

SUSTAINABILITY REPORT 2020



INTERACTIVE PDF



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



You can always come back to the table of contents by clicking the menu button.



Click on any title in the table of contents to go directly to the relevant section.



When the new chapter starts, you can click on any item from the sub-menu to go directly to the relevant section.

FOR EASIER NAVIGATION, THIS PDF IS DESIGNED FOR FINDING THE INFORMATION YOU NEED QUICKLY!

CONTENT

ABOUT THIS REPORT

STATEMENT FROM OUR CEO	5
EDELMANN GROUP AT A GLANCE	6
OUR GLOBAL PRESENCE	7
OUR PRODUCT PORTFOLIO	8
CORE MARKETS	9
SUSTAINABILITY AWARDS	10
MISSION, VISION, VALUES	11
ORGANISATIONAL STRUCTURE	12
STAKEHOLDERS	13
CSR TIMELINE	14
MATERIALITY ASSESSMENT	16
PARTICIPANTS OF MATERIALITY ASSESSMENT	17
EDELMANN GROUP AND SUSTAINABLE DEVELOPMENT GOALS	18
THE IMPACT OF COVID-19	19

SOCIAL RESPONSIBILITY

OUR EMPLOYEES	21
SOCIAL INCLUSION	22
APPRENTICESHIP	23
FROM APPRENTICESHIP TO A FULL-TIME JOB	24
EMPLOYEE TRAINING AND TALENT DEVELOPMENT	26
LABOUR PRACTICES	27
WELL-BEING OF OUR EMPLOYEES	29
OCCUPATIONAL HEALTH AND SAFETY (OHS)	30
OHS KEY PERFORMANCE INDICATORS	32
OHS IMPROVEMENTS	33
ENGAGEMENT WITH LOCAL COMMUNITIES	34
EDELMANN FOUNDATION	36
EDELMANN SPONSORSHIP	37

ENVIRONMENT

OUR RAW MATERIALS	39
CIRCULAR ECONOMY	40
CUSTOMER SUSTAINABILITY PROGRAM	41
PET LAMINATION ALTERNATIVE SOLUTIONS	42
LESS IS MORE	43
CO ₂ COMPENSATION PROGRAM	44
CARTONBOARD – OUR KEY RAW MATERIAL	45
OTHER RAW MATERIALS	46
SUSTAINABLE PROCUREMENT	47
SUPPLIER ASSESSMENT	48
RECYCLING INITIATIVE IN PARTNERSHIP WITH KURZ	49
ENERGY CONSUMPTION	50
ENERGY REDUCTION INITIATIVES	51
GREENHOUSE GAS EMISSIONS	52
CLIMATE CHANGE	53
WATER CONSUMPTION AND BIODIVERSITY	54
WASTE MANAGEMENT	55
CSR MEMBERSHIPS	56
GRI INDEX	57
FURTHER INFORMATION AND CONTACT	61

ABOUT THIS REPORT

The Edelmann Group Sustainability Report 2020 describes our efforts and progress in respect to the three key pillars of sustainability: Environmental, Social and Economic. The content covers our policies, initiatives, actions and related KPIs. The scope of this report is global, therefore all statements and key performance indicators mentioned in the report refer to all Edelmann sites unless stated otherwise.

The target readers of this report are our stakeholders, including employees, customers, suppliers, investors, business partners as well as local communities. Research institutions and industry players are also encouraged to learn more about sustainability at Edelmann Group by the means of this report.

The report was prepared following the standards developed by the Global Reporting Initiative (GRI): Core option. Edelmann Group reports on its sustainability performance annually based on a calendar year. Hence, the report covers the time period of January 1st, 2020 – December 31st, 2020. The preceding report for the year 2019 is available on our [website](#).



STATEMENT FROM OUR CEO



"It is our agility and resilience that helped us achieving excellent results and progressing on the CSR agenda despite the backdrop of the pandemic"

Dear Readers,

Against the backdrop of COVID-19, one key quality that businesses have to master is resilience. Resilience as a team, as a company, as a Group. We have successfully managed to resolve numerous challenges caused by the pandemic across all sites globally. Although the battle continues, we are glad to share our efforts and results of 2020 by the means of this Sustainability Report.

Indeed, with the unforeseen events of 2020, it is our agility and resilience that helped us achieving excellent results and progressing on the CSR agenda. Development of the Customer Sustainability Program, social inclusion projects, recycling initiative in partnership with Kurz and a range of energy-efficiency projects are a few highlights of our journey last year.

Our efforts have been rewarded and confirmed with independent sustainability assessments, such as Carbon Disclosure Project (CDP) on Climate Change with a notable A- ranking, verifying our leadership

tier result for the second consecutive year. Additionally, a gold status on EcoVadis, the leading sustainability ranking worldwide, has proven that our actions have set the right direction.

Continuous development will be supported further by enhanced employee trainings, integration of the key corporate values, promoting diversity, maximizing the renewable sources of energy running our manufacturing plants and mastering the know-how of alternative raw materials that will help us making all our products recyclable. Our footprint goes well beyond our own manufacturing doors and we aim to engage the entire supply chain in our sustainability journey.

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

Sincerely,

Dr. Frank Hornung
Chief Executive Officer, Edelmann Group

EDELMANN GROUP AT A GLANCE

Edelmann Group is an international family business, operating in the paper-based packaging sector, delivering solutions with sustainable value to their customers in healthcare, beauty care and consumer brands markets. The packaging solutions offered by Edelmann are mainly folding boxes and leaflets.

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

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



300 million
in sales



> 4.5 billion
folding cartons
and > 1.1 billion
leaflets



16 production sites
in 9 countries



3,000
employees

OUR GLOBAL PRESENCE



**GLOBAL NETWORK.
LOCAL ROOTS.**

OUR PRODUCT PORTFOLIO



FOLDING CARTONS

Individual packaging solutions
Individual finishings
Coding systems
Security features



RIGID BOXES

Sharp edges
Co-Packing



LEAFLETS

Inserts and outserts
Folding & assembling capabilities
Booklets

WET LABELS, VIAL CARDS
& SYSTEM PACKAGING

CORE MARKETS



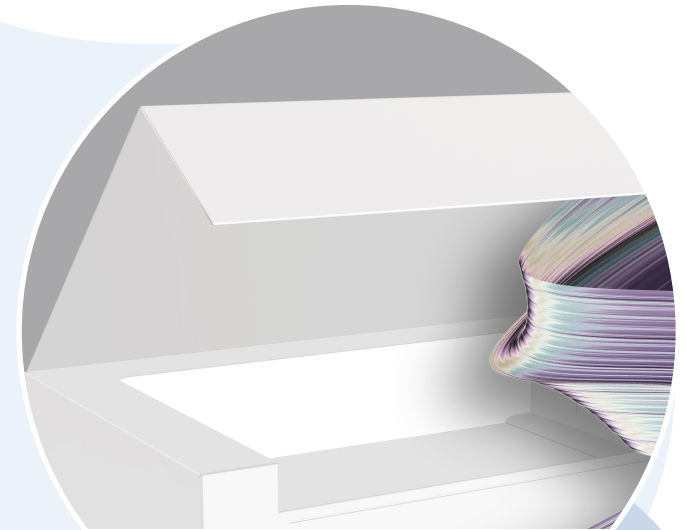
HEALTH CARE

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



BEAUTY CARE

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



CONSUMER BRANDS

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

SUSTAINABILITY AWARDS

Following a proven success of 2019, our efforts for minimizing the environmental footprint of our products were further recognized in the industry with multiple awards in 2020.



ECMA Platinum Award for a Liqui Moly Klima Refresh folding box, the design of which gives a second life to packaging

German Design Award for a Kneipp folding box, made out of 25% grass material

East Württemberg Innovation Award for the development of PET lamination alternatives and "Less is More" project

MISSION, VISION, VALUES

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

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

Values:

1. Integrity and Honesty: We say what we think, even when it's uncomfortable and do the right thing, even if nobody is watching.

2. Transparency: We have nothing to hide and share openly where things are not going right and where we need help.

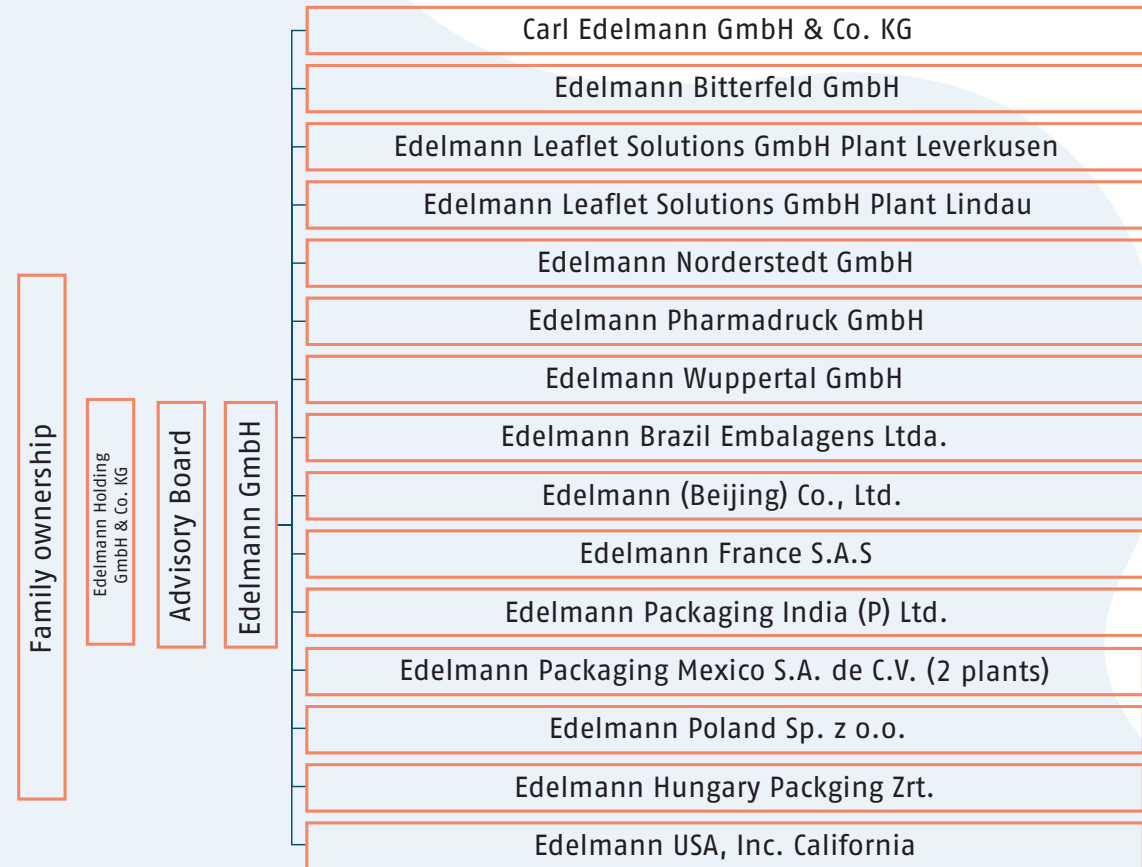
3. Ambition: We thrive for superior performance and quality and do not want to settle for less. We provide room for personal growth and accountability and actively encourage personal initiative.

4. Respect: We treat others the way we want to be treated by them.

5. Joy: Like what you do and who you are doing it with. There is always room for a laugh.



ORGANISATIONAL STRUCTURE



Edelmann GmbH is a family-owned business and belongs to the Edelmann Holding GmbH & Co. KG. The company is led by the Advisory board together with the Chief Executive Officer Dr. Frank Hornung and the Chief Transformation Officer Jörg Weidenfeld through the Executive Management which is still situated in Heidenheim, Germany.

STAKEHOLDERS

We leverage our full potential through the partnership and dialogue with our employees and management, suppliers, customers, local communities, investors, regulatory bodies and packaging industry. We describe the key stakeholder groups below, particularly in relation to our CSR commitments.

EMPLOYEES AND MANAGEMENT

We are reinforcing ethical behaviour across the company to promote socially and environmentally conscious mindset through policies, targets, actions. Our committed employees are among the most valuable resources that allow growth and development of the Edelmann Group. Communication process is organized weekly or monthly through regular internal meetings whether it is within a department or cross-disciplinary teams, trainings, career development discussions, company events and newsletters. Additionally, Employee Suggestion Program supports the dialogue between the employees and the management team.

SUPPLIERS

Our valued suppliers are our key strategic partners who support us in achieving better results, improving the know-how and driving innovation. With that, we are enhancing our CSR performance throughout the entire supply chain. We demand our suppliers to follow our CSR principles through policies, business reviews and action plans. The communication channels are very diverse from managing our daily work to regular meetings, workshops, company visits, business review and joint projects. At least quarterly frequency of contact is maintained.

CUSTOMERS

Sustainability is our added value proposition. We strive to support and exceed the CSR targets of our customers. The challenges we face always push us for the new developments and innovation. Regular communication with our customers is enabled through annual business reviews, topic-specific workshops, joint product developments, regular visits and customer events. The frequency is at least quarterly. The year of 2020 has brought the Customer Sustainability Program, which enables a new level of engagement with our clients on a range of sustainability topics.

LOCAL COMMUNITIES & SOCIETY

Local communities and society benefit from the positive impact that Edelmann Group is creating, including financial such as support of sports clubs and orphanages and/or volunteering, such as charity runs and blood donations. Our efforts vary within different plants, but they are united under one common purpose of contribution to the well-being of local communities. It is our tribute to go beyond our own manufacturing doors and socially engage with the selected groups. Social inclusion is another pillar, where we promote minorities and support them with employment opportunities.

CSR TIMELINE

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

1975- Surface finishing switches from solvent-based to water-based varnishes.
1981 Reduction of pollutants in production.

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

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

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

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

1989 The lightning systems in the production areas are equipped with daylight detection control.

Transformers and capacitor oils containing PBCs are replaced. A wastewater treatment system for rinsing water from the varnishing units is commissioned in the offset shop. Three additional press containers are installed for even more effective selection of leftover card waste. A waste and recyclable material collection system is introduced. Process water is heated by means of heat recovery from the compressed air generation process. system is introduced.

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

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

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

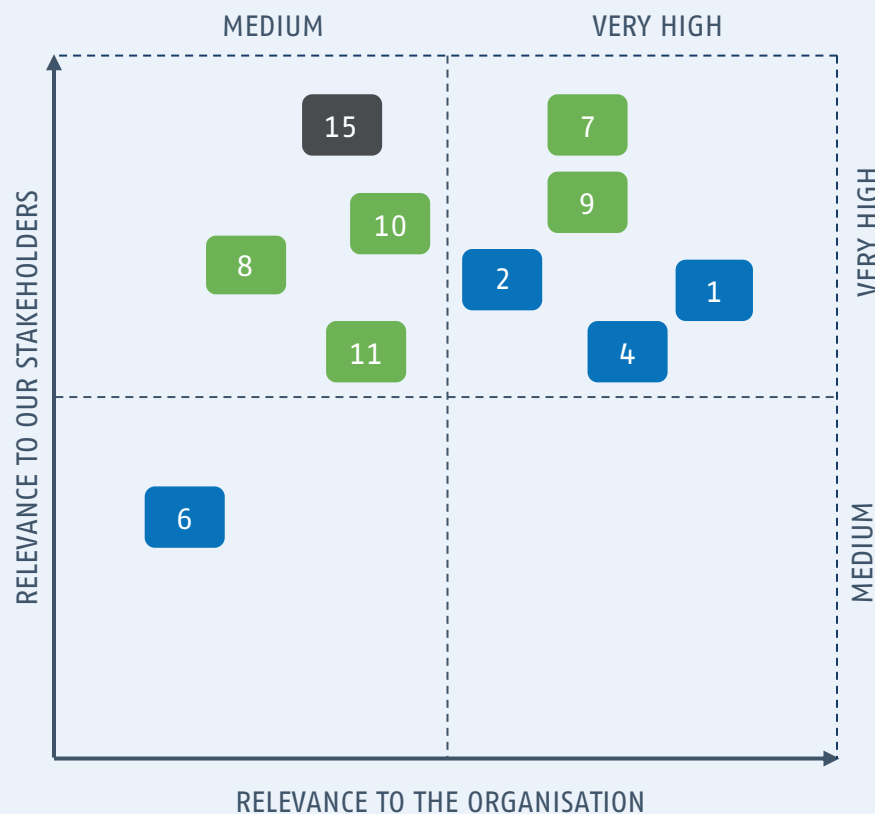
1994 A control system switches off demand-dependent electric power consumers to avoid power surges. Hall heating is fed by heat recovery from compressed air generation.

- 1996** Disposal channels and options are highlighted in a Disposal Manual. The building heating is switched to gas. The burners are controlled by oxygen. A filtration system for leftover inks is commissioned. Hydraulic lifts are powered by biodegradable hydraulic oils. The first environmental report is published.
- 1999** Processes to produce pharmaceutical packaging are introduced to the OB section.
- 2000** A fully automated ink-mixing system for offset inks is introduced.
- 2001** Plates are exposed almost entirely using CTP-systems.
- 2003** The automatic transport system FTS is introduced.
- 2004** Logistics and transport workflows are optimized by setting up a central warehouse. The entire roof area in the Weilheim factory is insulated.
- 2005** The Disposal Manual is introduced.
- 2006** Natural gas vehicles are introduced for in-plant transport and city journeys. All processes and workflows are risk-assessed.
- 2008** The ESC office and technology building is built based on the latest ecological consideration. The noise level on the pharmaceuticals production hall is reduced by installing noise-absorbent mats. The factories in France, Heidenheim and Weilheim are FSC®-certified.
- 2009** New acquisition of latest indoor concerning ventilation and air conditioning mechanism. Heat recovery in compressed-air system is optimized.
- 2010** Installation of photovoltaics on the roof of the factory in Heidenheim.
- 2013** Installation of a combined heat and power plant. Successful testimonial of an alternative energy management system.
- 2014** Combined heat and power plant is implemented. Installation of the LED lightning in the gluing department. New air compressor with installed heat recovery.
- 2015** The new more energy-efficient factory on the site in Hungary was built. Realization of the Energy Audit DIN EN 16247-1 in all German sites.
- 2016** Introduction of the Code of Conduct. Implementation of Corporate Social Responsibility. Membership in UN Global Compact.
- 2017** Receiving silver status on the rating platform EcoVadis. Replacement of the old heating pumps through a more efficient version. Human Rights Policy is introduced.
- 2018** German Packaging Sustainability Award. Replacement of heating pumps in Weilheim. Switching to LED lighting in the USA. GHG Balance is introduced globally.
- 2019** Updated Supplier Code of Conduct. Development of alternative PET lamination solutions. "A-" Rating on CDP Climate Change. 2 company-level Environmental Awards.

MATERIALITY ASSESSMENT

Materiality assessment is the identification of various CSR topics and their prioritization by relevance and impact based on the internal and external input.

We have renewed the assessment this year with the participation of multiple stakeholders. This process involved a continuous dialogue with all stakeholders to understand the strategic and financial drivers for all topics under the assessment. The results are summarized below.



SOCIAL

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

ENVIRONMENTAL

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

BUSINESS ETHICS & OTHERS

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

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

PARTICIPANTS OF MATERIALITY ASSESSMENT

EXTERNAL STAKEHOLDERS

23

key customers through a survey and interviews

15

key raw material suppliers through a survey and interviews

1

Industry report

INTERNAL STAKEHOLDERS

6

GEB (Global Executive Board) members through an internal workshop

72

Employees of all levels globally through a survey

We made sure to include the entire supply chain in the process of identifying material CSR topics. The scope of the assessment is global and therefore it is expected to guide our strategy on a Group level.



“The results of the updated materiality assessment will guide our sustainability roadmap, focusing on the topics with high impact and high relevance” – says Elina Iamsia, our CSR Coordinator.

EDELMANN GROUP AND SUSTAINABLE DEVELOPMENT GOALS

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

Goal 3: Good health and well-being

Our care starts with our own employees, as we are responsible for more than 3,000 people around the world. Therefore, ensuring their health and safety, decent work conditions as well as access to healthcare support is our highest priority internally. Our product lines, such as “CEeasy” contribute to address the needs of elderly population in their ability to use packaging with no limitations. Additionally, we invest in multiple charity organizations that hold a significant impact on prevention and treatment of diseases along with supporting research.

Goal 12: Responsible consumption and production

As we are a packaging manufacturing company, it is our responsibility to optimize resource utilization and avoid resource scarcity. It refers to the production processes, raw materials and innovative product development. We focus on energy efficiency, waste reduction, sustainable sourcing and emissions reduction along with promoting lightweight, environmentally friendly materials. Following our work with the key customers last year, our support with optimizing the use of the board material led to more than 100 tons of CO₂ savings.

Goal 13: Climate action

All Edelmann plants are manufacturing facilities that require a high amount of energy to run the operations. Therefore, we take the responsibility to optimize our energy consumption and reduce our carbon footprint. We address the topic through our annual GHG balance, reduction initiatives, renewable energy sources, training programs and reporting, such as CDP Climate Change. Following our emissions reduction target, we are on a thoroughly planned way to minimize our carbon footprint across the entire supply chain.



THE IMPACT OF COVID-19

With the global footprint of the Edelmann Group, the risks associated with the pandemic have been assessed as very high, therefore prevention measures and actions plans have been promptly established. Multiple projects were placed on hold to prioritize crisis management.

Focus groups

Several focus groups were established to maintain regular communication on a global level and deal with the key topics. To name a few, operational groups included Central Crisis Management team, Plant Closures and Business Continuity Plan (BCP) team, Supply Chain and Sales Outlook. Group leaders coordinated daily calls and all the work around each topic. The model proved to be very efficient at an early stage and allowed us to prevent major risks and develop mitigation strategies globally.

Preventive measures

Taking a rather preventive approach, several measures were introduced: minimum to no physical meetings, external visitors as well as business trips were not allowed, mandatory mask rule, social distancing, home office and flexible working hours were enabled where possible, easy availability of hand sanitizers, room ventilation rules and a rule of maximum number of employees per room.

The pandemic helped us to discover the new ways of work, including remote partnerships. The success story of Edelmann Poland and Edelmann Brazil is the best proof of it. The two plants initiated a remote project to share the best practices of production efficiency and managed to achieve excellent results. This knowledge exchange proves that neither distance nor the pandemic is an obstacle to a great teamwork and improved performance.

Number of COVID-19 cases

Less than 250 cases were confirmed within the Edelmann Group globally, which indicates an 8% of exposure rate per total workforce. Region-wise, Americas has been exposed the most with nearly 50% of the total cases.

Impact and opportunities

Compelled plant shutdowns had the most impact on our business. France and India had to implement this measure more than once following state regulations.

However, we still had a chance to support the pharmaceutical sector with increased production volumes, which was critical at the time of the crisis. We are happy that our products contributed to the overall relief procedure globally.



SOCIAL RESPONSIBILITY

OUR EMPLOYEES

SOCIAL INCLUSION

APPRENTICESHIP

FROM APPRENTICESHIP TO A FULL-TIME JOB

EMPLOYEE TRAINING AND TALENT DEVELOPMENT

LABOUR PRACTICES

WELL-BEING OF OUR EMPLOYEES

OCCUPATIONAL HEALTH AND SAFETY (OHS)

OHS KEY PERFORMANCE INDICATORS

OHS IMPROVEMENTS

ENGAGEMENT WITH LOCAL COMMUNITIES

EDELMANN FOUNDATION

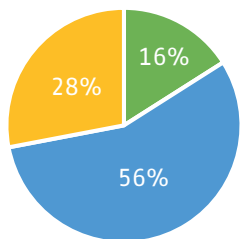
EDELMANN SPONSORSHIP



OUR EMPLOYEES

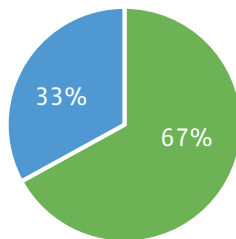
With more than 3 000 employees, Edelmann secures its global footprint with more than a half of employees located in Europe and the rest distributed across Americas and Asia Pacific.

AGE DISTRIBUTION



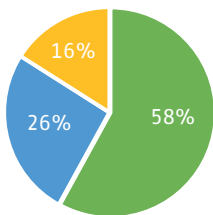
● Under 30 ● 30-50 ● Above 50

MALES/FEMALES DISTRIBUTION



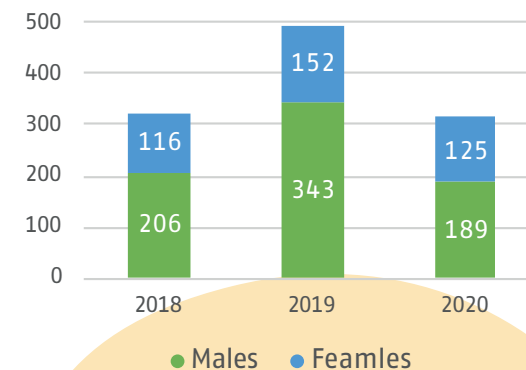
● Males ● Females

SPLIT BY REGION



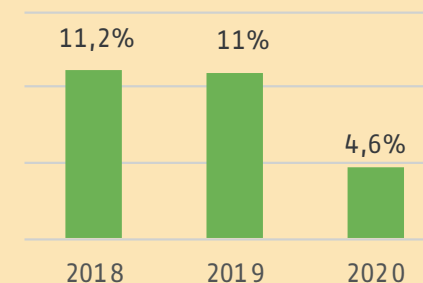
■ Europe ■ Americas ■ Asia Pacific

NEW EMPLOYEE HIRES



● Males ● Females

GLOBAL EMPLOYEE TURNOVER RATE



SOCIAL INCLUSION

Edelmann Group takes the responsibility to promote diversity via a range of social inclusion projects. We share a few highlights below on the projects initiated and maintained worldwide.

Women empowerment



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

Local employment in vulnerable zones



We refer to the Distressed Communities Index (DCI) in the USA that indicated the economically vulnerable regions by postal code. Edelmann USA employs 18 colleagues coming from the distressed communities.

Vulnerable groups



A range of vulnerable groups is supported by Edelmann Mexico. One example is a project of employment of single mothers. Single mothers are often limited in work opportunities due to the time they might need for their children. Therefore, we choose to support their employment with more than 20 employees by today.

Religious minorities



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

Disabled employees



Employment of disabled people is sometimes regulated by the national requirements, such as 5% out of total workforce in Germany. Edelmann Heidenheim is currently over 6% to provide diverse opportunities and support vulnerable groups.



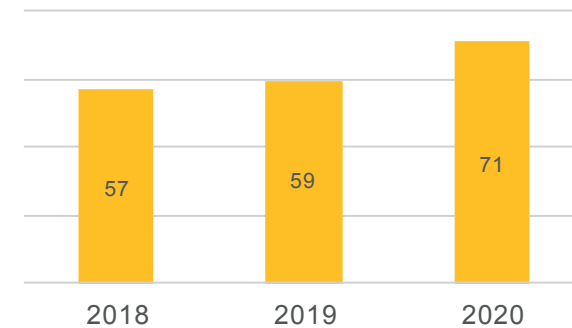
APPRENTICESHIP

Apprenticeship is an excellent way to attract the best talents at the early stage and nurture the young professionals with knowledge and experience. Apprenticeship refers to the long-term employment that lasts on average for 3 years. For some of the students, we work in collaboration with academic institutions, such as the Cooperative State University Baden-Württemberg (Duale Hochschule Baden-Württemberg). Thereby, every year students spend the working part of their dual studies with us, while they are learning the academic side at the university. Some students are later resumed as full-time employees. Additionally, we provide opportunities to trainees who spend 3 to 9 months at Edelmann either as part of their studies or as an additional professional experience.

The roles our apprentices are taking vary by major: business management, media designer, printing technologist, packaging technologist and machine operator.



NUMBER OF APPRENTICES



71 apprentices
were employed at Edelmann
globally in 2020

20%
More apprentices
compared to 2019

FROM APPRENTICESHIP TO A FULL-TIME JOB

We value every talent and invest sufficient time and efforts in the development of our apprentices. This year we will hear from apprentices who landed in a full-time job with us upon completion of their programs:

**Which roles did you take during the apprenticeship?
Can you share 1 successful project as an example?**

At Edelmann I went through all commercial departments like purchasing, controlling, sales, accounting or supply chain management, just to name a few. To give an example of a project I managed during my apprenticeship I could name the Value Stream Mapping workshop with one of our biggest customers. As a result, we created a value stream map of the internal and external supply chain and discussed over different points within the chain to optimize them.

What is your job now? What do you like most about it?

Now I'm working in the Supply Chain Management department, controlling the capacity of our German plants to counter act possible bottlenecks at an early stage. Also, I'm the contact person for special customers regarding supply chain topics. The trust my colleagues offer me, in performing important tasks and managing large meetings, while always being ready to support me is what I like most about my job.

What would you say to the students who consider joining Edelmann?

I would say that Edelmann is a perfect company to start your career. It's a global player and among the best of its class. As being family owned and not too large in terms of employees, you always have the feeling of being important to the company and being able to reach the next step within the company.



Johannes Weisse
Junior Supply Chain Manager



Teresa Zoll
Customer Contract Management

How did you start at Edelmann? What was your initial expectation?

Honestly, I can't remember my initial expectation. But, I know that I was very impressed by the size of the production area and I wouldn't have thought that there are so many production steps behind a folding box. Meanwhile I recognized a lot of products from the stores which made me curious and at the same time I was looking forward to my future at Edelmann.

What is the most memorable moment of your apprenticeship?

I really liked the apprentice weekend at "Lake Constance" where all apprentices got to know each other better. We made a few trips to the "Affenberg in Salem", to a tree top walk and to Lindau. We had a good time and we could exchange our first experiences with each other.

What is your new job now? What do you like most about it?

Currently, I am working in the Controlling Department on customer contracts and some Controlling projects. With each contract, I learn more about our customers, our company and its policies, which I find very interesting. In addition, I really enjoy working together in a team with colleagues from Heidenheim and all over the world.

But still, one of my favorites are the coffee breaks with my colleagues.

EMPLOYEE TRAINING AND TALENT DEVELOPMENT

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

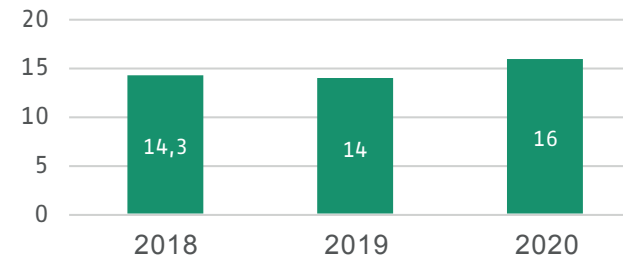
TRAINING

For every new employee across all Edelmann sites, a training session is mandatory for health and safety, business ethics and conduct, and data privacy. Along with a dedicated session for each topic, newly arrived employees get acquainted with the mission, vision, and values, Code of Ethics and Conduct as well as internal company policies.

As for the existing employees, they receive an updated training on these issues every year. Safety instructions are of highest importance to the production, and therefore, they are continuously improved, while every production worker is obliged to attend regular sessions. We use training confirmations which need to be signed to keep a track on the current status. The safety instructions are also available on our Intranet for easier access any time.

We have increased the level of training hours in 2020. Around 40% are dedicated to Health & Safety and Environment, 10% to business ethics and conduct, 10% to data protection and the remaining 40% is for the development of our employees – special skills training, language courses and talent development.

TRAINING HOURS PER EMPLOYEE



HIGHLIGHTS

Although possibilities for arranging training sessions have been limited due to the COVID-19 preventive measures, we managed to offer a virtual format of additional trainings, such as project management course in Poland, prevention of sexual harassment in India and a number of CSR trainings globally.

TRAINING MATRIX

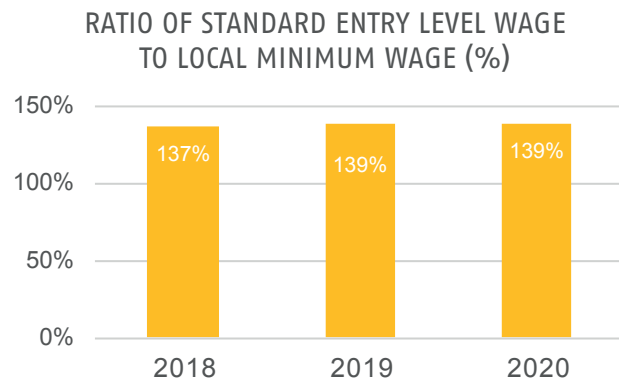
In our efforts to structure the training process, the HQ in Heidenheim initiated a project called "Training matrix" aimed at listing all the required training per employee depending on the function, gender, years at the company and seniority level. Seeing the success of the project, this practice will be extended to further plants to harmonize our training approach.

LABOUR PRACTICES

We seek for fair and equal labour practices, thus Edelmann Group eliminates all forms of illegal and immoral actions which is stated in our Code of Conduct. We foster a corporate culture locally and across the Group. Currently, all sites manage labour practices locally with the knowledge exchange across the rest of Edelmann sites and close coordination with the headquarters.

Fair compensation

Fair compensation and working conditions are of high importance to the Edelmann Group. Working hours are set according to the domestic laws in force or to industrial standards. Therefore, at all German plants, employee clock-in/clock-out IDs are used to keep track of the hours worked. Hence, it is ensured that hours on record are adequate. Every employee is informed of and has the right to know the terms and conditions of employment. In each employee's personal contract, the probation period and the length of the notice period are determined. Differences in salary and remuneration between women and men are deprecated in our company. A salary scale with respective categories is implemented to ensure fair compensation. Different salary levels are defined, and depending on one's education, task and years working for the company, one is categorized, and fair compensation is guaranteed.



Employee council

Every plant has its own Employee Council in place. While it is required by law in some locations, the rest are involved voluntarily. The committee speaks for the employees' rights and communicates their will to the management. They also have a co-determination right, when it gets to the approval of employees coming in or leaving the company. As they represent the interest of the employees, they also decide about weekend hours and work safety of the employees.

Founded in 2018, the German Employee Council continued its operations. It is a selected delegation of members of the Employee Councils from all German plants. They have joint meetings to harmonize their approaches and exchange their experience.

At our international sites, Employee Councils are organized according to the local law requirements or their own will based on the current needs. They work independently and guarantee a fair representation of their colleagues.

Benefits

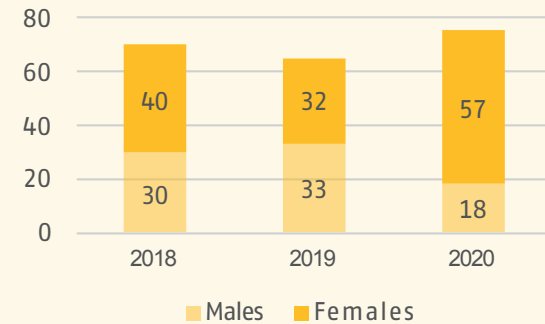
The benefits given to our employees vary between the plants. Normally, healthcare, disability, retirement provision and life insurance are offered. While these are the most common employee benefits, every plant is open for suggestions, and new ideas are welcome to improve the work atmosphere and employees' well-being. It is very common to offer sports club memberships at discounted rates, different store offers and events.

Parental leave

We value the importance of family and support different possibilities of parental leave for both parents. A total of 75 employees took parental leave in 2020 with 62 already returned or planning to return. Depending on a particular country and plant, there are variations of approaches. Therefore, the duration of the parental leave and the time to come back to work is decided based on employees' circumstances and local regulations.



PARENTAL LEAVE 2020



WELL-BEING OF OUR EMPLOYEES

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

EMPLOYEE HEALTH CHECK-UPS

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

TRAININGS

Edelmann plants regularly hold special training sessions related to well-being for their employees. For example, our plant in Brazil offers on-site gymnastics lessons for the employees who sit or stand a lot during the day. The US site has completed a special training on managing and reducing stress for all employees who wanted to participate. We have no doubt that mental health has to be addressed in a work environment. Undoubtedly, multiple trainings on preventive measures, including hygiene, have been rolled out globally during 2020 to address the risks associated with COVID-19. It has been the major priority to implement effective procedures and keep our employees safe. Therefore, many other initiatives such as charity runs have been postponed.



OCCUPATIONAL HEALTH AND SAFETY (OHS)

We are committed to a safe, injury-free workplace. Within Edelmann Group, this material topic refers to regulations, policies, legislation and actions taken to ensure well-being of our employees and a safe work environment. Each Edelmann site has a responsible health and safety manager. Monthly OHS reports with KPIs are delivered to the headquarters for centralized data collection and monitoring. No fatal injuries were registered during the reporting year. Prevention and mitigation of occupational health and safety impacts is managed directly by the responsible team through the OHS system in place, hazards assessments and employee trainings.

OHS MANAGEMENT SYSTEM

All Edelmann Group plants have implemented a corresponding OHS management system. As the local regulations and national standards vary from country to country, each site adjusts its practices to follow legislation combined with their own initiatives on OHS improvements. Examples of regulating bodies across Edelmann Group are Arbeitssicherheitsausschuss (ASA) for German sites, Comissão Interna de Prevenção de Acidentes (CIPA) in Brazil or Centralny Instytut Ochrony Pracy – Państwowy Instytut Badawczy (CIOP-PIB) in Poland. The core goal is to prevent work-related accidents and advise on mandatory practices along with recommendations to promote preventive measures against injuries and diseases. 100% of our employees are covered by the implemented OHS system, including subcontractors. General preventive measures, such as production shoes, earplugs, special uniform are implemented across all sites.

We follow sector-specific guidelines, classified as manufacturing, that allow us to recognize potential risks linked to the industry. All plants function by the combination of their internal OHS employees and external audit organizations to support them in risk assessment. It is very common to have an external advisor who follows the implementation of required actions. Monthly safety meetings are held internally to discuss current topics and monitor the progress.



EMPLOYEE SAFETY TRAINING

Training is the fundamental measure to ensure health and safety of our employees. While our administration workers are trained annually on safe work practices and protection measures in case of visiting production floors, the main focus is on ensuring a safe workplace for production employees who deal with potentially risky work activities, processes and substances. The full training program is obligatory for all new employees, while the existing workers are trained annually and upon demand, i.e. if new substances or machines are introduced. Overall, the trainings are divided into:

- ✓ General briefings (why it is important, how it is managed);
- ✓ Tool usage instructions (e.g. forklifts);
- ✓ Substance instructions (e.g. flammable liquids)
- ✓ Different work activity instructions (e.g. stacking, lifting and carrying items)
- ✓ Fire safety;
- ✓ Procedure in case of emergency;
- ✓ Procedure in case of an injury;
- ✓ General health and safety instructions (e.g. production safety shoes, recommendations on sitting posture for admin employees)

Detailed instructions and guidelines are available for each category, describing the material, process or activity, followed by the explanation of safety signs and preventive measures. All training sessions are documented and require a signature of a supervisor and the employee in question. The regular procedures were completed in 2020 at all sites.

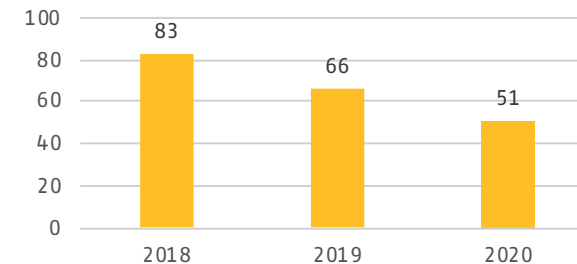


OHS KEY PERFORMANCE INDICATORS

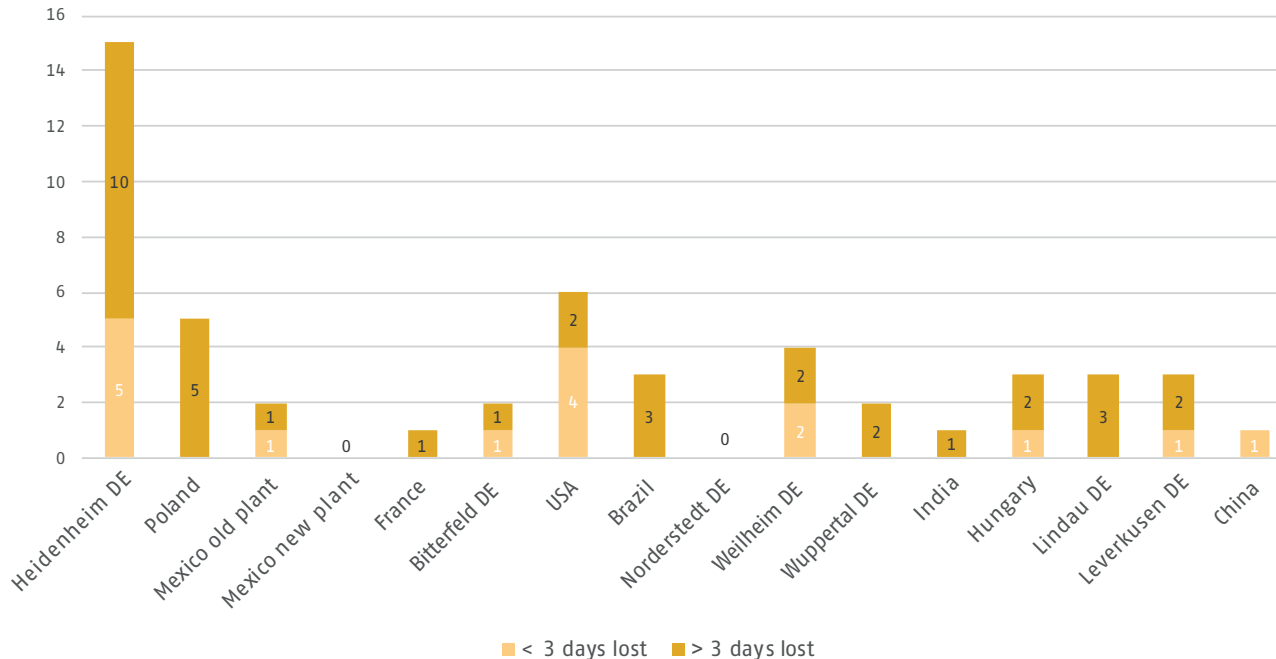
Our long-term goal is to reach zero accidents, while the goal 2022 is ≤ 1 in Lost Time Injury Rate (LTIR) as a global average per 100,000 working hours. Therefore, in order to keep an accurate track record, the following data is collected every month: total number of injuries, injuries of ≤ 3 days lost, injuries of > 3 days lost and injury causes. Monthly data collection is then followed by the annual review.

The total number of accidents has decreased by 23% along with 29% reduction of LTIR against last year. With the LTIR of 1.2 achieved in 2020, we have approached the goal 2022 even closer, and the overall progress is on a good way.

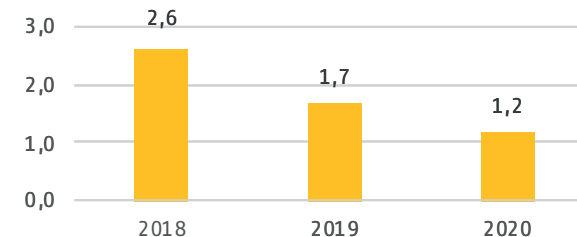
TOTAL ACCIDENTS



ACCIDENTS PER PLANT



GLOBAL LTIR PER 100,000 WORKING HOURS



OHS IMPROVEMENTS

Multiple Health and Safety measures were implemented throughout 2020, already delivering the first positive results. Below we share some of the 2020 highlights.

Brazil

- Maintenance tools have been placed in a separate safe container
- Evacuation, rescue and firefighting simulation trainings
- First aid trainings

China

- Safety covers for the machines were installed

Hungary

- Additional safety trainings, including first aid
- Dedicated space for all hand tools was organized

Lindau

- First aid trainings
- Employee safety instructions (brochures, flyers, posters)
- Firefighting simulation trainings

India

- Safety shoes were introduced for all employees working in the production
- Road safety week
- Additional safety posters

Weilheim

- Emergency route concept was revised and updated
- Testing of fire alarm systems
- Repair of eyewash stations

Poland

- New safety procedures were introduced, such as safe washing of glue tanks and cleaning of conveyor belts
- Additional occupational risk assessment for the workstations

France

- Additional safety signs were installed on the production floor

USA

- Certified forklift drivers and a daily check of forklifts
- Lockout/tagout station was equipped with new tools and devices
- Hazardous waste area was reconfigured, and containers were labelled for proper identification

Mexico new plant

- First aid training
- Evacuation, rescue and firefighting simulation trainings
- First aid kit was upgraded

Mexico old plant

- Additional safety signs
- Repair of emergency door
- First aid kit was upgraded

7 HEALTH & SAFETY

audits were completed by a certified third party in 2020

ENGAGEMENT WITH LOCAL COMMUNITIES

The local communities where Edelmann Group is operating are of high importance to us. It is both a privilege and an obligation to give back to the society. All donations, monetary and non-monetary are provided only to ethical and legal institutions, and we dissociate from any kind of bribery. Other than that, all plants have freedom of choice regarding the organisations they want to support.

THE JOY OF GIVING WEEK IN INDIA

Employees of Edelmann India have organized a week of giving to the ones in need, spreading joy and happiness around the local communities. Compassion and generosity have been the driving forces of everyone who participated.



CHRISTMAS IN A SHOE BOX IN HEIDENHEIM, GERMANY AND USA

Our apprentices from the headquarters have voluntarily participated in a Christmas campaign, where they collected various gifts for infants and children from poor families. Our US plant participated in the same initiative. We are happy to put a smile on the children's faces with this small gesture of humanity.



LINDAU, GERMANY

Lindau plant made donations to the Lindau Children's Festival as well as to the Children's Festival Weißensberg in 2020. Additionally, flyers and feedback sheets are sponsored by the plant for the support of "2020 Trainees' Day Lindau".

HUNGARY

28 employees have participated in the blood donation 2020, organized by the Hungarian Red Cross.

BRAZIL

Edelmann Brazil is part of the local program "Menor Aprendiz" [Minor Apprentice Program], where local teenagers are hosted to improve their knowledge and acquire their first professional experience.

Additionally, employees from Brazil are encouraged to voluntarily participate in numerous initiatives, such as suicide prevention campaign, world environmental day, breast cancer prevention campaign among many others.



EDELMANN FOUNDATION

In 2007, the shareholding family of Edelmann established the “Edelmann Stiftung” – a foundation based in Heidenheim. The purpose of this charitable foundation is to generate resources to promote art, culture and sport, help young people and the elderly, support public welfare, science and research as well as the protection and maintenance of historic monuments. Since the foundation was established, we have provided about €270.000 of support to around 100 facilities and projects – primarily in Edelmann’s hometown and region of Heidenheim.

In 2020 the Edelmann Foundation donated to various beneficiaries, once again supporting more than 20 initiatives with larger and smaller donations. In the pandemic year, the focus was on supporting institutions in the social, educational, cultural and sports area alike. The Edelmann foundation will remain its commitment to donating.



Opera Festival 2019. Photo by Oliver Vogel.

EDELMANN SPONSORSHIP

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



Fencing Days 2020. Photo by Maximilian Rist.



Heideköpfe Heidenheim Baseballteam



1. FC Heidenheim 1846

ENVIRONMENT



OUR RAW MATERIALS

CIRCULAR ECONOMY

CUSTOMER SUSTAINABILITY PROGRAM

PET LAMINATION ALTERNATIVE SOLUTIONS

LESS IS MORE

CO₂ COMPENSATION PROGRAM

CARTONBOARD – OUR KEY RAW MATERIAL

OTHER RAW MATERIALS

SUSTAINABLE PROCUREMENT

SUPPLIER ASSESSMENT

RECYCLING INITIATIVE IN PARTNERSHIP WITH KURZ

ENERGY CONSUMPTION

ENERGY REDUCTION INITIATIVES

GREENHOUSE GAS EMISSIONS

CLIMATE CHANGE

WATER CONSUMPTION AND BIODIVERSITY

WASTE MANAGEMENT

OUR RAW MATERIALS

INKS AND VARNISHES

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

FINISHINGS

Our main goal is to ensure that decorative finishings do not limit the recyclability of our products. Therefore, we are in continuous research and development of innovative solutions. Since 2019, development of PET lamination alternatives has brought multiple solutions that maintain the visual effect without compromising the recyclability rates. We promote mono material packaging, therefore aiming to minimize all composite material solutions.



BOARD / PAPER

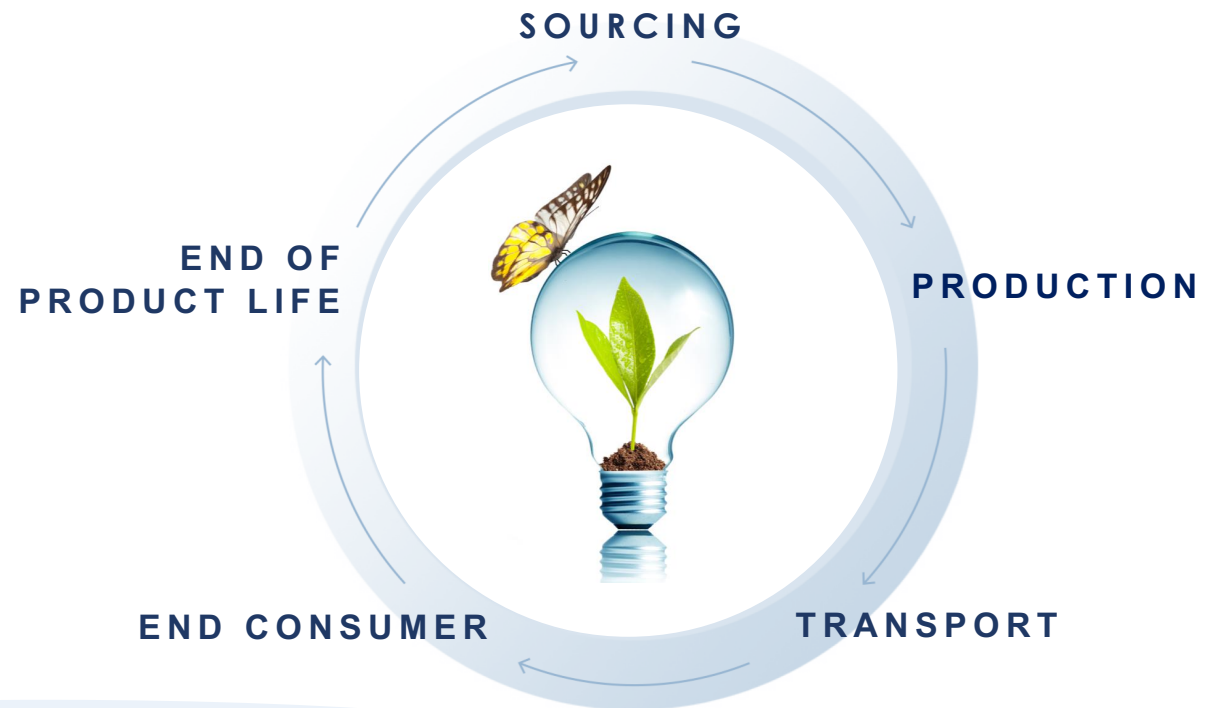
We work exclusively with the cartonboard/paper as the main raw material that comprises up to 95% of the finished product. Cartonboard is a renewable and recyclable material that allows us to maximize the environmental performance of our solutions. We rely on our key suppliers to ensure the wood comes from controlled sources, including FSC®, where 100% of our board suppliers can ensure availability, while 90% of our plants are certified with Chain of Custody.

GLUE

The glue is used to ensure folding box sealing and closing. We use standard glues which enter a smooth recycling process.

CIRCULAR ECONOMY

Our commitment to the principles of circular economy is at the core of our environmental strategy. It is our approach in the evaluation of our customers' product portfolios, assessment of the alternative solutions and a general guideline of our thinking – holistic and circular. The lifecycle approach enables us to take good care of the scarce resources, minimize waste and ensure recyclability. While we have the internal capabilities to run the lifecycle assessments, we also offer certified calculations via CO₂ compensation projects.



SOURCING: thanks to the support of our key board suppliers, we rely on certified environmental declarations to evaluate the impact from the forest to the sheets.

PRODUCTION: product-specific production steps are included based on plant-specific machines.

TRANSPORT: from the supplier to the plant and from the plant to the customer.

END CONSUMER: we rely on our customers to take care of distribution and retail.

END OF PRODUCT LIFE: depending on the recycling method, we are able to estimate the end of life impact of our products.

CUSTOMER SUSTAINABILITY PROGRAM

Following the lifecycle model described above, we took a proactive approach to evaluate our customers' portfolio and organize individual workshops with them.

ANALYZE	<ul style="list-style-type: none"> - Select product ranges - Perform lifecycle assessments - Suggest alternative solutions - Customer-specific case studies
SHARE	<ul style="list-style-type: none"> - Full-day workshop - Present all solutions & share feedback - Select "top" alternatives - Set up a follow-up action plan
FOLLOW UP & IMPLEMENT	<ul style="list-style-type: none"> - Continue joint work on the selected top runner solutions - Perform required tests and validation - Implement the most feasible solutions

To enable the consolidation of all required knowledge, we have established a working team that consists of colleagues from Development (Construction and Embellishment), Procurement, Key Account Management and Corporate Social Responsibility.

The main focus of the workshops and our joint work with the customers was centered around the following scope:

- Building a customer-specific sustainability roadmap
- Responding to the EU legislation of paper-based packaging
- Fresh versus recycled fibers
- Lower board grammage and board alternatives
- Transport optimization
- Construction optimization
- Finishings alternatives with the focus on replacement of PET
- Inks with the focus of elimination of mineral oil-based inks
- Recyclability and influencing factors
- FSC® certification

Summary 2020:

2 full-day workshops
with the key customers

6 small-scale workshops
with the educational purpose for our customers

50 lifecycle assessments
completed for our customers

PET LAMINATION ALTERNATIVE SOLUTIONS

One of the key environmental pillars of the Edelmann Group is recyclability, meaning that it is our top priority to make sure that our packaging can be recycled. Therefore, we are ready to offer environmentally-friendly alternative solutions of PET lamination.

While some of the solutions are internal and unique, such as calendar varnish to replace transparent lamination, we have also partnered with our suppliers to explore further possibilities available on the market. All solutions were tested and validated at our facility, compiling an extensive analysis, including technical specifications, environmental benefits and visual impact.



3 in-house solutions
to replace metallic PET lamination

3 in-house solutions
to replace transparent PET lamination

5 external solutions
to replace metallic PET lamination

LESS IS MORE

With the intention to develop solutions that aim at a minimum use of materials, we have launched a project “Less is more” – our initiative to optimize the construction of a folding box coming along with the environmental benefit of using less raw material, cartonboard. With the success of the pilot project where a creme jar was studied, we are capable of transferring this best practice to any other product, bearing in mind the necessary and sometimes restrictive features which cannot be eliminated for the sake of protection and safety of the core product.

In total, 5 different construction optimizations were applied and tested, granting a possibility to move from 9 units on one printing sheet up to 36. That means it is possible to save up to 75% of the total material consumption. The solution is customizable to any shape and design depending on customer requirements.



CO₂ COMPENSATION PROGRAM

Edelmann Group is among a few packaging manufacturers who can support customers in CO₂ compensation via a dedicated program. We use an external calculation tool certified by The Climate Initiative of the Printing and Media Industries Federations. Once the customers receive a detailed footprint calculation, they choose to invest in CO₂-neutral projects, thereby compensating the carbon footprint of their packaging. For this purpose, we collaborate with certified organisation regulating the ongoing projects.

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

Investments in various CO₂-neutral projects are possible via the program depending on the compensation value. **Projects supported in 2020:**

190 tons of CO₂e

were compensated during 2020

3 CO₂-neutral projects

supported during 2020



Reduction of smoke emissions, Kenya

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



Reforestation, Uganda

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



Construction of boreholes, Eastern Africa

Providing access to clean water through boreholes instead of boiling polluted water which is a common way for the locals.

CARTONBOARD – OUR KEY RAW MATERIAL

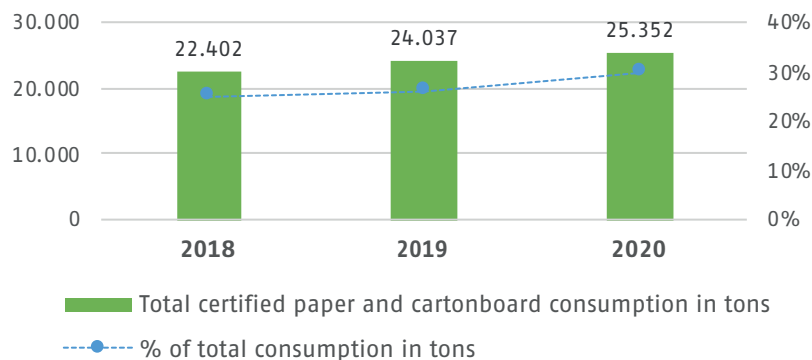
Our key raw material is cartonboard – renewable and recyclable. The total consumption mainly refers to cartonboard with an exception of Leaflet Solutions located in Lindau and Leverkusen, where paper consumption stands for more than 90% of the total due to the nature of leaflet business.

Driven by the customer demand, the share of recycled cartonboard has slightly increased from 26% to 28% in 2020. As we see recycled and fresh fibers as part of one interlinked cycle, the existing balance is proven to support a healthy fiber lifecycle.

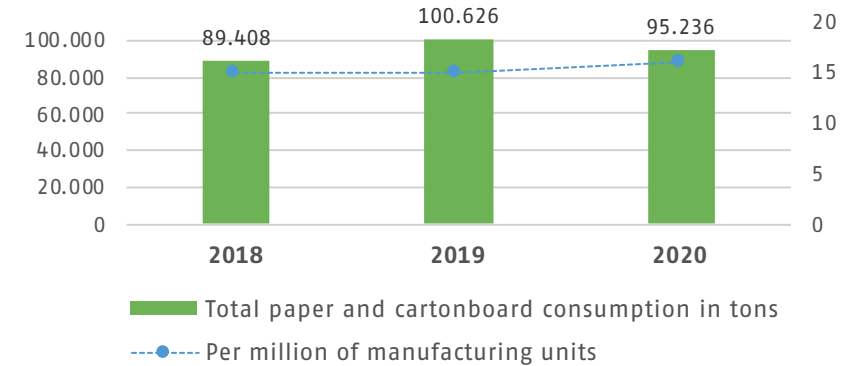
We have witnessed increasing demand for FSC®-certified board in 2020 both in absolute and percentage values. Even if our customers do not request certified board for their products, we still ensure that all wood is coming from controlled sources together with our board suppliers holding necessary certifications.

As of 2020, 90% of Edelmann plants are certified with FSC® Chain of Custody.

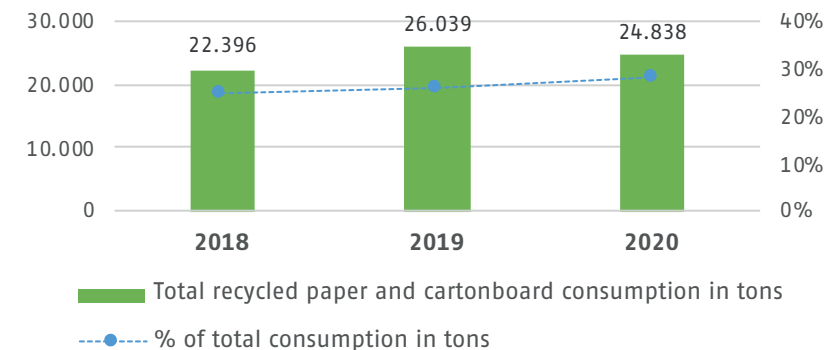
CERTIFIED PAPER AND CARTONBOARD CONSUMPTION



TOTAL PAPER AND CARTONBOARD CONSUMPTION VS INTENSITY INDICATOR



RECYCLED CARTONBOARD CONSUMPTION



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

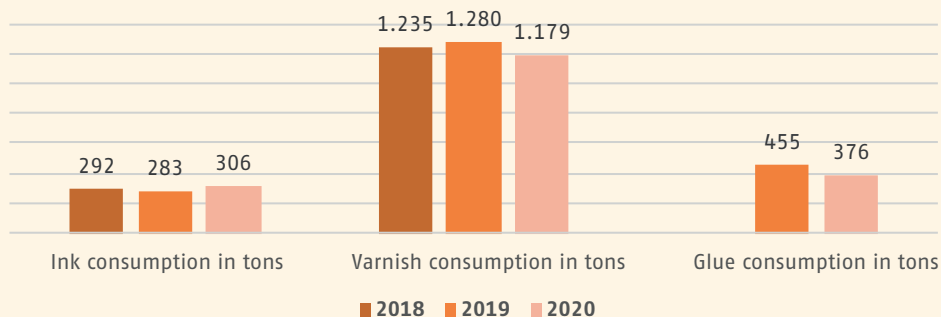
OTHER RAW MATERIALS

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

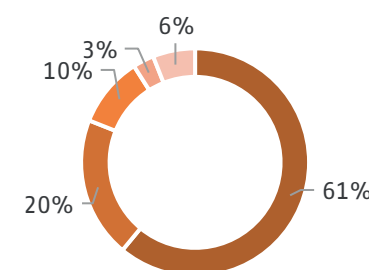
One of the main topics in relation to these material groups was focused around the mineral oil-based inks. Driven by the environmental concerns, we have launched a project to facilitate a transition to non-mineral oil-based inks that we can offer already today. The transition has been successfully completed for the key customers with the biggest volumes. We continue to educate our customers through the sustainability workshops, including the environmental footprint of inks and varnishes, de-inking process and optimization potential.



INK, VARNISH AND GLUE CONSUMPTION IN TONS



INK BY TYPE



■ Water-based ■ Vegetable oil-based ■ UV ■ Mineral oil-based ■ Others

SUSTAINABLE PROCUREMENT

Procurement is among the key functions that ensure our strong sustainability performance, particularly within sourcing of raw materials. The execution is led by the Head of Procurement located in the headquarters together with the local procurement teams per plant. All initiatives are centrally coordinated, and best practices are shared across the Group, including our close collaboration with the key suppliers, many of whom serve us globally.

BOARD STANDARD SIZES INITIATIVE

A dedicated project was launched in 2019–2020 with the target to optimize the different board sheet sizes. The current total number of different sizes is 1800, as we tailor our orders depending on the nature of the production jobs. Such a high number of different sizes is causing significant overdeliveries coming from the minimum order quantities that we have to follow. As a consequence, more waste is generated from the unused material in stock.

The initiative has the potential to decrease the total number of sheet sizes up to 350 and 10% less overdeliveries as a result of harmonization process. During 2020, the first optimization steps have been implemented starting with the high-volume board qualities.

UPDATED SUPPLIER CODE OF CONDUCT

With the fast development of our sustainability commitments, we have seen the need to extend the expectations from our suppliers and make sure they share the same values and outlook.

The updated Code of Conduct includes clauses on the economic and general principles, such as anti-corruption, fair competition, money laundering, and data privacy, to name a few. We have also significantly extended the social responsibility and environmental expectations to match our sustainability agenda.

As the update of the Supplier Code of Conduct was extensive, we have collected the new signatures from the key existing suppliers as well as the new suppliers to confirm their commitment.

100%

of the newly joined suppliers have committed to the updated CoC

MILK RUN CONCEPT

In partnership with the logistics department, a milk run concept has been implemented for the deliveries of board material for the German plants. The new delivery scheme allows to combine volumes and reduce the number of trucks delivering goods.

Instead of multiple journeys to individual plants, one truck delivers the material to several sites during the same day. Not only it brings the optimization of delivery processes, but it also cuts our transport emissions affecting Scope 3 of greenhouse gas balance.

over 85%

of sourcing is done locally in Europe with as high as 60% in Americas and Asia

20 clauses

in total are included in the updated CoC, covering economic, social and environmental pillars

SUPPLIER ASSESSMENT

Edelmann Group has a long-standing relationship with its key suppliers, based on trust, transparency, and mutual interest towards a better future. In order to develop appropriate procedures that consider the order volumes, nature of the product/service and serving footprint, we follow a 3-level structure for our suppliers. Level 1 refers to the raw materials which are directly part of the finished goods, e.g. board, inks, varnishes and so forth. Level 2 includes the raw materials and services which are either directly in contact with the finished goods or have the potential to affect the quality and safety of the products. Level 3 refers to the administrative goods and services, having no link to our core products. For that reason, Level 1 and Level 2 are seen as critical, and Level 3 as basic, non-critical.

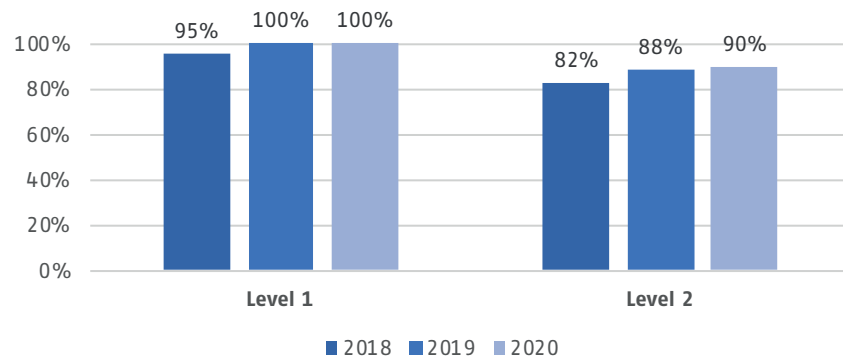
EVALUATION OF EXISTING SUPPLIERS

Our internal supplier evaluation is implemented on the plant level, except global suppliers which are monitored centrally in Global Procurement. The annual process includes the evaluation of 8 different pillars, including sustainability, where supporting evidence is assessed such as the Sustainability Report, EcoVadis ranking, CDP ranking along with our joint work, i.e. whether any projects were launched, how well-informed we stayed throughout the year on the latest developments of the suppliers, especially with the focus on social and environmental improvements. Under sustainability pillar, criteria are listed with the corresponding weight. Each criterion is assessed on the scale from 0 to 7.

APPROVAL PROCESS OF THE NEW SUPPLIERS

With the intention to maximize transparency and credibility as well as to standardize supplier approval process globally, we have established a new process of digital supplier approval, split into different workflows for different supplier levels. Level 1 and Level 2 suppliers are assessed by the authorized colleagues from the quality department in the first place, followed by the evaluation by the procurement department – upon positive confirmations from both, the supplier can be added to the pool. Level 3 suppliers are only approved by the Procurement department, as no risk is involved. Started in 2019, further roll-out has been completed in Germany, USA, China, Hungary and France during 2020.

EVALUATION OF EXISTING SUPPLIERS



100%
of Level 1 & 2 new suppliers were evaluated via the new digital platform

RECYCLING INITIATIVE IN PARTNERSHIP WITH KURZ



Recycling of PET carrier waste

The application of cold transfer and hot stamping has been challenged in terms of its lifecycle, in particular, what happens to the residual PET rolls. Therefore, KURZ has taken action and established the first of its kind recycling facility for the transfer carrier films. In the past, this type of waste was mainly incinerated and thanks to this initiative, PET waste is fully recycled and turned into injection-moldable material.

Edelmann Group is the first partner

The partnership started in February 2020, when we actively supported the testing processes by providing PET waste material from our production. Since last year, we simply return the used carrier rolls back to KURZ for guaranteed recycling.

Impact

The initiative contributes to the principles of circular economy that we are sharing together with KURZ. Achieving a closed loop system leads to a tremendous improvement in environmental performance of these application methods, where our customers don't need to compromise on sustainability while fulfilling desired visual effects.

WATCH THE VIDEO ABOUT OUR PARTNERSHIP

35 tons

of PET carrier waste was sent back to KURZ for guaranteed recycling in 2020



ENERGY CONSUMPTION

Energy efficiency is part of our Environmental Concept, committing to energy preservation initiatives. The scope includes our plants, tools, processes, equipment and everyday work practices. Each site employs a responsible manager who takes care of environmental development, including energy management. We also work with external consultants to improve our environmental performance.

ENERGY CONSUMPTION OVERVIEW

The total energy consumption consists of electricity consumption, district heating used in Poland (1130 MWh in 2020 – not included in the charts) and natural gas for the rest of the sites. In absolute values, the natural gas consumption has decreased by 17.6% against 2019 and by 26% against the base year 2017, accompanied by the decrease of the intensity value from 2.8 in 2017 to 2.0 in 2020.

20%

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

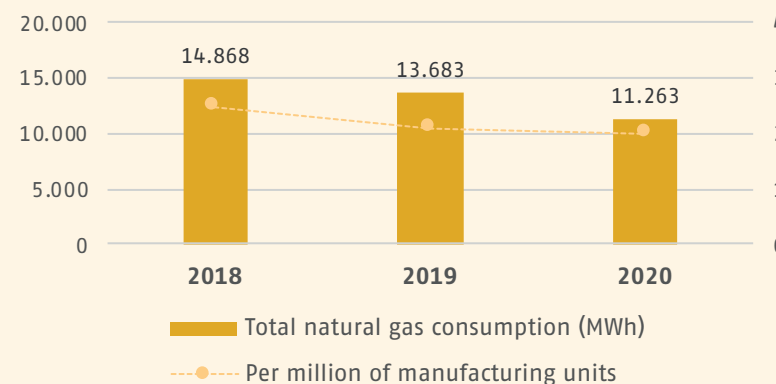
43%

Of our electricity consumption comes from renewable sources (hydropower)

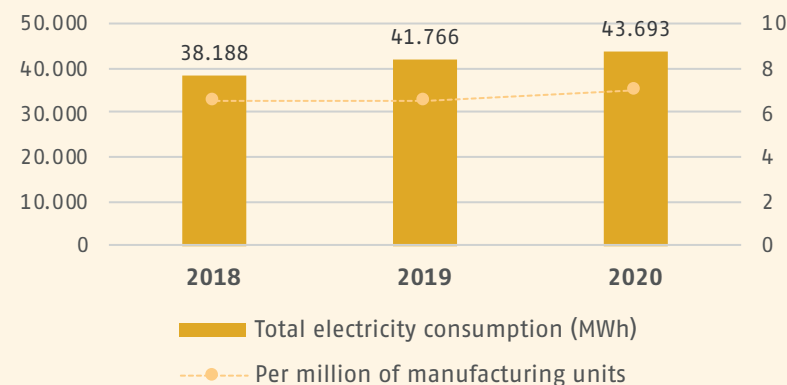
7

Environmental audits completed in 2020 by a certified third party

TOTAL NATURAL GAS CONSUMPTION VS INTENSITY INDICATOR



TOTAL ELECTRICITY CONSUMPTION VS INTENSITY INDICATOR



ENERGY REDUCTION INITIATIVES

LED lighting

We continue to implement LED lighting in our plants. Edelmann sites in China, Bitterfeld, Mexico and Brazil have successfully completed the transition.

INDIA

The introduction of the automatic mode of operating cooling towers has enabled energy savings via a temperature sensor. Additionally, 36W PLL bulbs have been replaced by 30W overhead lights.

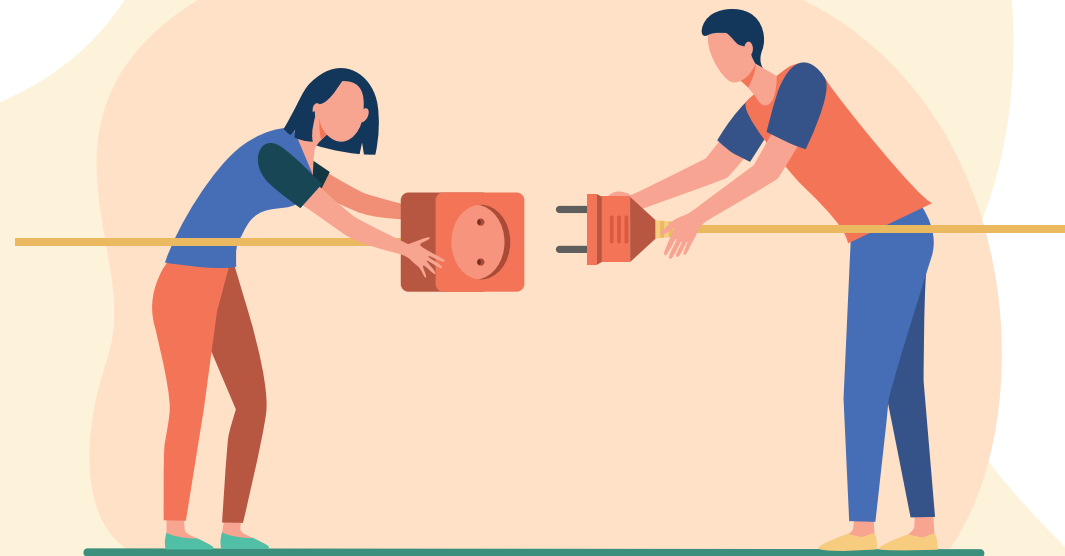
WEILHEIM

Maintenance and calibration of the colling tower has been completed along with the adjustments of the air conditioning system. The plant in Weilheim achieved a 20% reduction in electricity consumption (337 MWh in absolute value).

USA

Smaller actions can also make an impact. With that, our plant in USA has implemented small measures, such as switching off air conditioning and heating every evening and installing light dimmers.

We had to postpone some of the energy reduction initiatives due to the shifting priorities caused by the pandemic. Yet, by the end of 2020 we have partnered with an external consultant on environmental management to strengthen our efforts. The first action of completing environmental audits for 7 Edelmann plants has been successfully finalized to identify gaps and opportunities.



GREENHOUSE GAS EMISSIONS

We fully realize the responsibility of company activities in relation to the climate change, therefore it is among the key pillars of our environmental agenda. We report on Scope 1, Scope 2 and Scope 3 GHG emissions. We have set a target to reduce our total Scope 1 and Scope 2 (location-based) emissions by 10% in intensity value per million of manufacturing units by 2022. We have approached closer to accomplish the target during the reporting year, reaching 8% reduction against the base year 2017.

Scope 1 direct GHG emissions: arising from stationary combustion, our Scope 1 emissions mainly come from the use of natural gas. We have extended our reporting to further categories of fuel consumption (diesel and petrol) and refrigerant leaks, therefore the data for previous years has been recalculated.

Scope 2 indirect GHG emissions: these emissions refer to the purchased energy, i.e. purchased electricity. We report based on both location-based and market-based approach. Market-based reporting is limited to the European locations.

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

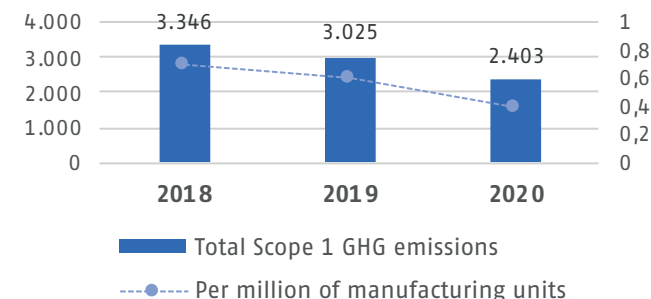
8%

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

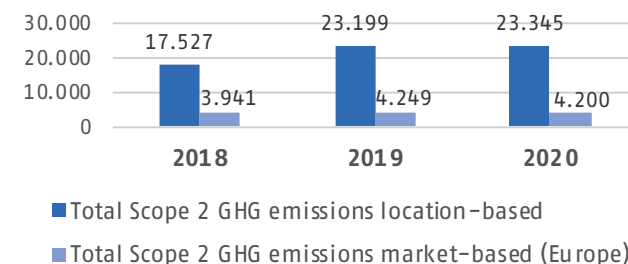
100%

of Edelmann sites have completed a third-party verification of the GHG balance in accordance with the GHG Protocol (Scope 1, 2 and 3) for the reporting year 2020

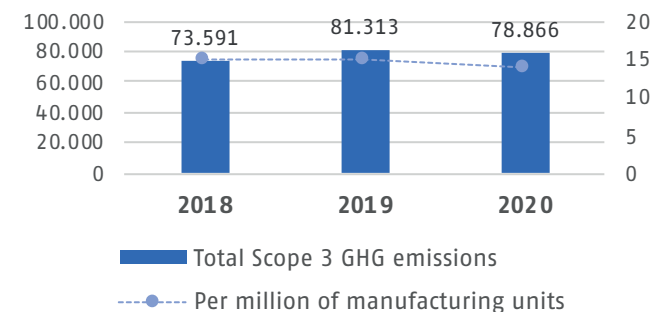
TOTAL SCOPE 1 GHG EMISSIONS
(in tons of CO₂e) VS INTENSITY INDICATOR



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

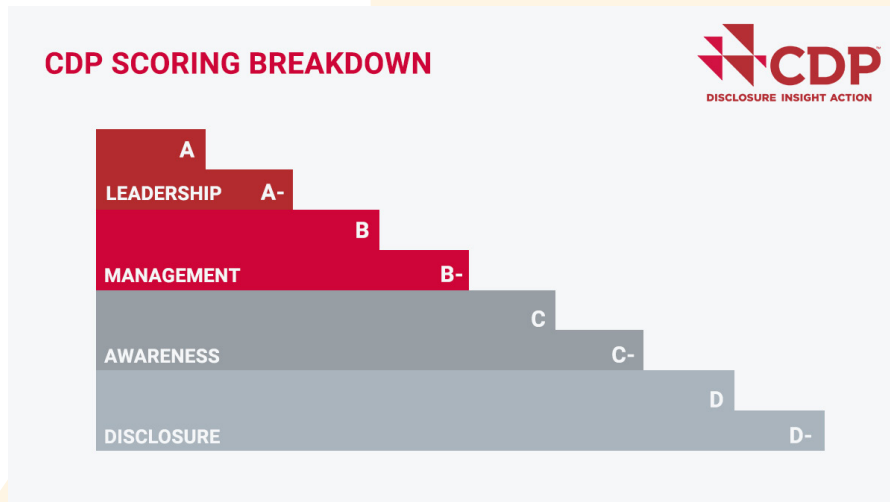


TOTAL SCOPE 3 GHG EMISSIONS
(in tons of CO₂e) VS INTENSITY INDICATOR

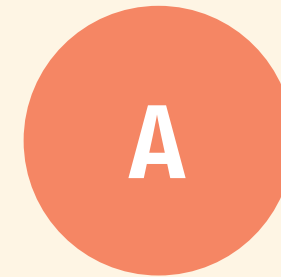


CLIMATE CHANGE

Edelmann Group takes the initiative to reduce its GHG emissions with clear targets, timeline and action plan. Our commitment is transparent through the membership of Carbon Disclosure Project (CDP), where Edelmann Group reports annually on climate change. The report is assessed externally and independently, including risks and opportunities in relation to climate change, governance structure, energy consumption, GHG emissions and reduction initiatives, where all are reported on the Group level globally. We are pleased to be recognized with A- (Leadership) rating in 2020 for the second consecutive year.



Edelmann Group 2020 score



Edelmann Group Supplier Engagement 2020 score

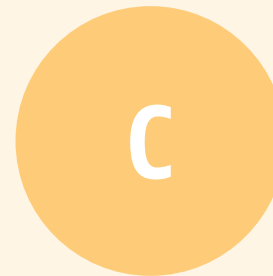
Average performance



Print and publishing services



Europe



Global average

Our rating 2020 is outperforming the industry average as well as the European and global average performance. Additionally, we were granted with A rating for CDP Supplier Engagement, being included in the A list of 2020.

WATER CONSUMPTION AND BIODIVERSITY

Water as a vital natural resource is addressed in our environmental roadmap. Both water management and biodiversity are regulated by our environmental managers in cooperation with the respective service providers.

Water

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

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

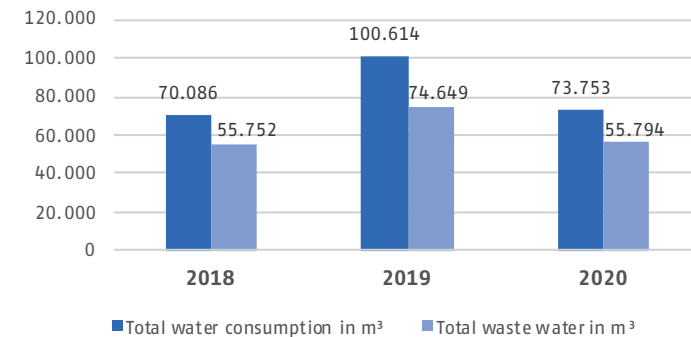
Water initiatives

Although water is not the key resource used in the manufacturing process, we still strive for continuous improvement in everyday work practices, such as taps with sensors and minor improvements in the production processes and machines. With that, our plant in India has implemented a waste water recycling initiative in the canteen and shop floor cleaning areas. Our Mexican site has installed water dosing systems in the restrooms to avoid excessive use of water.

Overview 2020

The total water consumption has decreased by a whopping 27% against 2019 due to the plant shutdowns caused by the pandemic along with home office practices of our admin employees. That led to a decreased amount of water required for sanitary purposes and consequently an extremely reduced total consumption.

TOTAL WATER CONSUMPTION AND WASTE
WATER IN M³



Biodiversity

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

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

WASTE MANAGEMENT

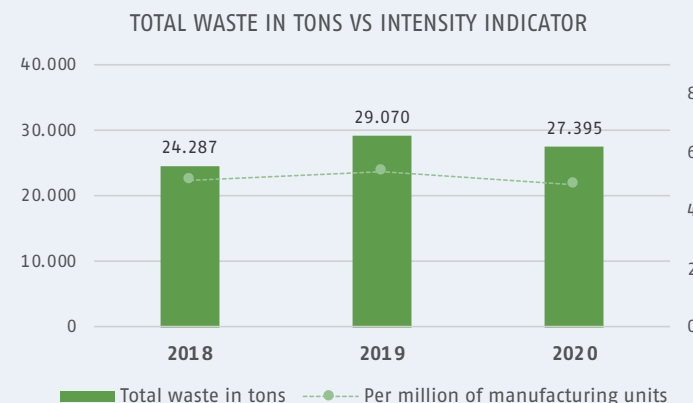
As a strong supporter of circular economy, Edelmann Group takes responsible care of the generated waste and its disposal. All production waste is handled by the corresponding waste disposal contractors, while our internal environmental managers ensure that the system in place corresponds to the local regulations.

Summary of 2020

The amount of total waste has decreased in both absolute (-6%) and intensity (-7.5%) values, mainly driven by lower production output in 2020.

Although country-specific infrastructure represents a diverse range of approaches, recycling remains the leading method for most of the waste categories. For example, 100% of board and paper is recycled by our suppliers to produce degraded board qualities, and 100% of printing plates are returned back to the supplier for further processing.

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



TYPE OF WASTE	CLASSIFICATION	2018 (IN TONS)	2019 (IN TONS)	2020 (IN TONS)
Paper / cartonboard	Non-hazardous	23,339	26,749	25,618
Plastics	Non-hazardous	234	989	349
Metals	Non-hazardous	117	295	126
Compost	Non-hazardous	4	26	35
Industrial waste	Hazardous	174	275	312
Wood, wooden pallets	Non-hazardous	56	156	736
Printing plates	Non-hazardous	-	111	96
Others	Non-hazardous	363	469	123
TOTAL		24,287	29,070	27,395

CSR MEMBERSHIPS

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

EcoVadis is among the leading sustainability ratings, covering reporting on environment, business ethics, labour and human rights and sustainable procurement. Edelmann Group currently holds a gold medal in recognition of sustainability achievements. We have improved our scoring from 61 to 66 points in 2020.

The logo for CDP (Carbon Disclosure Project), featuring a red square with a white cross-like shape inside, followed by the letters "CDP" in a bold, red, sans-serif font.

CDP (Carbon Disclosure Project) is an organisation aiming to make environmental reporting and risk management a business norm. Edelmann Group reports on climate change annually. We have achieved A- Rating for the second consecutive year in 2020 remaining at the Leadership level.

The logo for Sedex, featuring the word "Sedex" in a bold, black, sans-serif font, followed by a red circular icon containing a white shape.

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

GRI INDEX

GRI Standard		Page number
GRI 102 General		
102-1	Name of the organization	6
102-2	Activities, brands, products, and services	8-9
102-3	Location of headquarters	6
102-4	Location of operations	7
102-5	Ownership and legal form	12
102-6	Markets served	9
102-7	Scale of the organization	6
102-8	Information on employees and other workers	21
102-9	Supply chain	47
102-10	Significant changes to the organization and its supply chain	N/A
102-12	External initiatives	34-37
102-13	Membership of associations	56
102-14	Statement from senior decision-maker	5
102-16	Values, principles, standards, and norms of behaviour	11
102-18	Governance structure	12
102-40	List of stakeholder groups	13
102-41	Collective bargaining agreements	27
102-42	Identifying and selecting stakeholders	16-17
102-43	Approach to stakeholder engagement	13
102-44	Key topics and concerns raised	16-17
102-46	Defining report content and topic boundaries	4
102-47	List of material topics	16
102-48	Restatements of information	52. Recalculation of GHG emissions for the previous reporting years.
102-49	Changes in reporting	N/A
102-50	Reporting period	4
102-51	Date of most recent report	4
102-52	Reporting cycle	4
102-53	Contact point for questions regarding the report	61
102-54	Claims of reporting in accordance with the GRI Standards	4
102-55	GRI content index	57-60

GRI Standard		Page number
GRI 103 Management Approach		
103-1	Explanation of the material topic and its Boundary	At the beginning of each chapter
103-2	The management approach and its components	At the beginning of each chapter
103-3	Evaluation of the management approach	At the beginning of each chapter
GRI 200 Economic		
201-1	Direct economic value generated and distributed	6
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	27
202-2	Proportion of senior management hired from the local community	-
203-1	Infrastructure investments and services supported	36-37
204-1	Proportion of spending on local suppliers	47
205-1	Operations assessed for risks related to corruption	N/A
205-2	Communication and training about anti-corruption policies and procedures	26
205-3	Confirmed incidents of corruption and actions taken	N/A
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	N/A
GRI 300 Environmental		
301-1	Materials used by weight or volume	45-46
301-2	Recycled input materials used	45
302-1	Energy consumption within the organization	50
302-4	Reduction of energy consumption	51
303-1	Interactions with water as a shared resource	54
303-5	Water consumption	54
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	54
304-2	Significant impacts of activities, products, and services on biodiversity	54

GRI Standard	Page number
305-1 Direct (Scope 1) GHG emissions	52
305-2 Energy indirect (Scope 2) GHG emissions	52
305-3 Other indirect (Scope 3) GHG emissions	52
305-5 Reduction of GHG emissions	41-44, 47, 49, 51
306-1 Water discharge by quality and destination	54
306-2 Waste by type and disposal method	55
306-3 Significant spills	N/A
306-4 Transport of hazardous waste	55
306-5 Water bodies affected by water discharges and/or runoff	N/A
307-1 Non-compliance with environmental laws and regulations	N/A
308-1 New suppliers that were screened using environmental criteria	48
308-2 Negative environmental impacts in the supply chain and actions taken	N/A
GRI 400 Social	
401-1 New employee hires and employee turnover	21
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	28
401-3 Parental leave	28
402-1 Minimum notice periods regarding operational changes	27
403-1 Occupational health and safety management system	30
403-2 Hazard identification, risk assessment, and incident investigation	30-31, 33
403-3 Occupational health services	29
403-4 Worker participation, consultation, and communication on occupational health and safety	30-31
403-5 Worker training on occupational health and safety	31
403-6 Promotion of worker health	29
403-7 Prevention and mitigation of occupational health and safety	31, 33

GRI Standard	Page number
403-8 Workers covered by an occupational health and safety management system	30
403-9 Work-related injuries	32
404-1 Average hours of training per year per employee	26
404-2 Programs for upgrading employee skills and transition assistance programs	26
404-3 Percentage of employees receiving regular performance and career development reviews	-
405-1 Diversity of governance bodies and employees	21-22
405-2 Ratio of basic salary and remuneration of women to men	27
406-1 Incidents of discrimination and corrective actions taken	N/A
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
408-1 Operations and suppliers at significant risk for incidents of child labour	N/A
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	N/A
411-1 Incidents of violations involving rights of indigenous people	N/A
412-1 Operations that have been subject to human rights reviews or impact assessments	N/A
412-2 Employee training on human rights policies or procedures	26
413-1 Operations with local community engagement, impact assessments, and development programs	34-37
413-2 Operations with significant actual and potential negative impacts on local communities	N/A
414-1 New suppliers that were screened using social criteria	48
414-2 Negative social impacts in the supply chain and actions taken	N/A
416-1 Assessment of the health and safety impacts of product and service categories	N/A
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	N/A

FURTHER INFORMATION AND CONTACTS

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

Project management and point of contact for content-related questions:

Elina Iamsia

Sustainability

Edelmann Group, Edelmann GmbH

Steinheimer Straße 45

89518 Heidenheim, Germany

E-Mail: elina.iamsia@edelmann-group.com

Website: <https://www.edelmann-group.com>

Text: Elina Iamsia, Edelmann Group

Design: Madlen Goal, Edelmann Group

