td>(3.40%)</td>
<td>7</td>
<td>(6.52%)</td>
<td>14</td>
<td>(2.48%)</td>
<td>14</td>
</tr>
<tr>
<td>turnover</td>
<td>9</td>
<td>(1.74%)</td>
<td>5</td>
<td>(1.31%)</td>
<td>4</td>
<td>(1.31%)</td>
<td>9</td>
<td>(1.74%)</td>
<td>9</td>
</tr>
</tbody>
</table>

Employee turnover reflects the number of employees leaving the company, with the exception of those leaving on retirement. Structured data collection throughout the group is currently not available for gender identity other than female and male.
Respecting human rights
We are committed to behaving in a fair manner and respecting the fundamental human rights of all people within our company, across our supply chains and in the communities in which we operate. Our principles are stated in our company policies, reflecting our high standards regarding human rights topics such as child, forced or compulsory labor, non-discrimination, the rights of indigenous people, diversity and equal opportunity, as well as occupational health and safety. Whenever an incident occurs, delfort’s top management responds immediately with appropriate action. In 2023, no incidents were reported on our sites in Europe, North America, Mexico, Vietnam, China or Malaysia, nor did any of our monitored suppliers report any incidents. If employees identify a violation, they can report it to their supervisor, the legal department, or anonymously via the whistleblower hotline.

Human Rights Performance Assessment
In 2023, we implemented an annual Human Rights Performance Assessment that covers both our own operations and our supply chain. The aim of this assessment is to discuss any incidents, risks or impacts regarding labor and human rights, or topics that might have been reported through our whistleblower channels, to track our performance, agree on appropriate measures to minimize risks, decide on future targets and on training initiatives. The assessment also serves to review and update the related policies. In 2023, minor amendments were discussed and two policies will be reviewed and improved in 2024. The Human Rights Performance Assessment involves the board of directors, dedicated managers from the HR, purchasing, ESG & regulatory and legal departments.

Parental leave
We are particularly committed to ensuring that employees of all genders have the opportunity to take parental leave in compliance with local labor laws. We maintain communication with our staff throughout their parental leave and plan their return to work, including working hours, tasks and responsibilities, together in good time. We offer them individual flexible or part-time opportunities based on local legal regulations. This structured process is also supported by reintegration training.

Compensation and benefits
We offer fair compensation and benefits that both meet the individual needs of our employees in every phase of their life and are in line with the legal framework, local conditions and needs of our international locations. We offer part-time and full-time employees the same opportunities and benefits, including:

- healthcare support, e.g. doctors, psychologists, free medical check-ups, vaccinations
- the delfort emergency fund, which was set up by delfort’s owners to financially support employees in exceptional situations, when these are insufficiently covered by insurance, e.g. family emergencies, accidents, sudden illness affecting employees and their families
- in-house canteens, meal allowances, free fruit baskets
- events and activities, e.g. family days and team sport events
- delfort kid’s club to support parents during the school holidays
- holiday gifts for employees
- coupons and discounts in local stores
- modern working equipment and safe workplaces
- company pension plans

Collective bargaining agreements
Please refer to our company governance section for information on collective bargaining agreements.

Parental leave
<table>
<thead>
<tr>
<th></th>
<th>female</th>
<th>male</th>
<th>blue collar</th>
<th>white collar</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>employees that took parental leave</td>
<td>23</td>
<td>10</td>
<td>13</td>
<td>20</td>
<td>56</td>
</tr>
<tr>
<td>employees that returned to work after parental leave ended</td>
<td>9</td>
<td>9</td>
<td>7</td>
<td>11</td>
<td>36</td>
</tr>
<tr>
<td>employees that returned to work and were still employed 12 months after return</td>
<td>6</td>
<td>8</td>
<td>6</td>
<td>14</td>
<td>34</td>
</tr>
</tbody>
</table>

Structured data collection for other KPIs related to parental leave not available throughout the group.
Our culture is characterized by strong motivation and high performance, so that everyone can develop and fully utilize their strengths. We believe that having the right employee with the right qualifications in the right position will ensure our competitiveness in the long-term. Our internal education, development and training process allows us to manage the development of our employees in a consistent manner throughout their careers with delfort, providing equal access to education and training for all.

We aim to implement a group-wide, tailor-made training program that will be reviewed and adjusted as necessary on a regular basis, but at least every two years. The delfort training program supports employees, helping them grow in their current position and to expand their potential for future roles. Our employee development initiatives comprise local and global training programs such as modular management trainings, lean trainings or project management workshops, customized coaching plans and internal vertical and lateral career opportunities. As part of our talent development program, we encourage the promotion of internal, skilled employees.

Training programs

In 2023, our employees collectively completed a total of 52,000 hours of training worldwide (16 hours/employee). Our HR team defines a number of core courses that, due to their importance, are permanently available. The majority of these are e-learning courses, a brief example of which includes:

- work safety (6,200 sessions completed in 2023)
- environment (290 sessions completed in 2023)
- IT security training (180 sessions completed in 2023)

We also propose a variety of customized training programs and courses that we continually revise and update based on our business needs, new technologies and best practices, to keep pace with our continuously changing environment. The following courses continued in 2023:

- Business training for technical experts – completed by 13 employees
- Training program – 2 participants completed their 18-month on-the-job training
- Paper making for non-paper makers – completed by 38 employees
- Project management training comprising five different modules – completed by 45 employees

In 2023, we reviewed our Driving for Excellence program. It is a group-wide management training and covers topics like business management, self organization, leading others and leading oneself. It consists of different modules, typically lasts for 10 months per edition and includes individual coaching. Network meetings with former participants ensure constant sharing of experiences, strengthening and growing management skills to meet the needs of our customers in the best possible way. We plan the launch of the next international training group to take place in 2024.

In 2023, we launched additional local leadership programs at two sites. Our project management training courses have been reviewed and adjusted in 2023. We conducted the preparation phase for a new delfort safety leadership training at two sites in 2023 and will start with pilot trainings in 2024. We have also developed a printing training edition to complement the internal business and paper making training offered annually. These trainings are designed to give all delfort employees a professional insight into the production and printing of our specialty papers, making them true industry experts.

Apprentices and interns

We attach great importance to training young people to become excellent professionals. We offer apprenticeships for both blue collar and white collar professions at our Austrian and German sites and have taken on 11 new apprentices in 2023. There are currently 25 apprentices at delfort. In 2023, all delfort apprentices who had completed their training became permanent employees. In addition, we maintain close cooperation with schools and universities, support young students in gaining experience and attract future employees through internship programs.

Onboarding

We use a structured onboarding process at all locations to support new employees from the start of their employment. New employees receive all relevant information and contacts on their first day at work. They are informed about group-wide processes and guidelines, with a focus on health and safety.

Transition assistance, exits and knowledge transfer

At delfort, we use clearly defined exit and outplacement processes in compliance with applicable laws and regulations, as well as inherent succession planning and knowledge transfer. We offer transition assistance programs to help employees who are retiring, whose employment has been terminated, or who can no longer perform their current job. In the latter case, we try to find alternative employment opportunities within the company and provide the employee with retraining. In certain cases of termination of employment, delfort offers job placement services conducted by external consultants to assist the employee. In accordance with local laws, terminated employees receive severance pay based on age and years of service. Employees approaching retirement are prepared and supported through long-term planning. As part of our transition assistance program, we conduct succession planning and knowledge transfer to retain skills and expertise within the company and ensure that a written record of valuable information exists. This leads to improved performance and innovation and is available for all key positions within the company. Once a year, the process is reviewed by the HR department and considers the team structure, future requirements, capacities, competencies and opportunities for personal development.

During annual development reviews, the manager and employee discuss possible succession scenarios and identify training needs. In the event of an employee entering retirement, the manager plans sufficient time for a handover. All employees leaving the company attend an exit interview as part of the leaving and outplacement process so that delfort can use feedback to put any necessary improvements in place.
company governance

As a family-owned company with headquarters at the heart of Europe and sites around the world, we pursue the strictest corporate governance standards, which ensures a resilient, safe organization.

Our owners and management team strive to create value for our employees, customers and business partners, as well as for the communities in which we operate. Adopting corporate governance best practices improves competitiveness, sustainability and operational performance and company reputation, while reducing operational risk and strategic hazards.

Governance structure

Our dual management system consists of a Supervisory Board and a Board of Directors. Both constitute the company’s highest governance body. It is important to the owners that the governance structure is built on long-term nomination of responsible persons and trustful relationships between the members of the boards.

delfort’s Supervisory Board is composed of four representatives of the shareholders – one of the latter who is appointed as chair of the supervisory board – and two members of delfort’s Works Council. None of these board members are executive managers at delfort. All members of the supervisory board and board of directors are male. They are not members of an under-represented social group. All board members are politically unbiased. They attend legally mandatory as well as voluntary trainings which ensure that they have the necessary professional knowledge, personal characteristics and experience to perform the duties associated with their position.

The supervisory board nominates the board members as required, and according to the maturity of their contracts. Factors related to diversity do not affect eligibility. The supervisory board continuously assesses the fitness of individuals on the basis of their knowledge and experience from countries where we operate and conduct business.

The corporate directors continuously monitor upcoming legislation, regulations and laws from countries where we operate and conduct business. As part of our risk management strategy, we prioritize ESG-related topics. The board of directors consists of Martin Zahlbrucker (CEO), since 2006, Roland Faihs, (CFO and COO), since 2007, who retires from his functions as of June 30th, 2024, Christoph Steger (CSO), since 2023, as well as Hannes Kinast (CDO) and Ilkka Saarinen (CFO), who both joined the board of directors as of 1st of January 2024.

These directors manage the company with a strategy focused on long-term success and are, together with their executive teams, responsible for the management of its impact on the economy, the environment and mankind.

Managing CSR

Sustainability is a strategic focus within delfort and for its owners. Clearly defined roles and responsibilities ensure effective sustainability management throughout our organization. The supervisory board appoints the board of directors to independently manage delfort with the aim of creating sustainable value, determining our strategic orientation – including sustainability – and ensuring its implementation. The board of directors bears the primary responsibility for our sustainability strategy and is ultimately accountable for its success.

In association with the board of directors, the head of ESG & Regulatory connects and coordinates four major management teams and steers all sustainability resources to drive forward and implement delfort’s CSR strategy: the Corporate CSR Committee, the Managing Directors, the SBA Heads and the CSR Business Team. (Please refer to our organizational chart for more information on our sustainability governance.)

CSR coordinators on all sites support the implementation of CSR improvement measures and serve as dedicated contacts for business partners who have queries regarding sustainability issues. Employees help to integrate sustainability into their daily business activities.

The above-mentioned management teams are responsible for collecting, reviewing and approving the information published in our CSR reports. The board of directors has actively contributed, reviewed and approved the CSR report 2024.

Risk management

To fully comprehend the impact of the company (inside-out) and to the company (outside-in), including the impacts relating to ESG topics, we employ a systematic risk management approach to safeguard the group and our business partners.

The board of directors, along with the corporate directors, assume significant management and control responsibilities as part of a group-wide central control system. They ensure that risks are managed within specific indicators, including tolerance thresholds, and monitor that risks are kept within established levels.

In our risk management approach, we distinguish between a narrow scope for operational risk coverage and a wide scope for strategic risk coverage. Timely identification, evaluation and response to those risks are essential management activities.

Our risk management is based on a uniform, group-wide reporting system conducted on a monthly basis for operational risks. For strategic risks, we conduct a risk workshop at least once a year to evaluate the risk landscape of delfort from a 360-degree perspective beyond our operational risk management. After reviewing the workshop results, appropriate actions will be taken. These actions may include implementing necessary and adequate business continuity policies, standards, guidelines or plans, or appointing new risk committees for specific risk areas.

As part of our risk management strategy, we prioritize ESG-related topics. The corporate directors continuously monitor upcoming legislation, regulations and laws from countries where we operate and conduct business. They also regularly exchange information with associations, environmental groups, and non-profit organizations to stay informed about ESG developments.

Our risk management is based on a uniform, group-wide reporting system conducted on a monthly basis for operational risks. For strategic risks, we conduct a risk workshop at least once a year to evaluate the risk landscape of delfort from a 360-degree perspective beyond our operational risk management. After reviewing the workshop results, appropriate actions will be taken. These actions may include implementing necessary and adequate business continuity policies, standards, guidelines or plans, or appointing new risk committees for specific risk areas.

As part of our risk management strategy, we prioritize ESG-related topics. The corporate directors continuously monitor upcoming legislation, regulations and laws from countries where we operate and conduct business. They also regularly exchange information with associations, environmental groups, and non-profit organizations to stay informed about ESG developments.

We create, lead and maintain an ethical culture for our business partners based on principles of business ethics, human rights, social and environmental responsibility, anti-corruption, anti-competitive behavior and tax compliance.

"
Climate change
Climate change can impact our business in various ways such as water scarcity, water pollution, high temperatures, hurricanes, floods, fire risks, as well as changes to vegetation boundaries and growing conditions. This could cause increased disruption to our supply chain and manufacturing, and it could result in increased costs, reduced profit and reduced growth.

- Monitoring government policy and actions to combat climate change and taking proactive actions to be able to rapidly comply with these policies
- Reducing delfort’s own GHG emissions, energy and water consumption by implementing the delfort climate care program
- Monitoring raw material trends to help customers master the transition from fossil-based materials to renewable materials
- Supplier Code of Conduct, supplier risk evaluation and supplier performance evaluation to prevent negative social and environmental impacts along the supply chain

Economy
Delfort’s earnings are affected by economic developments, cost variations, default in payment, currencies, interests and changes in sales volumes. This can have an impact on the company’s financial position.

- Monthly monitoring and updating of our forecast of business results and cash flows
- Central treasury management system as effective management and control system in place
- Central and industry-standard insurance management
- Hedging transactions for foreign currency risks
- Active working capital management system

Geopolitical uncertainty
Delfort operates around the world and is exposed to economic and political instability. The global economy was particularly affected by the Ukraine and Middle East conflicts in 2023. Unfortunately, we have to expect that these will continue for some time. These conflicts may further increase energy and raw material prices, affect sales and the supply chain, and those may impact the future competitiveness of our operations.

- Regular risk meetings including definition of mitigation plans for energy, raw materials, emissions, interests and taxes, logistics and Capex
- Appropriate contract agreements taken to reduce volatilities
- Risk mitigation by qualifying new suppliers and increasing supplier diversity to secure the availability of materials and services

Cybersecurity
Cyberattacks in the form of system disruptions, loss of information and intellectual property (IP), ransomware and malicious software could potentially have major consequences in terms of costs and availability of services and products.

- Regular cyber risk assessments
- Continuous development of state-of-the-art technical and organisational measures
- Ongoing enhancements to improve intrusion detection in close collaboration with cyber defence services
- Conducting penetration tests
- Company-wide phishing awareness campaigns and cyber security trainings on all sites
- Improved ability to respond to incidents
- Continuous vulnerability scanning and remediation

Talents
A skilled workforce is essential for the continued success of our business. There are several risks we are dealing with, such as a high level of competition for a limited talent pool, an evident skill gap in the general workforce, and the well-being of our employees could be affected.

- Regular development reviews underpinned by a common set of leadership behaviors, skills and competencies
- A training program that is updated on a regular basis and tailored to the needs of the specialty paper industry
- Development and succession plan to upskill and reskill employees for future roles
- Training of apprentices and provision of a trainee program for young talents

Health & Safety
The delfort work environment includes shift work, high temperature and other industry-typical conditions.

- Systematic occupational health and safety management
- ISO 45001 occupational health and safety standard
- Continuous safety awareness campaigns

Legal & Regulatory
Delfort is subject to national and regional laws and regulations in diverse areas such as corporate governance, employment, taxes, product safety, product claims, patents and issues on the environment.

- Dedicated legal and regulatory specialists monitor and review our practices
- Establishing standards to ensure that all employees are aware of and comply with the specific regulations and laws that are relevant to their jobs
- Know Your Customer (KYC) legitimation checks of new customers to prevent corrupt practices
Collective knowledge of the highest governance body

We have a defined steering process and schedule in place to address and monitor topics relating to the financial and operational context, risks, and opportunities. The executive management team (managing directors, corporate directors) reports to the board of directors according to a reporting calendar that is defined at the beginning of the year and ad-hoc.

The board of directors evaluates the performance of the executive manage-
tment team and oversees our due diligence procedure and other processes that identify and manage the organization’s impact on the economy, environ-
ment, and the local community. The board of directors communicates on a quarterly basis to the supervisory board and informs them about critical concerns, rele-
vant risks and opportunities and proposes appropriate action. During these meetings, board and progress on sustainability goals is discussed. The supervisory board reviews progress and effectiveness and approves any further action required, strategy adjustment and preliminary steps in areas that will be relevant in the future.

This enables the sharing of information about sustainability developments inside and outside the company with the aim of reinforcing the collective
knowledge, skills and experience of the highest governance body. The super-
visory board evaluates the board of directors’ ESG performance. This independent evaluation is also reflected in annual bonus payments. Chang-
es to the composition of the highest governance body and organizational practices have not been necessary to date in response to the evaluation of the ESG performance of the board of directors.

defort also has a team of legal experts who monitor the rapidly changing regulatory framework and anticipate amendments. They communicate regularly with our product management to ensure that our solutions are in
strict compliance with regulations and applicable laws. This is important for our product solutions, e.g. for the food and tobacco industries, where we have to comply with the national framework conditions and are agreed with product management and CO2 reduction.

Reputation

We are committed to a structured and fair performance management process and com-
petitive remuneration packages. This commit-
tment and our process are described in our internal group procedure “Compensation and Benefits”, which applies to all our sites.

We aim to provide a fair and performance-related
laxed salary structure, including fixed pay and variable pay, while taking into account incentive payments, termination payments, clawbacks and retirement benefits for mem-
ers of the highest governance body and senior executives.

This procedure is in line with the business strategy, sustainability agenda and long-term interests of the company and considers our risk management.

Senior managers receive a fixed remuneration, which primarily reflects their professional
experience and organizational responsibility. Variable remuneration packages for executives relate to performance indicators like innovation and CO2 reduction.

Our remuneration packages take the opera-
tional and regional environment into account.
We ensure a coherent salary structure in each of our subsidiaries and throughout the com-
pany. Remuneration schemes for all employ-
ees are based on country-specific collective framework conditions and are agreed with the employee in advance. Additionally, the company offers a variety of locally adapted social and fringe benefits that are in line with local market conditions (+ Compensation and Benefits). We adjust our remuneration packages and make necessary adaptations.

This process includes among others: critical analysis of remuneration schemes, adapta-
tion due to collective bargaining agreements or based on performance, determination of salary ranges for new hires, implementation or adjustment of social bene-
fits, local fringe benefits and bonus programs, completely independent of gender, race, age, religion, etc.

The supervisory board and board of directors adopt and periodically review the remuneration system and have overall responsibility for overseeing its implementation. In preparation for the upcoming CSR standards, defort is developing a group-wide process to report the required KPIs in the future.

This will help us to adapt our remuneration system in the future and to take
regulatory conditions into account.

2-19

Membership associations

The defort board members are involved in the work of industry associa-
tions, such as the association of the Austrian paper industry (Austropapi-
er), the Austrian Association of Pulp and Paper Chemists and Technicians (OZEPA), the Confederation of European Paper Industries (EPI), as well as the trade association within the Austrian Economic Chambers and the Upper Austrian Federal Economic Chambers. defort benefits from the key insights and expertise that brings with it.

We are also a member of numerous initiatives to network, share and pro-
move product development and the circular economy. The list below is in alphabetical order:

- 360° Foodservice – the collaborative platform for sustainable service of food and drinks in Europe
- 4evergreen – perfectly circularity together
- Book Chain Project
- CANOPY – for the conservation of ancient and endangered forests
- CEFLEX – a circular economy for flexible packaging
- CELAB – toward a circular economy for labels
- Cooperation Research Result Relative to Tobacco
- Econsense - Forum for Sustainable Development of German Business
- European Rolling Paper Association (ERPA)
- FINAT - European association for the self-adhesive label industry
- Foodservice Packaging Institute
- Global Tobacco and Nicotine Forum
- GreenBlue – to advance sustainable practices
- MLPS – Medical Leaflets Patient Safety
- Pharmaceutical Printed Literature Association
- Sustainable Packaging Coalition
- Sustainics Consortium - Sustainable and green electronics for circular economy
- The Document X-ports Network
- The Gravure Association of the Americas, Inc.
- Tobacco Merchants Organization

2-20

Stakeholder engagement

We define our stakeholders as individuals or organizations that are directly or indirectly affected by our activities, or that may have an impact on our ability to provide products and services. We apply the category approach to identify stakeholders.

We involve our customers, suppliers, regulato-
itors, government officials, non-governmental organizations or standard-setting platforms and other members of society. We are in reg-
ular contact with our stakeholders throughout the year to hear and understand their views and share our own perspectives on relevant topics, issues and challenges. We engage in constant dialogue and two-way commu-
nication, e.g. during customer visits, fairs, events and meetings with local authorities. We discuss our role in society, our products and services, our business performance and other issues, taking our stakeholders’ opinions into consideration before making decisions.

Communication takes place between experts within our business areas, both on a mid-
level and at a corporate director and board level. Our stakeholders’ opinions are considered for deci-
sion making, for example, during the prod-
uct development process. In addition, we are in regular contact with a variety of industries...
associations, multi-stakeholder organizations, and non-profit initiatives. Due to this network, we work closely with leading companies from different sectors to develop sustainable business approaches and debate social and environmental topics at a global and local level.

Due to this network, we work closely with leading companies from different sectors to develop sustainable business approaches and debate social and environmental topics at a global and local level.

Larger interest groups include community interest groups, media, NGOs, research institutes, scientific communities, standards bodies and organizations, governments and regulators.

Our key stakeholders interaction

- Customers
  - Regular interactions through sales and service
  - Strategy and innovation workshops
  - CSR assessments
  - Development projects

- Local employee surveys
- “Let’s talk” annual personal development reviews
- Dialogue with employee representatives
- Family days

- Annual strategy review
- Quarterly meetings

- Regular engagement
- Compliance assessments and audits
- Supplier Code of Conduct
- Innovation workshops

- Dialogue with city governments and citizens
- Corporate volunteering programs

- Regular assessments and audits
- Supplier Code of Conduct
- Innovation workshops

Larger interest groups include community interest groups, media, NGOs, research institutes, scientific communities, standards bodies and organizations, governments and regulators.

Collective bargaining agreements

We are guided by our good working relationships with workers’ organizations. We promote freedom of association and appreciate high employee loyalty, labor peace and constructive cooperation. 79% of our employees are covered by collective bargaining agreements, all other employees are covered by individual agreements or local company agreements like at our sites in China and Malaysia that comply with the high delfort working standards.

Policies and procedures

We build our business on legally and ethically impeccable operations that comply with all applicable laws and regulations. delfort has put in place a number of firmly established policies, rules and procedures. These commitments reference international guidelines and fulfill the very high legally binding standards in the countries where our sites are located. They stipulate, for instance, conducting due diligence, applying the precautionary principle, as well as respecting human rights.

Our policies are elaborated with full involvement of and approved by the board of directors. They apply to every employee, director, officer and other individual working for the company, such as contractors, agency workers and suppliers. Internal policies are communicated to all delfort employees using our internal communication channels, mainly the Intranet and related Teams channels. During executive steering meetings and other global meetings, our corporate directors and managing directors are being briefed regarding any update or changes in our policies. It is their responsibility to cascade the information accordingly. Our line-system supports us in bringing policies and actions for responsible business conduct and human rights to attention throughout the hierarchy of the entire organization and to implement them on a day-to-day level. Policies that apply to external stakeholders are available on our website.

As soon as a new policy is published, relevant employees are trained about its content via e-learning sessions (+ Training programs). External stakeholders are not trained on implementing the commitments.

More than 88 corporate policies, rules and procedures set the standard of how we operate our business. In 2023, if they have been updated and four new ones were added to ensure continued relevance to emerging issues. Selected policies are available in several languages.

We implement commitments with and through business relationships. Our Supplier Code of Conduct result in the undertaking of disciplinary measures. No violations against our Code of Conduct were identified or reported in 2023. We align new policy commitments with our management policies and integrate the commitments into operational procedures, where applicable. The managing directors are responsible to ensure that all procedures are applied in day-to-day business operations.

Supplier Code of Conduct

We implement commitments with and through business relationships. Our pre-qualification processes and screening criteria are consistent with the expectations stipulated in our Supplier Code of Conduct. When a new supplier is approved, they are obliged to sign the Supplier Code of Conduct before we start doing business with them (+ Management of supplier relationships).

Conflicts of interest policy

We are committed to ensuring that all employees, including the highest governance body, avoid any activities that might lead to – or suggest – a conflict between their personal interest and the interests of the company. In case of a conflict, the managing directors must also be disclosed. As part of the annual closing procedure, the managing directors must confirm that there was no conflict of interest by conducting business with related parties. If the company conducted business with related parties, the details must be disclosed. delfort employees are required to inform their line manager of any conflict or potential conflict of interest or report it via our Whistleblower policy. On a group level, potential conflicts of interest are included in the ongoing internal financial reporting procedure.

To avoid conflicts of interest, we have several mitigation measures in place. Employees are screened for conflicts of interest during the hiring process and must disclose memberships in interest groups. The employment contract stipulates that secondary employment or the involvement of one’s own company must be disclosed to the company and approved. Business conducted with related persons must also be disclosed. As part of the annual closing procedure, the managing directors must confirm that there was no conflict of interest by conducting business with related parties. If the company conducted business with related parties, the details must be disclosed. delfort employees are required to inform their line manager of any conflict or potential conflict of interest or report it via our Whistleblower policy. On a group level, potential conflicts of interest are included in the ongoing internal financial reporting procedure.

Our policies are elaborated with full involvement of the board of directors.
Policy to avoid bribery & corruption

We do not engage in or tolerate any form of bribery or corruption. It is the responsibility of every employee and entity within delfort to ensure that its business practices in a particular jurisdiction comply with all local requirements. Appropriate legal advice should be sought when necessary. Monitoring compliance with this policy includes reviewing the nature and extent of payments made to or received from third parties, reviewing the assessment of bribery and corruption risks, and implementing compliance requirements such as training and certifications.

Environmental policy

We participate in the Emissions Trading System and have an environmental policy that outlines our intentions to protect public health and the environment. At delfort, we apply the precautionary principle, which aims to take preventive action despite uncertainty regarding potential damage, in order to avoid such damage from the start. We employ a systematic approach to risk assessment and risk management, including mitigation and communication. We implement our environmental policy through the ISO 14001 Environmental Management System (≡ Certification), which is used at eleven sites. The policy is developed with full involvement of the board of directors and is applied to all sites and employees. The Corporate Manufacturing and Technical Affairs (CMTA) department, led by its head, is responsible for disseminating the policy to all employees within the company. They inform the managing directors, who then communicate and assign the task of integrating the policy into day-to-day business to the operational managers on-site. We distribute the information to all delfort employees through a variety of internal channels, including newsletters, the intranet, webinars, and meeting presentations. We also use a variety of other channels to inform our staff about typical risk indicators and how to report them. The purpose of this internal guideline is to ensure that all employees are aware of the policy and how to report any concerns.

Policy to secure compliance with anti-trust & competition laws

We do not engage in, or tolerate, any form of conduct that falls within the scope of antitrust laws. We engage in fair competition and do not engage in any conduct that could reasonably be interpreted as violating antitrust laws. Compliance with these laws is a priority for our company and is enforced through regular training and education programs.

Gifts and entertainment policy

This policy is designed to ensure that the acceptance or offering of gifts and entertainment is reasonable, appropriate, and necessary, subject to any managerial approval by the relevant department head. Any gifts or entertainment offered or accepted must be justified and documented. The policy also applies to entertainment and hospitality provided to customers, suppliers, and other business partners.

Policy to avoid money laundering

The purpose of this internal guideline is to inform our staff about the potential risks of money laundering and to provide a framework for dealing with this type of situation. The policy is designed to prevent any form of money laundering activities and to protect our company from potential legal and reputational risks. It is the responsibility of every employee to ensure that their actions comply with this policy.

Labor and human rights policy

We are committed to behaving in a fair and respectful manner and to upholding the fundamental human rights of all people within our company, across our supply chains and in the communities in which we operate. We operate a Labor and Human Rights Policy that clearly defines the strictest standards to which we adhere and is based on the ten principles of the United Nations Global Compact.

Health and safety policy

This policy is based on international standards, such as ISO 45001, and national laws to emphasize the managers’ obligations to act responsibly. It is applicable for all sites, every delfort employee, all visitors and sub-contractors on-site. To prevent accidents, we apply the precautionary principle and do everything to maintain zero fatalities and achieve no work-related injuries on all sites (Goal Zero). The board of directors is supported by the departments Corporate Manufacturing and Technical Affairs as well as Corporate HR, who develop and implement group safety guidelines and actions together with the globally established Work Safety Team.

Diversity, equality and inclusion policy

In 2023, our Corporate HR department implemented a new Diversity, Equality and Inclusion Policy, and trained employees in specific positions via e-learning. This policy ensures that there is no discrimination, particularly regarding age, disability, gender reassignment, sexual orientation, marriage and civil partnership, pregnancy and maternity, race, religion or belief, or sexual orientation, marriage and civil partnership. It is the responsibility of each manager to ensure that employees identify and report any issues of discrimination or harassment.

Whistleblower policy

Our whistleblower policy plays an important role in detecting corrupt, illegal or other undesirable conduct. We take all reports under this policy seriously. The policy describes the protection available to a person reporting a concern or concern, which means that they are able to report, how the person can report concerns without fear of retaliation, and how the whistleblower will support and protect the person reporting the incident. Compliance concerns should be reported either by email or through an anonymous form on the delfort intranet.

This policy has been developed with regard to Directive 2019/1937/EU on the protection of persons who report breaches of Union law. It has been approved by the board of directors, applies to all delfort employees and is accessible on our website.

Precautionary actions. It describes our risk assessment methods and the structured approach we take in the event of a risk being identified...
available on the intranet for all employees to access. delfort will promptly investigate any reasonable report of compliance concerns. The task of investigating the matter will be allocated based on the nature of the issue raised and the skill-set needed to review such a matter. If appropriate, delfort may also engage a third party to assist with the investigation process. Any third party involved will be subject to strict confidentiality obligations.

If employees identify a violation, they can report it to their supervisor, the legal department, or anonymously via the whistleblower hotline. In 2023, no compliance concern relating to business integrity was reported via the whistleblower tool.

Compliance with laws and regulations

To our best knowledge, no significant instance of non-compliance with laws and regulations has occurred in the financial year 2023. To determine whether an incident of non-compliance with laws and regulations qualifies as significant, the severity of the impact resulting from the instance serves as a basis.

Critical concerns and grievance mechanisms

We enable stakeholders to raise concerns about, and seek remedy for potential and actual negative impacts on them. Local management and managing directors are closely linked to groups of interest and stakeholders. Local communities, customers, partners and suppliers can address delfort with any impacts that might occur. If customers are affected by any kind of negative impact, our sales teams and the heads of Strategic Business Areas are their point of contact. For suppliers, the purchasing department and the respective managing directors are the point of contact. Our suppliers can address the purchasing team at headquarters and at the sites, as well as the heads of procurement in the event of critical concerns. The task of investigating the matter will be allocated based on the nature of the issue raised and the skill-set needed to review such a matter. If appropriate, delfort may also engage a third party to assist with the investigation process. Any third party involved will be subject to strict confidentiality obligations.

If the board confirms the concern as being critical, the information is passed to the supervisory board. If the board identifies any critical concern, they bring it to the attention of the executive team. Any critical concern is immediately reported to the board of directors, and similarly, if the board identifies any critical concern, they bring it to the attention of the executive team. If the board confirms the concern as being critical, the information is passed on to the supervisory board.

We pursue a preventive approach to mitigating the concerns of our stakeholders, and we are fully committed to following up on all of them. As few concerns reach us, our strategy focuses on finding individual solutions and remedy impacts. However, no significant concerns or grievances were submitted to delfort during this reporting period.

delfort encourages its employees to seek advice on implementing the organization’s policies and practices and to raise concerns about the organization’s business conduct or any critical issues. Our Code of Conduct clearly states that violations or potential violations shall be reported immediately to the respective direct superior, any member of the local top management or to the legal department. Employees can also lodge complaints at worker’s unions, which are discussed with the respective managing directors. We are glad of our very respectful relationships with workers’ unions and follow up all concerns to resolve them in the best interests of both parties.

Data privacy

It is of fundamental importance to us to protect the data of customers, suppliers and employees in the best possible way, to prevent data misuse and to be able to guarantee the protection of privacy and personal rights in data processing. Together with all our subsidiaries, we are fully committed to treat personal data confidentially. Since the EU-GDPR came into force, a central data protection management system including all necessary measures has been implemented to comply with the resulting legal regulations and laws. All measures taken and processes implemented are focused on the business customer segment (B2B). Since 2018, delfort has internal rules and procedures in place that oblige all employees globally to handle customer, supplier and employee data carefully and in accordance with current regulations. This also regulates measures such as data protection-friendly default settings (Privacy by Default and Privacy by Design). All our employees are informed of these applicable rules centrally via our intranet.

We have established an internal data protection team including nine responsible persons from all European subsidiaries. This team ensures that the processing of data complies with all applicable national laws and regulations and, among other things, deals with any inquiries regarding the protection of data subjects’ rights. It maintains regular communication within the company and contributes to further development of procedures.

Our established processes are reviewed by data protection experts on a regular basis and are adapted to current state-of-the-art technology. We have a standardized process for handling inquiries from data subjects and data privacy violations, as well as for recording complaints. Any external, internal or supervisory authority inquiry to the company related to data protection is documented, reviewed and processed following the company’s data protection procedures. delfort has recorded neither from internal, external nor regulatory bodies any data protection incidents. There were no complaints received from any sides, and no loss of customer, supplier or employee data since the EU GDPR came into force.
certifications

We apply independent, non-governmental, internationally recognized standards and certification schemes to ensure the quality, safety and efficiency of our products, services and systems.

- EU Timber Regulation (EUTR)
- Sustainable products
- Chain of Custody
- REACH
- FSC™ & PEFC
- ISO 9001
- ISO 14001
- ISO 22000
- FSSC 22000
- Energy Management System
- BRCGS Packaging Materials
- Recyclability
- EZ-BV-SP06/S8
- Biodegradable marine for fibrestraw and thin-barrier eco.
- Biodegradability and compostability for RYO paper and straw wrap paper.

Product certifications

- EN13432, ASTM D 6400, ASTM D 6868
- Biodegradable and compostable certification for flexible packaging paper in feustring.
- Biodegradable and compostable certification for thinbake® paper in tervakoski.
- Biodegradable certification for selected teabag papers in wattens.
- Recyclability for food wrapping papers.
- Awarded for the production of pulp and paper from organic hemp fibers.
- Nordic Swan Ecolabel Awarded for thinbake® papers.
- Kosher for thinbake® papers.
- Halal for selected thinbake®, thinprint and teabag papers.
- Biodegradable marine for fibrestraw and thin-barrier eco.
- Biodegradable soil for fibrestraw.
- Certificate of compliance for food packaging for teabag paper.
## GRI Content Index

Our Corporate Social Responsibility Report 2024 has been prepared in accordance with the GRI Standards (GRI 1: Foundation 2021) for the period 01.01.2023 – 31.12.2022. This Content Index helps you navigate the reported disclosures and information.

### GRI Disclosure | Chapter (page/s) | Reason for omission | Explanation
--- | --- | --- | ---
GRI 2: General Disclosures 2021 |  |  |  
2-1 Organizational details | contacts (36–37) |  |  
2-2 Entities included in the organization’s sustainability reporting | contacts (36–37) |  |  
2-3 Reporting period, frequency and contact point | CSR reporting (39), legal information (38) |  |  
2-4 Relevance of information | CSR reporting (39) |  |  
2-5 External assurance | CSR reporting (39) | For this reporting year, no external assurance was pursued. |  
2-6 Activities, value chain and other business relationships | we revolutionize paper (6–7), how we create value (10–11), CSR reporting (96) |  |  
2-7 Employees | Fair employment (70–73) | Information incomplete | The group does not collect structured data on gender identities other than male/female. We are currently establishing a group-wide reporting system to comply with the upcoming CSRD and expect to collect and report the required data within the next three years. |  
2-8 Workers who are not employees | Fair employment (70–73) |  |  
2-9 Governance structure and composition | Company governance (76–87) |  |  
2-10 Nomination and selection of the highest governance body | Company governance (76–87) |  |  
2-11 Chair of the highest governance body | Company governance (76–87) |  |  
2-12 Role of the highest governance body in overseeing the management of impacts | Managing CSR (76) |  |  
2-13 Delegation of responsibility for managing impacts | Managing CSR (76) |  |  
2-14 Role of the highest governance body in sustainability reporting | Managing CSR (76) |  |  
2-15 Conflicts of interest | Policies and procedures (82–85) |  |  
2-16 Communication of critical concerns | Critical concerns and grievance mechanisms (85), policies and procedures (82–85) |  |  
2-17 Collective knowledge of the highest governance body | Collective knowledge of the highest governance body (80) |  |  
GRI 3: Material Disclosures 2021 |  |  |  
2-18 Evaluation of the performance of the highest governance body | Governance structure (76) |  |  
2-19 Remuneration policies | Remuneration (80–81) |  |  
2-20 Process to determine remuneration | Remuneration (80–81) |  |  
2-21 Annual total compensation ratio | CSR reporting (96) | Confidentiality contraints | As a family-owned company, we consider this information to be confidential as it could provide insight into the salary structure of the board of directors. |  
2-22 Statement on sustainable development strategy | Our strategy toward a better future (52) |  |  
2-23 Policy commitments | Policies and procedures (82–85) |  |  
2-24 Embedding policy commitments | Policies and procedures (82–85) |  |  
2-25 Processes to remediate negative impacts | Critical concerns and grievance mechanisms (84) |  |  
2-26 Mechanisms for seeking advice and raising concerns | Critical concerns and grievance mechanisms (84) |  |  
2-27 Compliance with laws and regulations | Compliance with laws and regulations (86) |  |  
2-28 Membership associations | Membership associations (87) |  |  
2-29 Approach to stakeholder engagement | Stakeholder engagement (81) |  |  
2-30 Collective bargaining agreements | Collective bargaining agreements (82) |  |  
Material Topics |  |  |  
3-1 Process to determine material topics | Double materiality (36) |  |  
3-2 List of material topics | Sustainability goals (2025-2035) |  |  
3-3 Management of material topics | Secure business (16–17), climate actions (20–21), customer privacy (87), sustainable products (23–25) |  |  
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<td>301-1 Direct economic value generated and distributed</td>
<td>energy &amp; emissions (58–61)</td>
<td>confidentiality concerns</td>
<td>Energy represents a significant proportion of the production costs for paper and board products, as well as converting processes. Specifying details about our energy consumption, energy intensity, and fuel sources would provide competitors with considerable insights into delfort’s production costs and profitability. We deem this information commercially sensitive and therefore only partially disclose the required information. More specifically, we only disclose the total amount of electricity purchased by the organization.</td>
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<tr>
<td>301-2 Financial implications and material risks and opportunities due to climate change</td>
<td>energy &amp; emissions (54–55)</td>
<td>confidentiality concerns</td>
<td>Energy represents a significant proportion of the production costs for paper and board products, as well as converting processes. Specifying details about our energy consumption, energy intensity, and fuel sources would provide competitors with considerable insights into delfort’s production costs and profitability. We deem this information commercially sensitive and therefore only partially disclose the required information. More specifically, we only disclose the total amount of electricity purchased by the organization.</td>
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<td>301-3 Defined benefit plan obligations and other retirement plans</td>
<td>energy &amp; emissions (54–55)</td>
<td>confidentiality concerns</td>
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<td>301-4 Financial assistance received from government</td>
<td>energy &amp; emissions (54–55)</td>
<td>confidentiality concerns</td>
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<td>Climate Actions</td>
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<tr>
<td>302-1 Energy consumption within the organization</td>
<td>energy &amp; emissions (58–61)</td>
<td>confidentiality concerns</td>
<td>Energy represents a significant proportion of the production costs for paper and board products, as well as converting processes. Specifying details about our energy consumption, energy intensity, and fuel sources would provide competitors with considerable insights into delfort’s production costs and profitability. We deem this information commercially sensitive and therefore only partially disclose the required information. More specifically, we only disclose the total amount of electricity purchased by the organization.</td>
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<td>302-2 Energy consumption outside the organization</td>
<td>energy &amp; emissions (58–61)</td>
<td>confidentiality concerns</td>
<td>Energy represents a significant proportion of the production costs for paper and board products, as well as converting processes. Specifying details about our energy consumption, energy intensity, and fuel sources would provide competitors with considerable insights into delfort’s production costs and profitability. We deem this information commercially sensitive and therefore only partially disclose the required information. More specifically, we only disclose the total amount of electricity purchased by the organization.</td>
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<td>302-3 Energy intensity</td>
<td>energy &amp; emissions (58–61)</td>
<td>confidentiality concerns</td>
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<td>302-4 Reduction of GHG emissions</td>
<td>energy &amp; emissions (58–61)</td>
<td>confidentiality concerns</td>
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<td>302-5 Reduction of energy consumption</td>
<td>energy &amp; emissions (58–61)</td>
<td>confidentiality concerns</td>
<td>Energy represents a significant proportion of the production costs for paper and board products, as well as converting processes. Specifying details about our energy consumption, energy intensity, and fuel sources would provide competitors with considerable insights into delfort’s production costs and profitability. We deem this information commercially sensitive and therefore only partially disclose the required information. More specifically, we only disclose the total amount of electricity purchased by the organization.</td>
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<td>302-5 in (Scope 1) GHG emissions</td>
<td>energy &amp; emissions (58–61)</td>
<td>confidentiality concerns</td>
<td>Energy represents a significant proportion of the production costs for paper and board products, as well as converting processes. Specifying details about our energy consumption, energy intensity, and fuel sources would provide competitors with considerable insights into delfort’s production costs and profitability. We deem this information commercially sensitive and therefore only partially disclose the required information. More specifically, we only disclose the total amount of electricity purchased by the organization.</td>
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<td>305-2 Other indirect (Scope 3) GHG emissions</td>
<td>energy &amp; emissions (58–61)</td>
<td>confidentiality concerns</td>
<td>Energy represents a significant proportion of the production costs for paper and board products, as well as converting processes. Specifying details about our energy consumption, energy intensity, and fuel sources would provide competitors with considerable insights into delfort’s production costs and profitability. We deem this information commercially sensitive and therefore only partially disclose the required information. More specifically, we only disclose the total amount of electricity purchased by the organization.</td>
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<td>305-3 Other indirect (Scope 3) GHG emissions</td>
<td>energy &amp; emissions (58–61)</td>
<td>confidentiality concerns</td>
<td>Energy represents a significant proportion of the production costs for paper and board products, as well as converting processes. Specifying details about our energy consumption, energy intensity, and fuel sources would provide competitors with considerable insights into delfort’s production costs and profitability. We deem this information commercially sensitive and therefore only partially disclose the required information. More specifically, we only disclose the total amount of electricity purchased by the organization.</td>
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energy & emissions (54–55) | confidentiality concerns | Energy represents a significant proportion of the production costs for paper and board products, as well as converting processes. Specifying details about our energy consumption, energy intensity, and fuel sources would provide competitors with considerable insights into delfort’s production costs and profitability. We deem this information commercially sensitive and therefore only partially disclose the required information. More specifically, we only disclose the total amount of electricity purchased by the organization. |
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<tr>
<td>305-6</td>
<td>Emissions of ozone-depleting substances (ODS)</td>
<td>Information unavailable</td>
<td>Data that enables the calculation of emissions of ozone-depleting substances is not available as the reporting system is in transition in 2023, including the amount of refrigerants, so that we will be able to calculate the level of emissions. We expect this analysis to allow us to report our emissions of ozone-depleting substances within the next three years.</td>
<td></td>
</tr>
<tr>
<td>305-7</td>
<td>Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</td>
<td>Information incomplete</td>
<td>The following data is not available yet as no reporting system is in place: air emissions from sulfur oxides (SOx) and other significant air emissions (persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAP) and particulate matter (PM)). We are currently establishing a group-wide reporting system and expect to report these figures within the next three years.</td>
<td></td>
</tr>
<tr>
<td>301-1</td>
<td>Materials used by weight or volume</td>
<td>Material used by type (51)</td>
<td>Not applicable</td>
<td>Deftold only uses virgin fibers in its specialty papers. Most of these are approved for food contact or manufactured for hygiene applications and the law does not allow them to contain recycled content.</td>
</tr>
<tr>
<td>301-2</td>
<td>Recycled input materials used</td>
<td></td>
<td>Not applicable</td>
<td>Many of Deftold’s paper solutions are recyclable but no detailed information is available about the end user’s recycling or waste collection process after utilization.</td>
</tr>
<tr>
<td>301-3</td>
<td>Reclaimed products and their packaging materials</td>
<td></td>
<td>Not applicable</td>
<td>Many of Deftold’s paper solutions are recyclable but no detailed information is available about the end user’s recycling or waste collection process after utilization.</td>
</tr>
</tbody>
</table>

### Responsible Products

1. **GRI 403**
   - **Chapter** (page/s): 403-1, 403-2, 403-3
   - **Reason for omission**: Information unavailable
   - **Explanation**: For the prevention and mitigation of occupational health and safety impacts directly linked by business relationships.

2. **GRI 408**
   - **Chapter** (page/s): 408-1
   - **Reason for omission**: Not applicable
   - **Explanation**: At Deftold, there are no benefits provided to full-time employees.

3. **GRI 409**
   - **Chapter** (page/s): 409-1
   - **Reason for omission**: Information unavailable
   - **Explanation**: As a manufacturing company, workplace health and safety incidents are mostly physical accidents rather than work-related ill health. Due to data protection, we are unable to track statistics here.

### Empower People

1. **GRI 403**
   - **Chapter** (page/s): 403-1, 403-2, 403-3
   - **Reason for omission**: Information unavailable
   - **Explanation**: For the prevention and mitigation of occupational health and safety impacts directly linked by business relationships.

2. **GRI 404**
   - **Chapter** (page/s): 404-1, 404-2, 404-3
   - **Reason for omission**: Information unavailable
   - **Explanation**: For the promotion of employee training and career development programs.

### Training, Skills and Competencies

1. **GRI 403**
   - **Chapter** (page/s): 403-1
   - **Reason for omission**: Information unavailable
   - **Explanation**: For the prevention and mitigation of occupational health and safety impacts directly linked by business relationships.

2. **GRI 404**
   - **Chapter** (page/s): 404-1, 404-2, 404-3
   - **Reason for omission**: Information unavailable
   - **Explanation**: For the promotion of employee training and career development programs.

### Occupational Health and Safety

1. **GRI 403**
   - **Chapter** (page/s): 403-1
   - **Reason for omission**: Information unavailable
   - **Explanation**: For the prevention and mitigation of occupational health and safety impacts directly linked by business relationships.

2. **GRI 404**
   - **Chapter** (page/s): 404-1, 404-2, 404-3
   - **Reason for omission**: Information unavailable
   - **Explanation**: For the promotion of employee training and career development programs.

### GRI 404: Human Rights

1. **GRI 403**
   - **Chapter** (page/s): 403-1
   - **Reason for omission**: Information unavailable
   - **Explanation**: For the prevention and mitigation of occupational health and safety impacts directly linked by business relationships.

2. **GRI 404**
   - **Chapter** (page/s): 404-1, 404-2, 404-3
   - **Reason for omission**: Information unavailable
   - **Explanation**: For the promotion of employee training and career development programs.
CSR reporting
We have been publishing an annual CSR report in accordance with GRI standards on a voluntary basis since 2009. The data presented in this annual CSR report covers a full calendar year from January 1 to December 31, 2023 – the same period we use for our financial reporting. Our last CSR report was published in May 2023. The data compiled in this document reports the same key performance indicators (KPIs) and applies the same restrictions as in previous issues. It presents all KPIs for our six paper mills dunafin, feurstein, op papirna, tervakoski, wattenspapier, wattens vietnam, and our seven converting facilities mundet (in the USA and in Mexico), benkert (in Germany, Malaysia and China) and flexprint. During recent years, we have acquired wattens vietnam, mundet, benkert and flexprint. We closed delfortgroup printing services in 2021 and benkert UK in 2022. Because of lacking data, no attempt has been made to re-baseline or adjust historic group-wide data presented in the report by retrospectively incorporating data from these facilities. Please refer to the notes accompanying the KPI tables throughout the report, which describe how we have arrived at the global figures presented. No external assurance was pursued for this reporting year. The data compiled in this document reports the same key performance indicators (KPIs) and applies the same restrictions as in previous issues. It presents all KPIs for our six paper mills dunafin, feurstein, op papirna, tervakoski, wattenspapier, wattens vietnam, and our seven converting facilities mundet (in the USA and in Mexico), benkert (in Germany, Malaysia and China) and flexprint. During recent years, we have acquired wattens vietnam, mundet, benkert and flexprint. We closed delfortgroup printing services in 2021 and benkert UK in 2022. Because of lacking data, no attempt has been made to re-baseline or adjust historic group-wide data presented in the report by retrospectively incorporating data from these facilities. Please refer to the notes accompanying the KPI tables throughout the report, which describe how we have arrived at the global figures presented. No external assurance was pursued for this reporting year.

Economic, environmental and social impacts associated with delfort’s special fibers operations at op papirna remain outside the boundaries of this report. This is due to the minor scale of these operations, representing less than 2% of the total business from delfort’s paper mills. This section highlights key KPIs and achievements from the delfort’s seven converting facilities. We have redefined our new product line for our seven converting facilities, with a focus on lightweight, efficient barcode scanning. It is made from renewable materials and is recyclable according to the CEPI method. Our lightweight transparent papers have both OK Compost Home and OK Compost and is recyclable according to the CEPI method. These papers are luxurious to the touch and create a positive end-user experience.

Transparent paper packaging is a game changer! The unique combination of our expertise, agile product development and collaboration with our customers has resulted in a specialty paper that can be heat-sealed, allows easy visibility of bag contents and enables efficient barcode scanning. It is made from renewable materials and is recyclable according to the CEPI method. Our lightweight transparent papers have both OK Compost Home and OK Compost. They are luxurious to the touch and create a positive end-user experience.
LET'S REVOLUTIONIZE PAPER!