wepa | Together for a better life

WEPA SUSTAINABILITY REPORT 2024

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Martin Krengel, CEO WEPA Group (left) and Andreas Krengel, CEO Business Unit Professional I Circular Solutions (right).

WEPA SHAPES THE FUTURE: PROVIDING HYGIENE AND WELL-BEING

INNOVATION GROUNDED IN RESPONSIBILITY AND A VALUE-ORIENTED FAMILY BUSINESS CULTURE

WEPA has set itself the ambitious goal of becoming frontrunner in sustainability in the tissue industry. What makes this direction essential to our long-term success?

Martin Krengel: Our vision is clear: to be the most sustainable and agile first-class partner for personal and professional hygiene solutions. For us, sustainability is not just a buzzword, but a holistic approach that enhances both the resilience of our business and the value we deliver to society. This direction enables us to respond effectively to external challenges while meeting our customers' needs with responsibility and purpose.

As a family business with over 75 years of history, how does this legacy influence our approach to sustainability?

Andreas Krengel: Being a family business means we think in generations, not quarters. That long-term mindset is reflected in our culture as well as in our strategy, which aligns with the UN Sustainable Development Goals and focuses on responsible conduct, operational efficiency, innovation and the use of future fibres. Sustainability is deeply embedded in who we are.

Looking back at 2024, what were the highlights of your sustainability journey?

Martin Krengel: 2024 was pivotal. Winning the German Sustainability Award was not just an honour, but validation of our strategy and transformation. Our very own Sustainability Days brought together our leadership team and important stakeholders, sparking impactful discussions and showcasing the incredible commitment of our teams. Another milestone was launching our Sustainability Stakeholder Advisory Council, which now plays a key role in guiding and refining our efforts with external expertise.

We also broke new ground with our industry-first consumer-targeted campaign "Beige ist besser" (Beige is better), which highlighted the outstanding quality and sustainability characteristics of our hygiene paper products made from recycled cardboard – products we see as the new standard for the households of tomorrow.

We have gone a step further by launching a dedicated business unit for the circular economy. How does this tie into your broader strategy?

Andreas Krengel: With our WEPA Business Unit Circular Solutions, we're embedding circularity into our DNA. It's part of our Perform & Transform strategy programme – combining today's excellence with tomorrow's innovation. This unit will drive investments and partnerships in areas such as offsite renewable energy, green tech startups and circular economy business models. I am very much looking forward to the additional impact, environmental resilience and sustainable growth we are going to build from here.

In times of economic uncertainty, how does WEPA maintain its sustainability commitment?

Martin Krengel: Turbulent times only reinforce our belief in sustainability as a driver of resilience. Still, clear policy frameworks are vital. That's why we actively engage in political and industry dialogues – not just to represent our interests, but to promote fair and effective conditions for a sustainable transformation. Transparency and collaboration are key to staying the course. We continue to follow our clear path with a dedicated focus on circular economy and the goal of achieving net-zero production. WEPA's journey shows how sustainability and legacy can go hand in hand – not only preserving value, but creating it for generations to come.

As a family business now in its second and third generation, WEPA has made sustainability the cornerstone of its strategy. In this interview, Martin and Andreas Krengel, members of the WEPA Management Board and representatives of the entrepreneurial family, share how responsibility, innovation and tradition come together to shape a resilient future for the hygiene sector.

Interview by Anja Friederich
Manager Sustainability, Communication & Engagement
WEPA Hygieneprodukte GmbH

ABOUT WEPA

The WEPA Group

We are a future-oriented European family business specialising in the production and distribution of sustainable hygiene paper. We offer innovative hygiene solutions that provide a secure hygienic feeling and contribute daily to the well-being of millions of people throughout Europe. Sustainability is at the centre of our corporate strategy. On this basis, we continuously develop ourselves and our portfolio with the ambition of being number one in sustainability in our industry. We are among the three largest European manufacturers and the expert in the production of hygiene paper from recycled fibre.

25%

market share in Germany, 8% in Europe

100%

family business

Management Board

Martin Krengel (CEO),
Harm Bergmann-Kramer,
Ralph Dihlmann,
Andreas Krengel

Supervisory Board

Dr. Hans-Joachim Körber (Chairman),
Thomas Ingelfinger,
Dr. Dominik von Au

Sustainability Stakeholder Advisory Council

Inna Amesheva,
Stefanie Hauer,
Jakob Berndt,
Lubomila Jordanova

Technical Equipment

22 paper machines and more than 80 converting machines for rolled and folded hygiene paper

› 4,300 employees

Locations

5 x in Germany, 3 x in France, 2 x in Italy, 2 x in Great Britain, 1 x in Poland and 1 x in the Netherlands

Values

Since the founding of the company, family shareholders, executive managers and all employees have identified equally with our core values.
Respect | Sustainability | Commitment

Products:

Toilet paper, kitchen towels, handkerchiefs, facial tissues, towel paper, napkins, centerfeed rolls, de-inked pulp, cleaning rolls, medical paper rolls, dispensers, soaps, toilet seat cleaners, sanitisers and air fresheners

EVERY DAY FOR EVERYONE EVERYWHERE

Everyone uses hygiene paper products. From daily hygiene essentials to the napkin at mealtime and hygiene in public washrooms: WEPA serves this market with own brands tailored to specific applications, produces for private labels and develops comprehensive hygiene solutions for large-scale users and public facilities.

WEPA CONSUMER

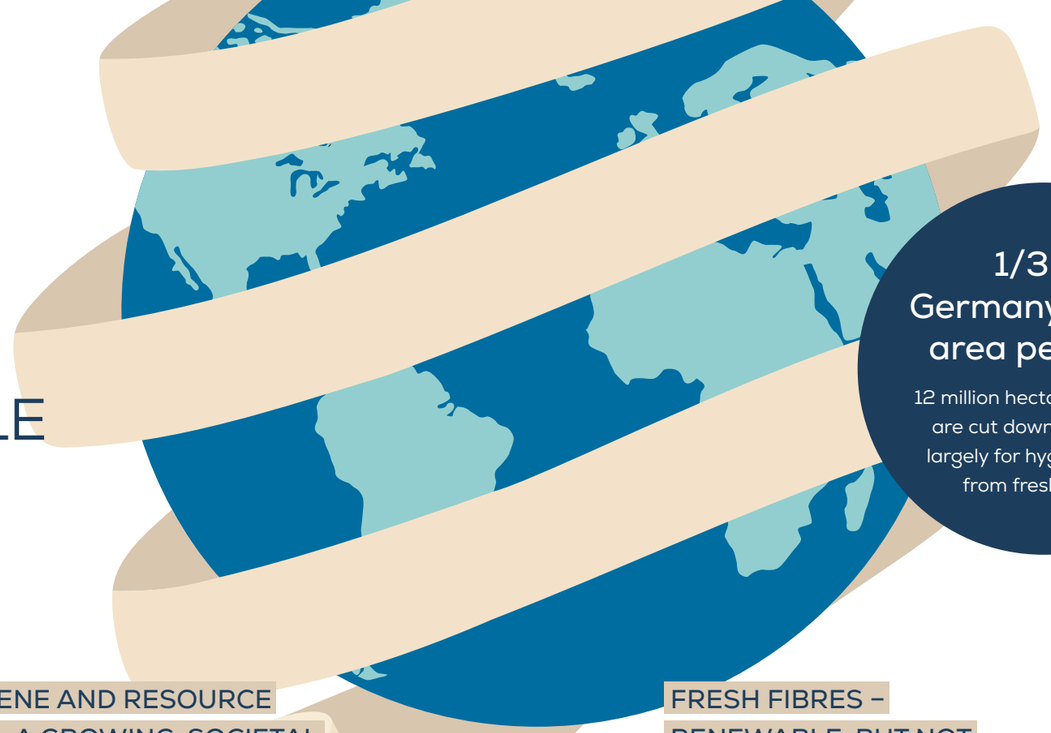
Sustainable hygiene for everyday life. From supermarket shelves to bathroom cabinets: our products reach millions of households across Europe. In the WEPA Business Unit Consumer, we have built on over 75 years of experience to deliver best-in-class products and services to our European retailers, e-commerce partners and consumers. As Europe's leading private label specialist and first partner of choice for our customers, WEPA has been producing sustainable and innovative hygiene paper for the European food retail industry for decades. Our commitment to sustainability and innovation is also reflected in our brands – such as mach m!t, Comprami, Perla and Scala.

WEPA PROFESSIONAL

Trusted hygiene for the spaces we share. In offices, healthcare facilities and public spaces: hygiene plays a crucial role wherever people meet. As a specialist for high-quality, sustainable hygiene solutions in the commercial and public sector, WEPA Professional offers a wide range of fully comprehensive washroom concepts, sustainable hygiene papers, soaps and sanitisers, air fresheners, toilet seat cleaners and dispenser solutions with its brands Satino by WEPA and BlackSatino. In addition, we also produce hygiene papers for our specialist wholesalers' own brands.

WEPA CIRCULAR SOLUTIONS

Innovative circular solutions for ecological and economic resilience. We act today to ensure hygiene remains sustainable tomorrow. In the WEPA Business Unit Circular Solutions we expand our activities around our own value chain to make products, processes and business models more circular and ready for the future. This includes repurposing materials from our production process, exploring digital-based solutions, and investing in circular technologies through WEPA Ventures. In doing so, we create innovative growth opportunities that complement our core business and contribute clear ecological and social value.



RESPONSIBILITY IN EVERY FIBRE – DRIVING SUSTAINABLE HYGIENE FORWARD

1/3 of Germany's total area per year

12 million hectares of forest are cut down annually – largely for hygiene paper from fresh fibres.

WEPA'S SUSTAINABILITY APPROACH AND ACTIONS

OUR FOUNDATION – LONG-TERM VALUES FOR LASTING IMPACT

At the core of everything we do lies a strong value-based foundation. As a family business, WEPA acts with a long-term perspective – thinking across generations. Our ambition is not only to run a successful business, but to create lasting value for society – by acting responsibly today. This mindset shapes our culture – guiding how we operate: with our focus placed on people, in line with regulations and societal expectations and in close dialogue with our stakeholders. It is this foundation that enables us to uphold hygiene standards for millions of people – and to do so for decades to come (see page 16).

Building on this foundation, we are transforming our business to address the core challenge of our industry: safeguarding essential hygiene needs while reducing natural resource use.

HYGIENE AND RESOURCE USE – A GROWING, SOCIETAL CHALLENGE

For a modern society, hygiene paper products fulfil the essential needs to secure hygiene and well-being. With our products, we provide health to society and aim to ensure access to high hygiene standards for generations to come. Yet meeting these essential needs comes with a challenge: the production of hygiene paper requires significant natural resources – many of which are used only once. This creates a growing dilemma between social health benefits and the environmental impacts of resource use. It's a challenge that concerns us all – and one WEPA is actively working to address.

6,000x

Germans use an average of 12 kg of toilet paper per person per year. Nationwide, this is enough to wrap the earth at the equator almost 6,000 times.

FRESH FIBRES – RENEWABLE, BUT NOT WITHOUT LIMITS

Each year, 50 million tonnes of hygiene paper are produced globally – approximately 80% from wood-based fresh fibres. Producing this amount requires around 80 million tonnes of wood and affects approximately 12 million hectares of forest – an area half the size of UK or one third of Germany's total area – for products typically discarded after just one use.

Trees take decades to grow (up to 70 years in Scandinavia) and require vast land areas. This makes wood-based fresh fibres a highly valuable renewable resource that must be used with great care. They should be reserved for applications where they can deliver long-term value or be recycled multiple times. Fresh fibres are far too precious to be used in throwaway products.

Even though WEPA uses 100% FSC®- (Forest Stewardship Council, FSC®-C016151) or PEFC (PEFC/04-32- 0775)-certified fibres, cultivation often relies on managed forestry or plantations, impacting biodiversity and land use. Climate change adds further pressure to forests, while defossilisation drives biomass demand across industries.

Unless hygiene paper is recovered after use – as is the case in certain towel paper collection systems – it remains one of the largest non-recycled uses of renewable materials. Given the value of and pressure on wood-based fresh fibres, their use in single-use products is an ecological challenge.

RECYCLING AND CASCADING USE – FIBRES DESERVE MORE THAN ONE LIFE

To preserve wood-based fresh fibres, WEPA focuses on recycled fibres – sourced from office paper, packaging and cardboard (see page 32). We aim to keep fibres in the material cycle as long as possible. That's why we apply the principle of cascading use. In this way, fibres are used in several applications before becoming hygiene paper. Ideally, for example, a fibre serves first as office paper, then as packaging, later as cardboard – and only after multiple material cycles should fibres be used in disposable products such as hygiene paper.

The ecological advantages are clear: compared to our wood-based fresh fibres, our recycled fibres need up to 87% less water, 78% less energy, reduce pressure on forests and biodiversity and support regional value creation through locally sourced raw materials.

Only after **multiple material cycles** should fibres be used to produce hygiene paper.

DRIVING CIRCULAR ECONOMY – EXPANDING SUSTAINABILITY AROUND OUR VALUE CHAIN

Beyond fibre recycling, WEPA is also rethinking material sourcing. That's why WEPA also focuses on identifying and scaling non-wood fresh fibres with a lower ecological footprint than wood-based fibres. Over the past years, WEPA has invested significant millions to expand recycling and non-wood based fibre production capacities (see pages 36-37).

In addition, we look at what leaves our production process: side streams like paper sludge hold untapped potential for innovative applications. To drive this transformation further, we have established WEPA Circular Solutions – our Business Unit focused on turning these opportunities into scalable, circular solutions around the entire value chain (see pages 59-62).

Over the past years, WEPA has invested significant millions to expand production facilities for

recycling and non-wood-based fresh fibres.

WATER AND ENERGY – SECURING THE FOUNDATION OF PRODUCTION

Producing essential hygiene products for society is inherently energy- and water-intensive. That's why, alongside a sustainable fibre portfolio, the efficient use of water (see page 46) and the transformation of our energy system are essential parts of WEPA's strategy and sustainability approach.

Our energy strategy focuses on electrification and decarbonisation, with the goal of achieving net zero by 2040 (see page 40). To support this transformation, WEPA has significantly invested in energy infrastructure and water-saving technologies across its operations.

MARKET AND CONSUMER – ENABLING CHANGE THROUGH CHOICE

Sustainable transformation can only succeed if consumers choose to be part of it. More sustainable products only make an impact if they are accepted and purchased. Since recycled hygiene paper is still not the norm, we launched our first end-consumer campaign "Beige ist besser" (see page 45) to reframe perceptions: showing that recycled hygiene paper can be sustainable while matching the quality of fresh fibre.

Our actions today are part of a long-term transformation – with the clear goal of making recycled hygiene paper the new standard. This ambition drives us as frontrunner in sustainability in our industry.

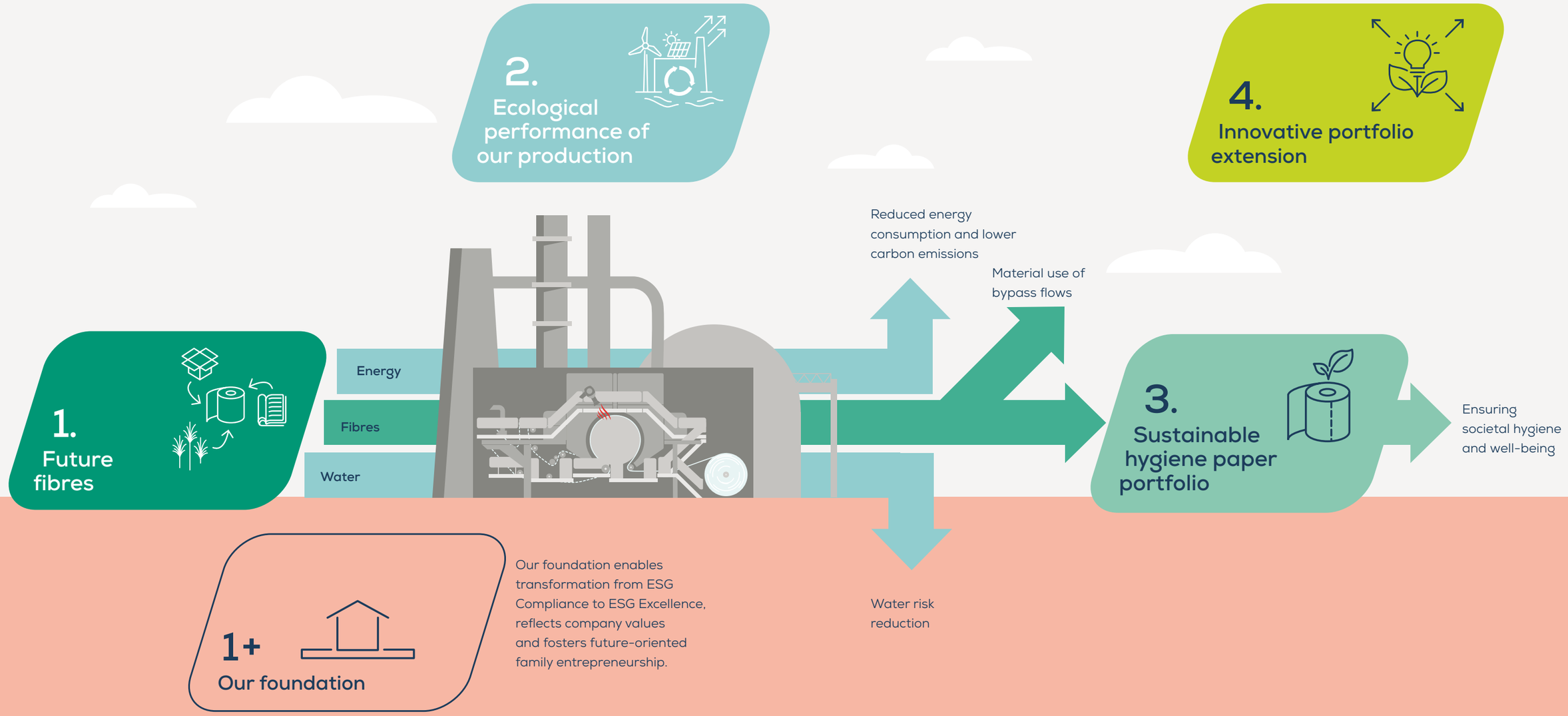
OUR 5 KEY TARGETS:

- **Fibres:** Sales products made from at least 60% recycled fibres and non-wood fresh fibres*
- **Energy:** Reduction of carbon emissions by 52.5% CO_2eq emissions/t* in Scopes 1 & 2 and Scope 3 by 2030* (base year 2019)
- **Water:** Minimise risks related to water use for the business, the environment and society
- **Products & Markets:** Increase market share of recycled-based hygiene paper through strategic partnerships
- **Circular Solutions:** Expand circular solutions around our value chain

* Reference value: finished goods + semi-finished goods sold + DIP sold

SUSTAINABLE ALONG OUR VALUE CHAIN – OUR SUSTAINABILITY STRATEGY

We have consistently aligned our sustainability strategy with our value chain. Our foundation of responsible conduct as an employer, social engagement, compliance and product safety forms the basis for all of our business activities. The four further fields of action – future fibres, ecological performance of our production, sustainable hygiene paper portfolio and innovative portfolio extension – are based on this.



OUR FOUNDATION

We act according to our values, take the interests of stakeholders seriously and care for the well-being of people and the environment beyond legal requirements.

RESILIENT AND FUTURE-PROOF FAMILY BUSINESS

At WEPA, we believe our roots shape our future. As a family business, we think in generations, not years. Sustainability has always been central to our strategy, driving successful business practices and ensuring our long-term resilience.

WEPA is founded on our shared values of respect, commitment and sustainability. Our Code of Conduct guides all employees and partners with clear ethical values and standards. Yet, we strive for more than mere compliance, we pursue ESG excellence. Our 1+4 sustainability strategy holistically addresses ecological, economic and social issues and formulates ambitious goals. While we prioritise the safety of our employees and the quality of our products, we do not stop there. We aim to foster a work environment where the passion and well-being of our employees drive excellence, positioning WEPA as a best place to work. Moreover, we endeavour to be the partner of choice for customers, suppliers and business partners, fully embracing our societal responsibilities through strong social engagement.

WEPA'S SUSTAINABILITY STAKEHOLDER ADVISORY COUNCIL

With the founding of the WEPA Sustainability Stakeholder Advisory Council, we are breaking new ground and taking up the challenge of an intense examination and in-depth assessment by external experts – a huge milestone, marking a key step towards becoming a frontrunner in sustainability.

The Council is responsible for:

- Annually evaluating our targets, approach and progress towards sustainability
- Sharing their insights, perspectives and expertise
- Challenging us and encouraging discussions
- Inspiring the entire WEPA organisation on our path forward

Appointed by the WEPA Supervisory Board, the Council is essential in providing external perspectives, valuable insights and expertise. With this intense and inspiring collaboration, WEPA is taking a crucial step in accelerating its sustainability transformation and is demonstrating its commitment to a sustainable future.

Being a frontrunner also means continuously challenging ourselves. As part of this, the Council meets once a year with the WEPA Management Board to conduct a comprehensive assessment by independent experts of WEPA's sustainability performance in the previous year – combining both quantitative and qualitative evaluation of achievements, ambition levels and strategic direction.

The WEPA Sustainability Stakeholder Advisory Council consists of four highly-competent and renowned international experts with a diverse skill set and broad areas of expertise. The council members are all ambassadors of different fields of our sustainability strategy, chosen in a way that their expertise and abilities cover crucial sustainability topics.

Members of WEPA's Sustainability Stakeholder Advisory Council: Lubomila Jordanova, Stefanie Hauer, Jakob Berndt, Dr. Inna Amesheva (from left to right).

OUR TARGETS & AMBITIONS

To 2026:

- Increase in the annual assessment rating to 4 out of 5.

WHERE WE ARE TODAY

- In 2024, WEPA received a rating of 3.25.

OUR NETWORK AT A GLANCE

Trusted collaboration with external partners is fundamental to how we do business and understand our place in society. We partner with NGOs, industry groups and associations and regional networks across our value chain and support environmental and social projects. Through this dialogue, we drive positive change in key areas such as climate action and resource efficiency. By learning from and benefiting one another, we create value for both people and the environment.

Cradle to Cradle NGO

We are an Impact Partner of the NGO Cradle to Cradle. As part of its business network, we continue to develop the circular economy as a core element of WEPA's sustainability strategy. The NGO aims to establish the concept of a consistent and holistic circular economy based on the Cradle-to-Cradle principles and to connect stakeholders from business, science, education, politics and society.

toMOORow

As part of the Alliance of Pioneers, we aim to use paludiculture biomass from re-wetted peatlands as an innovative fibre source for our hygiene papers. Peatlands play a crucial role in climate protection by storing large amounts of greenhouse gas emissions. The alliance brings together partners from industry, nature conservation, academia and agriculture.

Biodiversity Renaturation of Finnish Moors

Together with our pulp supplier and partner UPM, we are engaged in the renaturation of moors in Finland. These areas have been drained in many parts of the world to create land for agriculture and forestry. By restoring a five-hectare area to its original state through renaturation measures, we create CO_2 sinks and biotopes for animals and plants living in the moors.

Climate Protection Companies Initiative

As a member of the initiative, we have demonstrated our above-average performance in climate protection and energy transformation in a demanding admission process. The initiative brings together companies from various industries that take a leading role in climate protection through the consistent implementation of outstanding innovations and that voluntarily commit to measurable and ambitious goals.

UN Global Compact

We participate in the UN Global Compact Initiative, the world's largest initiative for corporate sustainability. We actively support the 10 principles of the UN Global Compact and promote their establishment in industry, politics and society. The goal of the initiative is to mobilise a global movement of sustainably operating companies to create a more sustainable world.

Gemeinsam umweltneutral handeln e.V.

As a member of "Gemeinsam umweltneutral handeln e.V.", we support the GUH standard, aiming to reduce our products' ecological footprint and convert remaining environmental impacts into costs that are reinvested in the restoration of ecosystems. This holistic approach considers factors such as climate change, land- and water use – ensuring use of resources and natural regeneration remain in balance.

Science Based Targets initiative (SBTi)

The SBTi helps companies set science-based targets to reduce emissions and achieve net-zero emissions at the latest by 2050. WEPA has set a SBTi-validated 1.5°C climate short-term target by 2030. In 2024, WEPA committed to defining a net-zero (long-term) climate target in line with SBTi: achieving net-zero emissions by 2040.

Alliance for Development and Climate

The Alliance for Development and Climate is an initiative launched in 2018 by the German Federal Ministry for Economic Cooperation and Development. As a member, WEPA supports the goals for sustainable development of the United Nations' Agenda 2030 and the Paris Climate Agreement.

"From the supply chain to consumers and politics – our partnership with WEPA demonstrates what it means to implement sustainability holistically."

Heike Vesper,
Chief Executive Transformation & Policies at WWF Germany

Deep dive
Partnering for impact: WWF Germany and WEPA

After years of close collaboration, WEPA has extended its partnership with WWF Germany until 2030 – reaffirming our shared commitment to accelerating sustainable change. In recent years we have worked together on projects advancing climate, resource and freshwater protection, as well as the promotion of circular economy.

With the extension, we have set new priorities. As a supporter of hygiene paper made from recycled fibres, WWF is one of our key partners in making recycled hygiene paper the new standard. Together, we aim to raise awareness about recycling products and clearly communicate their benefits – encouraging conscious choices among consumers, businesses and policymakers. We also continue to advance circularity across our value chain, for example by exploring alternative fibre sources for pulp production and promoting deforestation-free supply chains.

Building on our joint work in nature conservation, we focus on restoring ecosystems. Through our Middle Elbe project, we help protect one of Central Europe's last intact floodplain forests. Measures such as reforestation and the reestablishment of natural flood zones safeguard this unique ecosystem and reinforce its role as a vital habitat for biodiversity. The project is part of the "Blaues Band Deutschland" programme, supported by the Federal Agency for Nature Conservation.

PUBLIC AFFAIRS ENGAGEMENT – ADVOCATING FOR SUSTAINABILITY AND RESILIENCE

WEPA engages transparently in public discourse and political decision-making processes to help shape a more resilient future. We advocate for more sustainable business practices regarding legislative issues and strive to make our voice heard, aiming to drive change. Collaboration with stakeholders such as political leaders, networks, organisations and industry associations are key to understanding our environment and representing our interests effectively.

Political leaders visited WEPA's headquarter in Arnsberg: Cem Özdemir, former German Federal Minister of Food and Agriculture (left), and Terry Reintke, Member of the European Parliament (right).

POLITICAL DIALOGUE WITH KEY DECISION MAKERS AND LOCAL POLICYMAKERS

Company visits by German Federal Agriculture Minister Cem Özdemir and primary candidate of the Green Party for the European Parliament Terry Reintke provided valuable platforms to discuss WEPA's sustainability initiatives and industry-specific challenges. Cem Özdemir's visit focused on peatland rewetting, paludiculture in paper production and renewable energy in rural areas. Discussions with Terry Reintke addressed the role of public funding in the green transition, WEPA's sustainability strategy and European energy policy. Dialogue with local policymakers complements our work at European and federal levels, supporting our strategy and regional goals through transparent, constructive exchange that leads to mutually beneficial collaboration.

DRIVING INNOVATION: THE BIOECONOMY PLATFORM

WEPA's engagement in the German Industrial Bioeconomy Platform emphasises our strategic focus on innovation and ecological transformation. As part of our commitment to bioeconomy, we contribute to cross-sector collaboration that drives sustainable industrial development in Germany – initiated by the Federal Ministry for Economic Affairs and Climate Action.

CAMPAIGN PARTICIPATION: "MADE IN GERMANY. MADE BY DIVERSITY."

WEPA joined the "Made in Germany. Made by Diversity." campaign because we believe diversity drives both economic and social success. Especially in times of growing resistance to issues such as diversity and inclusion across Europe, we stand for tolerance and open-mindedness. At WEPA, people give their best every day – regardless of origin, gender, religion, age or sexual orientation.

EUROPEAN ELECTION CAMPAIGN: PROMOTING PARTICIPATION AND VALUES

The European election campaign allowed WEPA to promote democratic participation, highlight our values as a European family business and advocate for political initiatives relevant to our industry. With many key decisions made in Brussels, we used events and campaigns to raise awareness, share our positions and foster responsible political engagement – internally and externally.

ANTWERP DECLARATION: A COMMITMENT TO SUSTAINABLE INDUSTRIAL POLICY

WEPA supported the Antwerp Declaration to strengthen a competitive, sustainable and resilient European industry. Our participation reflects our commitment to environmental responsibility and advocacy for clean, affordable energy at all production sites, as well as greater recognition of industrial needs in EU policymaking. Through active dialogue, we position ourselves as a voice for sustainable production.

OUR EMPLOYEES ARE AT THE CENTRE OF WHAT WE DO

We are convinced that WEPA's success and its transformational path forward is driven by its people – through their engagement, individual strengths, skills and areas of expertise. In this way, WEPA's People & Culture strategy puts employees at the centre of what we do. We focus on living a Performance with Care culture – a culture where high performance is combined with genuine care for people. Based on our target of offering the best place to work we create an environment where people are valued, engaged and motivated to perform and live up to their full potential.

We have therefore defined WEPA's new Employer Value Proposition on what our employees value most about working at WEPA: our family business culture, future orientation, security and purpose. Furthermore, we focus on several strategic areas.

"In times of skilled labour shortage and demographic change representing a risk, being the best place to work is of highest relevance for WEPA to enable, engage, retain and develop our employees and attract new colleagues."

Florian Schneemann,
Head of Talent Attractiveness & Acquisition

LIFE-LONG LEARNING AND GROWTH OPPORTUNITIES FOR OUR EMPLOYEES

The WEPA Academy is the centrepiece of our ambition to foster a life-long learning culture. It offers our employees and leaders a wide range of tailored development opportunities and combines the three building blocks **enable, inspire and connect**. With a rapidly changing working world – also due to the increasing significance of AI – the WEPA Academy ensures that our employees acquire the right capabilities to drive WEPA's strategic transformation and to meet today's challenges. In 2024, tailor-made learning journeys to enhance AI skills were implemented. To leverage the strengths our employees bring, the WEPA Academy has expanded its Strength Coaching programme - with a special focus on production employees. This coaching aims to empower individuals and teams by emphasising what they naturally do best, ultimately fostering higher engagement, better performance and sustained growth.

To drive our Performance with Care culture, structured feedback and continuous dialogue between leaders and employees are essential. The Performance with Care dialogues establish clear expectations, track progress, enable coaching and define individual action plans. In 2024, the format was rolled out to the WEPA leadership team as the standard across all WEPA organisations.

BRINGING OUR LEADERSHIP CULTURE TO LIFE

To support a constructive leadership culture and empower its leaders, WEPA focuses on practical tools and shared experiences. In 2024, the Leadership Performance Toolbox was rolled-out – a comprehensive guide to WEPA's leadership approach, principles and tools. Furthermore, the annual Leadership & Culture Day for the WEPA European Leadership Team was held. The two-day event focused on enabling self-reflection, personal growth and the development of leadership skills. In 2025, we will focus on accelerating our leadership culture by enhancing our leadership programme with the aim to bring our leadership culture to life at every level of our organisation - especially focusing on production sites.

Deep dive
WEPA Sustainability Days

The WEPA Sustainability Days exemplify how WEPA links life-long learning and leadership development with its ambition to be the frontrunner in sustainability. To bring this to life, WEPA gathered its European Leadership Team in Mainz for the Sustainability Days in September 2024. As sustainability is the foundation of everything we do, this event aimed to deepen leadership engagement, fostering a shared understanding of our sustainability goals, and to define the path ahead.

Over two days, participants took part in discussions, workshops and expert-led sessions. Martin Krengel, CEO WEPA Group, opened with a reflection on how sustainability is deeply embedded in our company's DNA. High-level external guest speakers and members of our newly formed Sustainability Stakeholder Advisory Council provided valuable insights into the critical role of sustainable business practices, reinforcing our collective responsibility.

Interactive deep dive sessions and marketplaces allowed participants to broaden their knowledge on key topics while identifying ways to embed sustainability more effectively across teams and the entire organisation. The event culminated in leadership commitments, with our Management Board and their teams pledging concrete sustainability actions to be implemented in 2025.

2 days

150 participants

Interactive deep dive sessions

providing insights into core pillars of WEPA's sustainability strategy

Distinguished external guests

such as Joschka Fischer (former German Vice Chancellor) and Heike Vesper (Chief Executive Transformation & Policies at WWF Germany)

Marketplaces

covering key aspects of WEPA's value foundation

Sustainability commitments

by our Management Board members and their teams

Introduction of our newly formed Sustainability Stakeholder Advisory Council

DIVERSITY – A SUCCESS FACTOR FOR WEPA

With over 4,300 employees from over 50 nations, we are committed to creating a workplace with fair and equal opportunities for all and fostering a culture of belonging. Building on the signing of the Diversity Charter ("Charta der Vielfalt"), we have taken a holistic approach to diversity, equality and inclusion (DEI), aiming to unlock the full potential of our diverse workforce. A key step was the introduction of a comprehensive data dashboard to track workforce diversity and measure the impact of our DEI initiatives. To anchor DEI strategically, we established the DEI Sounding Board, bringing together WEPA experts from various fields, backgrounds and age groups, while the programme team drives concrete initiatives forward, focussing on the two prioritised diversity dimensions of age and gender. In 2025, WEPA will develop and deploy an awareness and skill-building curriculum for leaders and employees centred on DEI. In 2024, an initiative from employees for employees kicked off the "WOMEN CIRCLE" – a dedicated network for all women within the company. This initiative promotes mutual growth, exchange and empowerment in alignment with WEPA's corporate culture and values. WEPA, especially the People & Culture team, is supporting the internal community.

OUR TARGETS & AMBITIONS

To 2026:

- Employee engagement based on a survey with index > 4 (maximum value 5)*
- Empower employees through continuous developmental feedback – roll-out of Performance with Care dialogues completed for all European sites and in use: 80%
- All of our sites are equipped with at least one get-together room according to Group standards.
- Increase of external employer rating in the kununu rating and Glassdoor to > 4
- Increase the score of the engagement survey question "I would recommend WEPA as the best place to work" within the engagement survey to > 4.25

To 2030:

- We are in the process of further developing our strategic approach to DEI, initially with a focus on the employability of an ageing workforce and gender diversity. Our aim is to constantly increase the proportion of women in our workforce and in leadership roles.
- Our goal is to achieve a gender pay gap of 0%. In the meantime, we aim to reduce it to < 5% by 2030.

* based on the assessment of an internationally recognised institute

WHERE WE ARE TODAY

Highlights 2024:

- Sustainability Days hosted for the first time
- WEPA Academy launched tailor-made AI learning journeys
- Roll-out of Leadership Performance Toolbox
- DEI Sounding Board and programme teams set up to guarantee robust monitoring of DEI across WEPA

Status of target achievement:

- Employee engagement index: 3.84
- kununu score: 3.9
- Score of the engagement survey question "I would recommend WEPA as the best place to work": 4.06

CREATING A PRODUCTIVE AND HEALTHY WORKPLACE ENVIRONMENT

At WEPA, we see workplace well-being as a key foundation for performance and engagement. Our approach is built on three pillars: occupational safety, a supportive physical workplace and a comprehensive Health & Well-being programme that supports physical, mental and social well-being.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is a top priority – especially at our production sites. Together with managers, employees and safety teams, we are continuously strengthening our safety culture to prevent accidents and promote safe behaviour. In 2024, two sites recorded zero accidents. Key initiatives include Safety Days, specially trained safety officers, safety inspections and regular training sessions for all employees.

A central focus in 2024 was preparing all plants for ISO 45001 certification in 2025.

PHYSICAL WORKPLACE ENVIRONMENT

With our "Physical Workplace" project, WEPA is standardising social and break areas across production sites to improve everyday working conditions. These "get-together rooms" foster informal exchange and offer access to digital services. The roll-out began at three sites in 2024, with full implementation planned by 2026. In parallel, we continued modernising office environments based on our activity-based working concept.

This representation resembles the meeting spaces at our WEPA locations.

HEALTH & WELL-BEING

At WEPA we strive for a caring work environment that supports physical, mental and social well-being. We promote vitality and resilience as the basis for a healthy organisation – through prevention, awareness and active participation. Our groupwide Health Days at all sites offer try-outs in sports and relaxation, health checks and activities led by employees themselves. We place much importance on emphasising the shared experience and, wherever possible, getting employees with their individual hobbies involved as exercise instructors. Our EGYM Wellpass programme provides access to fitness and wellness options across Germany and continues to grow. In 2024, over 125 employees participated in our Bike-2-Work initiative, cycling more than 42,000 km and saving over 7.5 tonnes of CO_2 – that's more than once around the globe and a powerful symbol of individual commitment and shared action.

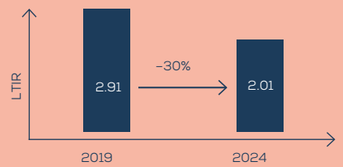
OUR TARGETS & AMBITIONS

→ We commit ourselves, without compromise, to ensure the health and safety of our employees.
→ We aim for zero occupational accidents and a 10% annual reduction in LTIR*

To 2025:
→ Certification of all locations according to ISO 45001

WHERE WE ARE TODAY

→ ISO 45001 certification of six sites
→ Reduction in LTIR* by 30% (compared to base year)



* Lost Time Injury Rate (accident frequency rate)

WEPA'S SOCIAL ENGAGEMENT – A MATTER CLOSE TO OUR HEARTS

The WEPA Group's projects and partnerships aim to create long-term positive impacts on society and enhance people's lives. We believe that engagement, rooted in our corporate values, strengthens social cohesion and has long-lasting positive effects. Guided by our purpose of "Together for a better life", we connect and support people.

In 2024, we further expanded our WeCare initiative, supporting local and national projects in the fields of sports, culture, social affairs and ecology across all WEPA locations. Our in-kind donations of hygiene paper play a vital role in preventing infections and reducing illness. During the severe flood in Poland, WEPA provided urgently needed hygiene paper products. Additionally, financial support was made available through the WEPA Foundation.

ACHIEVING MORE TOGETHER – COLLABORATING WITH THE WEPA FOUNDATION

In collaboration with the company-affiliated WEPA Foundation, we continue to expand our positive societal impact. Since 2020, the foundation has supported around 100 projects focused on hygiene, sustainability, life-long learning and family entrepreneurship.

A key initiative is the "Toiletten machen Schule" competition by the German Toilet Organisation (GTO), which promotes creative, sustainable hygiene solutions for school toilets. As one of GTO's five core sponsors, the WEPA Foundation supports selected schools with funding and guidance. The first German School Toilet Summit brought together experts from education, politics, science and business – highlighting the need for a long-term strategy to turn washrooms into spaces where students feel comfortable.

To raise awareness among the youngest, the WEPA Foundation, in cooperation with WEPA Professional and the HygieneCircle initiative, created the "Sauberzauber Box" (Clean Magic Box) – a child-friendly learning kit for kindergartens. This is stacked with recycled towel paper, soap and two simple experiments to teach children the basics of personal hygiene. The goal: reaching over 15,000 children with playful hands-on hygiene education. As the project was very well received, the box will be translated into further languages. This will enable kindergarten children across all WEPA countries to engage with the importance of hand hygiene in a playful and educational manner.

OUR TARGETS & AMBITIONS

→ Active collaboration with the WEPA Foundation: focus on hygiene and environmental projects
→ WeCare: recognising our responsibility for society and the neighbourhood in the fields of ecology, sports, culture and social affairs

WHERE WE ARE TODAY

→ Expansion of the strategic sponsorship concept for the WEPA Group and all WEPA locations
→ Successful activities in the areas of ecology, sports, culture and social affairs in close cooperation with the WEPA Foundation

wepa STIFTUNG

RESPONSIBILITY IN THE SUPPLY CHAIN AND BEYOND

WEPA is committed to a responsible and resilient supply chain that aligns compliance with sustainability. We carefully select, assess and collaborate with suppliers, service providers and logistics partners to uphold ethical, social and environmental standards.

WEPA works with approximately 8,000 suppliers. Among these, our strategic suppliers are required to comply with the ethical principles of WEPA's Code of Conduct for business partners. Our procurement strategy focuses on quality, sustainability, supply security and cost efficiency. We prioritise regional sourcing: recycled fibres come from local suppliers, while virgin fibres are primarily sourced in Scandinavia and South America. In 2024, we achieved our goal of ensuring our pulp suppliers commit to a deforestation-free supply chain.

To meet human rights and environmental due diligence obligations, we partner with external experts for due diligence assessments. These assessments help us identify risks and implement preventive measures. We joined SEDEX to begin ESG audits using the SMETA standard in 2025. The audits will cover our suppliers as well as our own operations. We also engage with key suppliers to clarify legal requirements and expectations and will introduce standardised ESG training programmes to support their sustainability development.

To enhance our procurement practices, we have launched a comprehensive Procurement Excellence Programme, set for rollout in 2025. It will standardise supplier selection, refine evaluation processes and ensure alignment with evolving sustainability regulations.

OUR TARGETS & AMBITIONS

→ 100% of WEPA's strategic suppliers share WEPA's values in accordance with the Business Partner Code of Conduct.
→ Our pulp suppliers commit to a deforestation-free supply chain.

To 2025:
→ WEPA commits to a deforestation-free and conversion-free supply chain.

WHERE WE ARE TODAY

→ On-site audits in Uruguay and audits at chemical suppliers in Germany
→ Implementation of sustainability criteria in on-site audits and supplier evaluations
→ Commitments of strategic pulp suppliers to a deforestation-free supply chain were presented to WEPA.
→ Continuation of the project with NGOs WWF and Nextra to achieve a deforestation-free and conversion-free supply chain

QUALITY STANDARDS FOR SAFE PRODUCTS

Many of our hygiene papers such as toilet paper, facial tissues and kitchen paper come into contact with consumers' skin or with food on a daily basis. The quality and product safety standards complied with by the WEPA Group as part of its comprehensive quality management are correspondingly high. Through monitoring of current and upcoming legal changes we ensure that all relevant legislative requirements are met. We comply with all current specifications even when selecting raw materials. As part of our converting and processing, quality is controlled using physical product analysis technology.

OUR TARGETS & AMBITIONS

→ We are committed to continuously avoiding, reducing or replacing potentially harmful ingredients beyond legal requirements.
→ We create transparency regarding all ingredients used.

WHERE WE ARE TODAY

→ The best possible raw material selection as well as the quality and production standards of our products contribute to the protection of the environment and consumer health.
→ Continuation of the development of a roadmap for strategic chemicals management

FUTURE FIBRES

We aim to use raw materials with the best ecological performance based on circular economy.

THREE FIBRE SOURCES

Wood-based fresh fibres from certified forestry and plantation management

Recycled fibres from recovered paper and recycled cardboard

Non-wood alternative fresh fibres, e.g. from Miscanthus

MAKING OUR FIBRE PORTFOLIO FUTURE-READY

Hygiene paper requires significant amounts of raw materials – making fibre sourcing a key lever for sustainability at WEPA. Recycling is our top priority to reduce environmental impact. By supporting biodiversity projects in wood-based fresh fibre production and identifying non-wood fresh fibres, we are contributing to more sustainable fibre choices and uses – with a clear focus on circularity, biodiversity and resource efficiency.

RECYCLING AS WEPA'S TOP PRIORITY

WEPA is a frontrunner in the use of recycled raw materials. For decades, we have focused on high-quality recycled fibres, convinced that they are the most sustainable raw material for hygiene paper. When wood-based fresh fibres are first used in products such as office paper or packaging, they go through a number of life stages before entering hygiene paper production. Recycled fibres are therefore essential to prevent fresh fibres from being used only once and lost from the material cycle – helping reduce fresh fibre use and enabling the reuse of our raw materials.

This approach follows the principle of cascade utilisation. Used cardboard and corrugated board are particularly valuable in this context: they are widely available and often already recycled several times. Since entering the market with this raw material in 2022, WEPA has taken fibre circularity to a new level – by not only using high-quality recovered paper, but also by integrating lower recovered paper grades into hygiene paper production.

This innovation is driven by intensive R&D and supported by significant investments. WEPA is upgrading its stock preparations of recycling plants step by step and has committed to scale capacities to achieve a share of 60% recycling fibre. For example, in 2024, stock preparation capacities at our site in Giershagen were expanded to utilise cardboard as a raw material, supporting the growth of our beige product range.

Our high-quality recycled fibres are also valuable for the paper and packaging market. At WEPA Greenfield in Château-Thierry, we produce 130,000 tonnes of de-inked pulp (DIP) annually. This DIP is ideal for graphic paper, kraft paper for food packaging and tray packaging used for electrical appliances and catering. Our sustainability report is printed on paper made from our in-house DIP, making these products a strategically important component of our circular economy strategy.

INNOVATIVE FRESH FIBRES FROM NON-WOOD SOURCES

To maintain recycling loops, paper production still requires a certain share of new material flows such as fresh fibres. To substitute the share of wood-based fibres in the long term with non-wood alternatives, WEPA is expanding the use of locally grown, low impact materials such as Miscanthus and paludiculture fibres. This development is backed by targeted R&D and investments in new technologies to secure future-ready raw material sources.

Miscanthus, a fast-growing grass cultivated in the Netherlands since 2012, has been part of our fibre portfolio since 2022. At our Dutch site in Swalmen, we are building the world's first hygiene pulp facility based on Miscanthus – designed as a zero-waste system where all by-products are reused or recycled. Miscanthus can be harvested annually for up to 20 years, offers a higher fibre yield than wood, and matches the softness and quality of hygiene paper based on wood-based fresh fibres – with a smaller ecological footprint.

Paludiculture fibres, sourced from reeds grown on rewetted peatlands, offer another innovative route – combining raw material production with climate and biodiversity benefits (see page 36).

RESPONSIBLE USE OF WOOD-BASED FRESH FIBRES

As the share of alternative fresh fibres in our portfolio is still limited, wood-based fresh fibres remain an essential part of our fibre mix. Due to their environmental impact, this valuable renewable resource is handled with particular care, with a strong focus on ecological sourcing conditions. As planned, WEPA reached its target of sourcing 100% FSC®- or PEFC-certified wood-based fresh fibres. In close collaboration with our partners, we continuously work to improve the sustainability of fibre sourcing – including the development of biodiversity criteria and responsible forest management practices.

78%
less energy*

Up to
80%
lower ecological footprint*

87%
less water*

Deep dive

The fact-based foundation for ecological top-performers: our recycled fibres

At WEPA, we work with a clear focus: reducing the ecological footprint of our raw materials through scientific evidence. To evaluate the ecological impact of our fibres, we conduct Life Cycle Assessments (LCAs) that go beyond CO_2 emissions (global warming potential) – covering factors such as land use, water consumption and resource depletion.

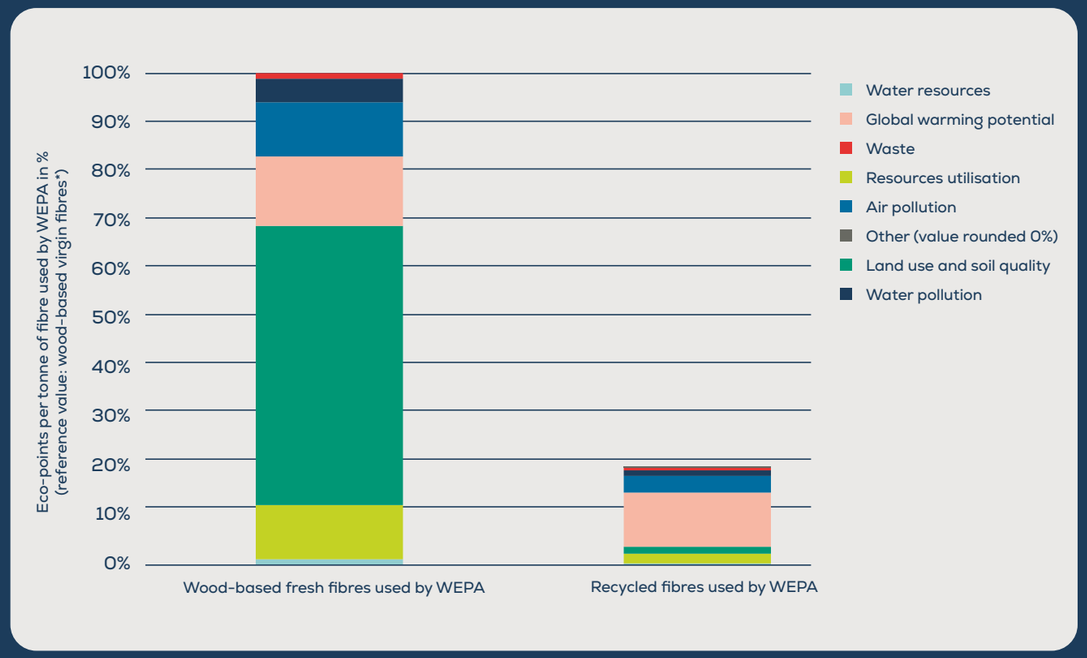
To ensure a holistic perspective and avoid trade-offs between environmental indicators, we use the Ecological Scarcity Method (FOEN 2021). It translates environmental damage into weighted impact points, allowing consistent and credible fibre comparisons. The interpretation of our results support similar conclusions from the study "Updated Life Cycle Assessments of Graphic and Tissue Paper" (UBA, 2022).

Our analyses show that our recycled fibres can reduce the overall ecological footprint by up to 80% compared* to the wood-based fresh fibres currently used at WEPA. One key factor is land use. By reusing existing fibres, we minimise the need for land to grow fresh fibre – reducing pressure on ecosystems and contributing to biodiversity protection. In contrast, fresh fibre production requires large areas of land, which can negatively affect soil quality and biodiversity.

The production of our recycling fibres also consumes 78% less energy and 87% less water than fresh fibres used at WEPA. Producing fresh fibres is energy-intensive, particularly due to the conversion of wood into pulp. Even if biomass is used – often seen as CO_2-neutral – the energy input remains high, while recycled fibres only need to be reprocessed.

Building on this foundation, we aim to strengthen our scientific capabilities, partner with leading European research institutions and NGOs and align with policy developments – to show the sustainability of our raw materials through evidence-based decisions.

*Figures refer to the comparison between recycled fibres at WEPA and wood-based fresh fibres used at WEPA.



* The ecological footprint is calculated as part of a Life Cycle Assessment. We calculate the Life Cycle Assessment of our virgin fibres and recycled fibres based on ISO 14040 and ISO 14044, and using the Ecological Scarcity Method published by the Swiss Federal Office for the Environment (FOEN) in 2021. The eco-points (UBP) per unit of volume are used in the calculation. The calculated key figure in UBP is the ecological footprint. For the calculation, the environmental impact of the fibres used by us is assessed from raw material extraction to shipment (cradle-to-gate), taking into account aspects such as land use (the biggest driver of reduction), water resources, utilisation of resources and emissions (e.g. climate change and depletion of ozone layer). These environmental impacts are set in relation to a tolerated target quantity (e.g. from environmental quality targets and limit values anchored in international agreements).

For further information on our scientific approach

TURNING CLIMATE PROTECTION INTO A BUSINESS CASE

WEPA AS A FOUNDING MEMBER OF THE ALLIANCE OF THE PIONEERS

Interview with Dr. Stefanie Figge-Wegener
Sustainability Manager Project & Technology

→ Interview by Anja Friederich

In 2024, our strategic focus was to explore new raw material sources to diversify our fibre portfolio over time and to further strengthen circular concepts that are becoming a growing source of raw materials for WEPA. This includes continued work on alternative fresh fibre types such as paludiculture, as well as the expansion of established initiatives such as cardboard retrieval and towel paper recovery.

Why is WEPA part of the alliance?

Dr. Stefanie Figge-Wegener: The Alliance of the Pioneers takes an innovative approach: combining climate and biodiversity conservation with economic benefits. It brings together industries such as paper and materials with scientific institutions such as Greifswald Mire Centre to explore whether and how rewetted peatlands can be economically attractive. Farmers are involved intensively from the beginning to ensure that the needs of both producer and customer are met.

At WEPA, we see huge potential in rewetting peatlands for both our products as well as climate and biodiversity protection. WEPA is set to be the first manufacturer to produce hygiene paper from regional peatland biomass, securing a new, sustainable raw material.

What is paludiculture, and why are peatlands so important for climate protection?

Dr. Stefanie Figge-Wegener: Paludiculture is the cultivation of wetland plants such as reeds and sedges on rewetted peatlands. These can be harvested and used in hygiene paper, paper and packaging as well as construction and insulation materials.

Peatlands are critical carbon sinks – intact, they store twice as much carbon as the biomass of all forests combined. But drained, they become major CO_2 sources - in Germany, they cause 37% of agricultural greenhouse gas emissions. Rewetting stops emissions while unlocking new economic opportunities.

How are economic solutions being developed?

Dr. Stefanie Figge-Wegener: We are building value chains for paludiculture biomass from cultivation to integration into industry. Long-term contracts will provide farmers with stable income. If scalable, this model aligns raw materials sourcing with ecosystem restoration.

What are the next steps?

Dr. Stefanie Figge-Wegener: Following promising lab trials, we are now scaling up to launch test production of hygiene paper from reed biomass at our Dutch site in Swalmen. If successful, this will lay the foundation for long-term peatland rewetting and the development of a reliable supply chain. Beyond production, we seek to expand our platform by bringing in new partners – to help create the policy and societal conditions needed for large-scale implementation.

Since 2024, the WEPA Foundation has been a founding member of the Alliance of the Pioneers. The mission: preserving peatlands as valuable CO_2 sinks while making their sustainable use economically viable. The alliance is part of the toMOORow Initiative, led by the Environmental Foundation Michael Otto and the Succow Foundation, partner of the Greifswald Mire Centre.

FROM CUSTOMER TO PRODUCTION – HOW WEPA RETRIEVES CARDBOARD FOR RECYCLING

Retail and industrial operations generate large volumes of cardboard – a valuable resource for our products. To recover this potential, we launched an initiative for retrieving cardboard packaging, developed in close cooperation with our partners.

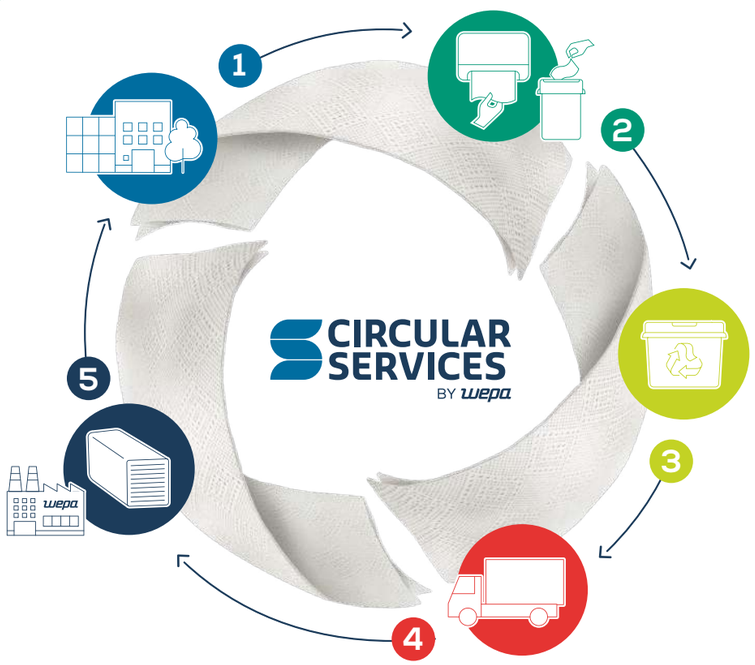
Cardboard collected from our customers is directly returned to WEPA. It is then processed in our stock preparation and turned into new hygiene paper products – which then go back to our customers. This significantly shortens the value chain and reduces transport distances. In some cases, our delivery trucks even collect used cardboard on their return trips to our sites.

In 2024, we expanded the initiative with a volume of 3,300 tonnes, including major retail chains such as Müller Drogerie, Albert Heijn, dm and Lidl. Looking ahead to 2025, we expect to more than double the volume of returned cardboard. For WEPA, this initiative is a key step in promoting circular material flows and a growing part of our raw material diversification strategy – delivering value to customers and consumers alike.

CLOSING THE LOOP WITH TOWEL PAPER

Used towel paper doesn't have to be waste. Our collection concept helps make washrooms more sustainable and circular: instead of mostly ending up as residual waste at our customers, the material is collected and becomes a raw material for recycled hygiene paper – which then returns to our customer's washrooms. This loop reduces the use of primary raw materials and supports a more resource-efficient hygiene system.

In Germany, we significantly expanded collection volumes in 2024 – made possible by targeted marketing and sales activities. In 2025, we aim to expand our presence in the Benelux region and launch operations in France.



Collected towel papers in 2024:

60.84t
DACH & Benelux

SHAPING THE BIOECONOMY – WEPA AS A MEMBER OF THE GERMAN INDUSTRIAL BIOECONOMY DIALOGUE PLATFORM

In addition to expanding alternatives to wood-based fibres, WEPA is politically engaged in creating the conditions for an efficient and responsible use of biomass. As climate change affects land use and defossilisation advances, biomass is becoming an increasingly critical and limited resource. Reliable frameworks are essential – both to support our value chain and to drive the broader shift towards sustainable material use. This aligns with our vision of combining circularity and cascading use with a functioning bioeconomy.

To support this ambition, WEPA is an active member of the Industrial Bioeconomy Dialogue Platform initiated by the German Federal Ministry for Economic Affairs and Energy. The platform connects representatives from science, government, civil society and industry – including sectors such as chemicals, paper and food. It aims to shape the future use of biomass in Germany and to position the country as a hub for sustainable technologies and materials.

WEPA participates as one of the representatives of the paper industry, which has a high demand for biomass. Our specific interest lies in promoting recycling, cascading use and the sustainable allocation of biomass across industries – ensuring its use where it creates the greatest value within the cascade. In addition, we support the development of market-based instruments to strengthen the use of renewable and recycled carbon in products.

The goal is clear: to help build a successful bioeconomy in Germany – and to ensure that this valuable resource is used efficiently and purposefully, without increasing the pressure on our ecosystems.

OUR TARGETS & AMBITIONS

To 2030:

→ Sales products made from at least 60% recycled fibres and non-wood fresh fibres*

→ Reduction of the fibre portfolio ecological footprint by 25%**

* Reference value: finished goods + sold semi-finished goods + sold DIP
** calculated using the ecological scarcity method (FOEN 2021)

WHERE WE ARE TODAY

Highlights 2024:

→ Increasing recovered volumes through our customer return systems such as cardboard retrieval and towel paper recovery

→ Becoming a member of the tomorrow initiative Alliance of the Pioneers

→ WEPA as an active member of the German Industrial Bioeconomy Dialogue Platform

Status of target achievement:

→ 100% of our wood-based fresh fibres derived from FSC® (FSC®-C016151) and PEFC (PEFC /04-32-0775) certified sources

→ In 2024, 33% of our sales products were made from recycled and non-wood fresh fibres

→ No significant change in the footprint of our fibre portfolio compared to the base year

83.9% FSC®-C016151
16.1% PEFC/04-32-0775

ECOLOGICAL PERFORMANCE OF OUR PRODUCTION

We aim for a carbon-neutral, zero-waste production and a sustainable water footprint.

POWERING THE FUTURE – EVERY STEP COUNTS

Our hygiene paper production is energy-intensive – which makes the energy transformation essential for securing the long-term supply of vital hygiene products and the future viability of our European business. Transformation is complex and cannot be achieved overnight. Like a puzzle, every step matters – and only over time will the full picture emerge.

Electrification is the central pillar of our energy transformation. However, a flexible energy mix is essential to strengthen competitiveness and ensure long-term resilience. We are committed to aligning our decarbonisation path with the target of limiting global warming to 1.5°C, as set out in the Paris Agreement. By 2030, we will reduce our relative Scope 1 and 2 emissions and relative Scope 3 emissions by 52.5% compared to 2019 and aim to reach net zero by 2040. To achieve this, we will define a 1.5°C-aligned long-term transformation path in 2025 – complementing our existing 2030 target.

OVER € 30 MILLION INVESTED SINCE 2021

To turn ambition into action, WEPA launched a company-wide European transformation programme in 2021, involving all sites. The programme focuses on energy efficiency increase, expanding on-site electricity generation, and the implementation of large-scale electrification projects. Since 2021, we have invested more than € 30 million to date – € 8.7 million in 2024. Key projects include optimised vacuum production using efficient turbo blower technology, installing a new steam boiler in Piechowice to support the phasing out of coal, and introducing biomass-powered boilers in Müschede and Lille. New steam boilers are also being installed at Bridgend and Kriebstein which are essential for hygiene paper production.

72% OF ELECTRICITY MIX FROM RENEWABLES

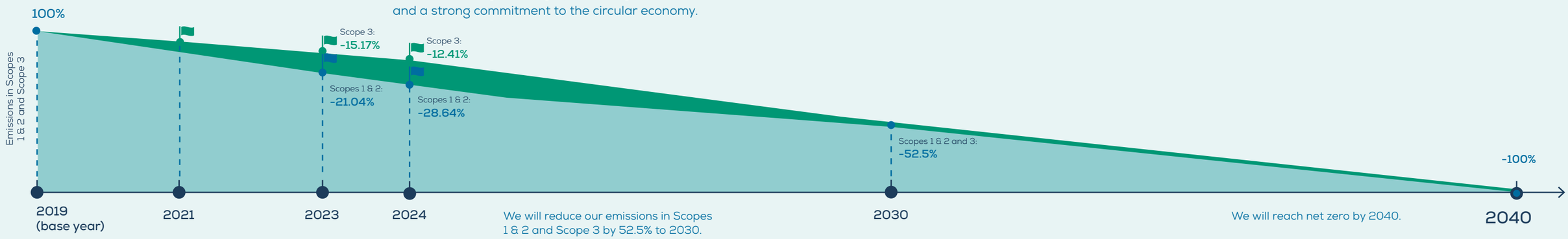
In parallel, we are expanding the use of renewable energy – solar, wind, and hydropower. In 2024, 72% of our electricity mix came from renewable sources. To support this shift, we are combining on-site PV generation with external green power sourcing (long-term Power Purchasing Agreements) – further accelerating the transformation of our energy system.

Additionally, to expand our long-term energy options, WEPA became part of HydroNet – a project backed by the German Federal Ministry for Economic Affairs and Climate Action that repurposes a former gas pipeline for green hydrogen. The project aims to connect our site in Müschede to the pipeline, enabling hydrogen supply for industrial use.

OUR TRANSFORMATION PATH

Decarbonisation Scopes 1, 2 and 3
We are increasingly electrifying our production processes, generating our own energy and investing in long-term Power Purchase Agreements (PPAs). There are already PV systems at many of our sites, with more to come. Our focus is not only on decarbonising our own company, but also on reducing Scope 3 emissions through strategic purchasing decisions and a strong commitment to the circular economy.

Our ambition: net zero by 2040
We will fulfil our commitment by transforming our production and investing in technologies to offer net-zero products that integrate into the circular economy. In 2025, we will define our 1.5°C-aligned long-term reduction target by 2040, complementing our existing 2030 goal.



Bernhard Gross, Director Group Excellence (left) and Florian Heinecke, Head of Energy Procurement & Energy Management (right)

OPPORTUNITIES AND CHALLENGES OF WEPA'S ENERGY TRANSFORMATION

Interview with Bernhard Gross,
Director Group Operational Excellence and
Florian Heinecke,
Head of Energy Procurement & Energy Management

→ Interview by Anja Friederich

With ambitious climate targets, WEPA is advancing the energy transformation in the hygiene paper industry. Two of our energy transition leaders explain what it takes – and where the biggest levers lie.

What does the shift to renewable energy mean for WEPA – beyond environmental benefits?

Bernhard Gross: For a successful energy transition, WEPA must solve a trilemma: reducing carbon emissions, securing energy supply and optimising costs. We are directly affected by volatile prices and uncertain availability. That's why we must remain flexible: ready to use locally available energy sources today, while preparing for alternatives such as renewable electricity, hydrogen or biogas.

We call this our flexibility-based path to sustainability. In practice, it means that our production sites operate on more than one fuel. We combine different energy sources into what we call a 'mix of energy carriers'. This ensures continuous operation, even when limited sources fluctuate. It reduces risk, enhances resilience and allows us to benefit from competitive prices in a dynamic energy market. By doing so, we actively shape this transformation rather than reacting to it. We strengthen our energy portfolio, reduce financial risks and reinforce our leadership position in sustainability.

What concrete measures has WEPA already implemented?

Bernhard Gross: Our energy transformation began with a strong focus on many immediate efficiency measures, but also included projects such as new, energy-efficient paper machines at our sites in Bridgend and Piechowice and fuel-switching measures such as the biomass plant in Müschede. An innovative heat pump at WEPA Greenfield marks our move towards electrifying heat generation.

Going forward, we are intensifying efforts to electrify processes by gradually replacing gas-fired assets with flexible electric solutions such as hybrid hoods, electric boilers, high-temperature heat pumps and energy storage systems.

A key driver of these efforts is our group-wide transformation programme. By turning ideas into scalable action, over 110 initiatives have been implemented since 2021.

What are the biggest challenges in the transformation process, and how is WEPA addressing them?

Florian Heinecke: The current energy market is highly volatile – shaped by geopolitical tensions, regulatory developments and financial instability. For WEPA, this makes securing stable, affordable energy a major challenge.

New and even existing technologies often require major investment and infrastructure – from grid upgrades for electrification to hydrogen delivery. Even with strong progress in renewables, key elements such as storage – essential for balancing fluctuating generation – are not yet fully mature. In addition, authorisation processes or local opposition can slow down or even block sustainability projects.

Our response is flexibility. We apply this beyond our sites as well. As a family business, we also invest in local renewable infrastructure – such as wind and solar parks – to support regional supply and strengthen our long-term energy security.

What are the key milestones WEPA must achieve over the next decade to reach net-zero emissions by 2040?

Florian Heinecke: Our net-zero ambition is backed by clear interim targets.

A key milestone for the coming years is to realise a CO_2-neutral site – a flagship project that will serve as a testing ground and blueprint for decarbonisation operations across our production sites. It will allow us to effectively test, scale and standardise climate measures.

To accelerate progress, we collaborate with research institutions, policymakers and industry partners to help us overcome transformation barriers and strengthen our role as a driver of the energy transformation – actively contributing to climate change mitigation.

DECARBONISATION ACTIONS ALONG OUR PRODUCTION PROCESS

1. REDUCING ENERGY CONSUMPTION

OPTIMISING STEAM GENERATION

In 2024, WEPA's site in Bridgend took a step towards reducing its carbon footprint by planning the installation of two new energy-efficient steam boilers, set to be installed by spring 2025. They replace the previous combined heat and power (CHP) plant with two boilers dedicated solely to steam production.

Steam is essential in paper production, playing a critical role in heating raw materials in the stock preparation and drying the paper. Previously, the CHP plant generated both heat and electricity from natural gas. Going forward, the new steam boilers will take over process heat production, saving around 11,000 tonnes of CO_2 equivalents – unlocking significant sustainability potential.

REDUCING ENERGY ACROSS THE VALUE CHAIN

Our efforts to cut energy consumption go beyond Scope 1 and include upstream and downstream processes. By using recycled fibres – which require 78% less energy than the wood-based fresh fibres we otherwise use – WEPA helps reduce overall energy demand across the lifecycle of its products. This, in turn, actively supports the reduction of Scope 3 emissions for our customers.

100%
use of renewable electricity for the production of our recycled fibres.

2. FROM ROOFTOPS TO SOLAR PARKS: SCALING RENEWABLES

As electrification drives our energy transformation, we are investing in renewable electricity generation. WEPA set the target of switching entirely to renewable electricity by 2030. This will cut emissions and expand green power capacity – both within our operations and by supporting the growth of market-wide renewable infrastructure. Our approach combines investments in wind energy, on-site solar power and long-term Power Purchase Agreements (PPAs):

Photovoltaic systems are already operating or being installed at sites such as Lucca, Troyes, Leuna and Müschede. In Leuna, a rooftop installation across three buildings will soon deliver 1.94 MWp (maximum installed capacity). By 2025, WEPA's total rooftop capacity will exceed 3 MWp to cover the demand of almost 1,000 average households. On-site generation reduces grid dependence – but cannot meet our total demand. To close this gap, we rely on PPAs. One contract secures fixed-price electricity from a new solar park in Germany, producing nearly one-third of the demand at one of our German sites. When selecting PPAs, we focus on high-quality PPAs – from newly built plants that add new green power capacity to the market and often depend on our fixed-price commitment for their implementation.

WEPA commits to 100% renewable grid electricity by **2030.**

3. FUEL SHIFT: BIOMASS STEAM PLANT

Fuel-shift measures refer to replacing fossil energy sources with more sustainable alternatives. In some cases, a direct switch to renewables is not yet feasible – we then use transitional technologies to phase out fossil fuels step by step. At our site in Müschede, for instance, a new biomass steam plant will go into operation in 2025. It will be powered by regional waste wood. By using this biomass, we can replace natural gas, previously used for steam generation, at this site by 60%.

4. ENABLING PIONEERING TECHNOLOGIES

As a founding partner of the Model Factory Paper, WEPA actively contributes to shaping a low-emission future for the paper industry. Together with research partners, we develop breakthrough innovations to reduce energy consumption by up to 80% in stock preparation and paper machine operation.Key focus areas include waterless production, the electrification of key process steps, the integration of heat pumps and the digitalisation of production. Digital twins of paper machines help simulate how changes affect the use of energy, water, and chemicals – enabling smarter, more efficient decisions.

The extended project team and the WEPA Management Board at the biomass steam plant in Müschede.

OUR TARGETS & AMBITIONS

Climate neutrality 2040: according to the SBTi net-zero standard

To 2030: SBTi 1.5 °C target
→ Reduction of carbon emissions (compared to base year 2019)
- 52.5% CO_2eq emissions/t* in Scopes 1 & 2
- 52.5% CO_2eq emissions/t* in Scope 3

→ Target achievement is supported by:
+ 10% energy efficiency**

WHERE WE ARE TODAY

Highlights 2024:
→ Successful implementation of 29 transformation projects with a total investment volume of more than € 8.7 million
→ Increase in the share of renewable electrical energy to 72%
→ WEPA commits to 100% renewable grid electricity by 2030

Status of target achievements (compared to 2019):
→ Reduction of relative Scope 1 & 2* emissions by 28.64%
→ Reduction of relative Scope 3* emissions by 12.41%

12.41% reduction due to measures such as improvement of our pulp suppliers or use of materials with lower carbon emissions and 6.28% changes due to methodological adjustments in the area of transport data basis and waste water treatment.

→ WEPA direct and indirect greenhouse gases 2024

Scopes 1 & 2: 39%
459,264 t CO_2 eq
0.54 t CO_2eq/t*

Scope 3: 61%
709,182 t CO_2 eq
0.84 t CO_2eq/t**

* Reference value: finished goods + semi-finished goods sold + DIP sold
** Total energy consumption in MWh/t of semi-finished goods produced

WATER: MANAGING A VITAL RESOURCE RESPONSIBLY

With water playing a crucial role in our production – such as for disintegration of waste paper and virgin pulp – we recognise its value as both an essential resource and a shared responsibility. As part of a water-intensive industry, we are directly impacted by water-related risks while also contributing to them through our usage. Increasing water scarcity, prolonged droughts and extreme weather events underscore the urgency of sustainable water management – to safeguard our operations and minimise our environmental footprint.

In partnership with the WWF, we have committed to Water Stewardship across our value chain. This includes the Water Stewardship Programme, which looks not only at our production sites but also at the nearby water basins. Using a customised system based on the WWF Water Risk Filter, we systematically assess risks such as water scarcity, water quality and flooding – enabling us to take proactive measures in good time. Our goal is clear: to use water efficiently and responsibly, without compromising the availability or quality of local water bodies.

In 2024, we intensified our efforts by conducting a group-wide review of water management practices. As part of an internal initiative, each site was assessed to identify best practices, uncover water-saving opportunities and raise awareness around responsible water use. At our Cassino site, for example, a joint project with a regional university revealed more than 30% potential for optimisation. Building on these insights, we will develop tailored improvement plans for each site in 2025 – ensuring further reductions in freshwater consumption and targeted mitigation of local water risks.

Beyond this engagement, we support the WWF "Middle Elbe" project to protect one of Central Europe's largest alluvial forests. In the Alliance of the Pioneers, we engage in rewetting peatlands – vital for biodiversity, natural water storage and flood protection, supporting future non-wood fresh fibre sourcing.

OUR TARGETS & AMBITIONS

- Contextualised entrepreneurial water risk targets by 2030:
  - Reduction of corporate water risks to a nominally low water risk
  - No WEPA Group location may have a high risk category.
- Water risks in the supply chain and in the river basin:
  - Addressing water risks along our value chain and advocating for the establishment of water stewardship
- Commitment beyond the supply chain:
  - Raise awareness of biodiversity protection with partners and commit to the conservation and restoration of natural habitats in riverine areas

WHERE WE ARE TODAY

- The WEPA Group has an average medium risk.
- One location has a high water risk in relation to physical water risks (risk category > 3.6*). These include water availability and flood risk.
- Water withdrawal**: 9.1 l/kg
- Internal programme initiative to reduce the operational water risk at each site
- Inclusion of the topic of water in our supply chain responsibility
- Annual enquiry of key water figures from our pulp suppliers and inclusion in our raw materials management
- Involvement in the WWF renaturation project for the Middle Elbe

* Corporate water risk: very high risk (> 4.21), high risk (3.41–4.20), increased risk (3.01–3.40), medium risk (2.61–3.00), low risk (1.81–2.60), very low risk (1.00–1.80)
** weighted average, reference value: semi-finished goods produced + DIP produced

FUTURE-ORIENTED MANAGEMENT OF RESOURCES

For WEPA, keeping raw materials in the loop goes beyond using recycled fibres in our products – we actively work on developing and improving material cycles, turning waste into valuable resources and exploring new applications, both within and beyond our core business.

Throughout our production processes, various material streams accumulate that are not directly usable for paper manufacturing. During recovered paper processing, metals and plastics are removed and separately collected, while printing inks and fillers are extracted, resulting in dewatered paper sludge. These materials should be used as efficiently and ecologically as possible.

We align with the European approach to a modern circular economy, following the EU Waste Framework Directive and its waste hierarchy. Waste prevention is our top priority. At the same time, we continuously reduce disposal volumes by reintegrating fibre residues and tissue brokes into the recovered paper processing cycle. Careful sorting at all our sites enables high-quality recycling of materials such as metals, wood and packaging waste, while sludge from stock preparation is used in brickworks and ash in the cement industry. Non-recyclable residual materials are used for energy recovery.

In 2024, we developed a Zero Waste and Secondary Raw Materials Strategy for all our sites.

DRIVING INNOVATION THROUGH CIRCULARITY

In 2024, we developed a Zero Waste and Secondary Raw Materials Strategy for all our sites to optimise recycling streams and keep materials in circulation longer. A Waste Risk Score was introduced to assess critical waste types based on factors such as volume, disposal costs, environmental impact and operational safety risks. This Waste Risk Score also identifies the sites where action is most urgently needed.

By the end of 2025, we will have defined site-specific measures and finalised sub-strategies for our most significant by-products, including paper sludge and ash. Through this targeted approach, we are not only reducing waste but also unlocking new value creation potential for high-quality products made from secondary raw materials.

OUR TARGETS & AMBITIONS

To 2025:
- 100% material or energy recovery from production waste

To 2026:
- Reduction of corporate waste risk score to level 3 (medium risk)*
- 100% material or energetical utilisation, with focus on high-quality recycling (if not prohibited by regulations, e.g. laboratory chemicals, asbestos)

To 2030:
- Reduction of corporate waste risk score level 2 (average low waste risk)*
- Achieving Zero Waste 2030 is an ambition that we are pursuing on the basis of the targets specified above. This means at least 80% material usage of waste, and only 20% of waste allowed for energy recovery if residues from energy recovery are recycled.

WHERE WE ARE TODAY

- WEPA Group has a waste risk score level of 4*
- Development of Zero Waste and Secondary Raw Material Strategy and definition of site-specific measures in 2025

* waste risk score categories from low risk (1) to high risk (6)

SUSTAINABLE HYGIENE PAPER PORTFOLIO

We aspire to offer the most sustainable hygiene paper portfolio to make our customers successful.

Miscanthus grass, a non-wood fresh fibre used for our hygiene paper products.

SETTING NEW STANDARDS – POWERED BY RECYCLING AND PARTNERSHIPS

Hygiene paper is an essential part of our daily lives, used everywhere, every day, by everyone. It plays a crucial role in providing health to society, for example by helping to prevent infectious diseases through proper hygiene practices. As a key provider of sustainable hygiene solutions, our two business units WEPA Consumer and WEPA Professional are continuously developing both: our product portfolio and our role as a concept supplier. Through our sustainable hygiene solutions, we aim to balance modern hygiene needs with resource conservation by providing products that meet the high standards of hygiene and reduce environmental impact.

By working closely with our partners and customers, we expanded the presence of our fibre innovations – recycled hygiene paper made from cardboard and packaging and the non-wood fresh fibre Miscanthus grass. Both innovations are included in our own brands, such as Satino PureSoft, BlackSatino GreenGrow and mach m!t PURE as well as in private labels in the consumer sector.

Making recycled hygiene paper the norm takes more than innovation – it depends on strong, trusted partnerships. By including our products in their assortment, our customers play a key role in establishing recycled hygiene paper as a standard in the market. We are grateful for their commitment, which actively supports WEPA's mission. At the same time, WEPA actively helps its customers expand their sustainable product offerings, reinforcing their environmental commitments and shaping a more sustainable future.

BEIGE IST BESSER CAMPAIGN

To increase awareness among end consumers, one of the biggest highlights of 2024 was not only a first in WEPA's history but for the entire industry: a consumer-specific campaign – a bold step for a company traditionally focused on business-to-business operations. With "Beige ist besser" (Beige is better), we made sustainability simple and engaging, proving that hygiene paper made from cardboard matches the quality of fresh fibre products while significantly reducing environmental impact. Since introducing beige and unbleached hygiene paper is still considered disruptive, the campaign aimed to reframe the narrative – demonstrating that sustainability and premium quality go hand in hand.

CO-CREATING CHANGE

While "Beige ist besser" brought sustainability into the consumer spotlight, WEPA Professional focused on embedding beige hygiene paper as a credible, sustainable choice of professional customers. Through direct customer engagement and sustainability assessments, we helped partners better understand the value of these innovations. But we did not just raise awareness, we created impact. Workshops, industry events and hands-on demonstrations – such as Sustainability deep dive sessions and field events at our Dutch Miscanthus cultivation sites – provided profound insights into the environmental benefits of our fibre solutions and how they help reduce the environmental impact of hygiene in daily life. Through regular strategic exchanges and co-creation for sustainable solutions across Europe, along with sustainability assessments, we helped partners better understand the value of these innovations.

RECOGNITION FOR SUSTAINABILITY EXCELLENCE

After winning the Bundespreis Ecodesign in 2023, WEPA was honoured with multiple awards in 2024, marking a further milestone on its journey to becoming a frontrunner in sustainability. The German Sustainability Award and the European Cleaning & Hygiene Award were particularly noteworthy, recognising both the company's innovative hygiene paper solutions and its exceptional commitment to sustainability.

GERMAN SUSTAINABILITY AWARD: LEADING THE WAY IN CIRCULARITY

WEPA received the German Sustainability Award in the category "Paper, Cardboard and Pulp" – Germany's highest honour for environmental and social engagement. The award highlights WEPA's industry-leading achievements in recycling, climate protection and biodiversity, all of which are central pillars of WEPA's sustainability strategy.

The jury was particularly impressed by WEPA's strong commitment to the circular economy. By using cardboard fibres in its hygiene paper products, WEPA is reshaping the entire value chain – from raw materials to end use by consumers.

"This award is a special recognition for the tremendous efforts we have made to embed sustainability into our company and across the value chain," says Dr. Stefan Gräter, Director Group Sustainability. "It affirms our direction and motivates us to stay the course."

WINNER
German Sustainability Award Companies 2025

EUROPEAN CLEANING & HYGIENE AWARD: RAISING THE BAR

Further recognition came with the European Cleaning & Hygiene Award in the category "Sustainability – Best Practice", awarded to WEPA's professional brand Satino by WEPA. Once again, the jury praised the company's innovative recycling approach and its flagship hygiene paper Satino PureSoft that is 100% recycled from cardboard and packaging.

"After winning the German Ecodesign Award for 'Satino PureSoft' and the Purus Innovation Award for 'GreenGrow' in 2023, this recognition is further proof that we offer outstanding sustainable concepts in the European market," says Patrick Schumacher, Managing Director Business Development and Marketing, WEPA Professional.

The European Cleaning & Hygiene Award, presented by the European Cleaning Journal, is the only award programme that celebrates excellence across the entire European hygiene and cleaning sector.

EUROPEAN CLEANING & HYGIENE AWARDS 2024
WINNER

GERMAN PACKAGING AWARD: IN COLLABORATION WITH GOLDEIMER

In collaboration with Goldeimer, WILDPLASTIC®, and Bischof+Klein, WEPA has been honoured with the 2024 German Packaging Award in the Sustainability category. This recognition celebrates our pioneering achievement in developing the first toilet paper packaging made from 50% wild plastic. This involves plastic that is found outside the recycling cycle in illegal landfill sites or in nature, especially in countries such as India, Ghana or Thailand. Thus, the innovative packaging solution not only helps remove plastic waste from the environment, but also reintegrates it into existing recycling systems.

GERMAN PACKAGING AWARD 2024

Celebrating success: WEPA Sustainability Team with the German Sustainability Award (left) and WEPA Professional with the European Cleaning and Hygiene Award (right)

Not bleached. But celebrated.

It started with a roll. Now it's a movement.

In 2022, WEPA started a revolution with beige hygiene paper: a product that is not only especially environmentally friendly, but also sets new standards in terms of softness. Made from recycled cardboard, unbleached and produced to protect resources, beige hygiene paper brings together high environmental standards with a pleasant user experience – and even with a colour: beige.

But what makes beige hygiene paper technically and ecologically a winning solution often still needs to be explained in day-to-day life. The reason for this is that many consumers initially associate the colour beige with the rough recycled paper of the days of old. This is exactly where our Germany-wide "Beige ist besser" campaign came in: with a wink of the eye, clear messages and a bold design – hygiene paper had never been advertised like this before.

The product itself was the centre of attention. The colour and benefits were marketed intensively – supplemented by highly noticeable headlines, a surprising tonality and a claim that sticks in people's minds: "Beige ist besser" (Beige is better). Attention was generated across a variety of media, throughout Germany and for specific target groups.

Activities included out-of-home posters, adverts, social media, programmatic ads, POS materials and much more. Together with retailers and supported by touchpoints such as **beige-ist-besser.de** and **@beigeistbesser** on Instagram, we were able to fuel people's enthusiasm across multiple channels.

The campaign was also strongly expanded on social media: wide-reaching influencers, all.is.pretty.interior, Casa Carlo, Kiki do you love me and Charlotte Schüler created authentic content for the specific target groups. The mix of everyday life, humour and product proximity inspired followers and led to many interactions, and the campaign was a complete success: with over 140 million impressions on five channels and more than 345,000 clicks, the campaign exceeded the set benchmarks many times over. The campaign concept itself was also honoured with the German Brand Award in two categories:

Excellence in Brand Strategy and Creation – 360° Campaign

Excellence in Brand Strategy and Creation – Circular Brand of the Year

german brand award '25 winner

What started so successfully is of course to be continued in 2025. The new "Beige ist besser" campaign is a consistent further development, and this time puts the consumer at centre stage. Lots of testimonials, new ideas and a giant sea of fluffy toilet paper will once again achieve a wealth of enthusiasm this year. After all, as the saying goes: **"Beige ist besser".**

20-WEEK
CAMPAIGN PERIOD

Highlights from 2024 – the best moments of the softest campaign.

FIND OUT MORE

5
CHANNELS

142,165,691
IMPRESSIONS GENERATED ONLINE

345,316
CLICKS GENERATED

40,301,736
IMPRESSIONS GENERATED ON TIKTOK

52,825,557
IMPRESSIONS GENERATED ON INSTAGRAM

A paper that's softer than me & has many more benefits besides!

SUSTAINABLE PRODUCT PERFORMANCE

WEPA'S SUSTAINABLE PORTFOLIO COMPASS

At WEPA, we approach product sustainability holistically – with the Sustainable Portfolio Compass as our central tool. It enables us to evaluate the sustainability performance of our products across the entire value chain, based on a broad set of indicators including raw materials used, packaging, logistics and the use of recognised certifications such as the Blue Angel or EU Ecolabel.

Based on the performance in all indicators, each product is assigned to one of four categories: Deviator, Observer, Driver or Pioneer. Products in the Pioneer category set new sustainability standards in the market. The tool provides clear insights for our customers, helping them better understand the sustainability impact of the products they sell – while also allowing us to identify targeted improvement areas and track progress internally.

As one of the indicators in the Sustainable Portfolio Compass, packaging is also considered in this assessment. Currently, we use up to 60% post-consumer recycled (PCR) content in our plastic product packaging. The total volume of material for our primary packaging was made up of 29% PCR in 2024.

As of today, 100% of WEPA's tissue product portfolio is being assessed automatically using our Sustainable Portfolio Compass. To further enhance transparency and identify improvement levers, we are updating our methodology, with full implantation planned for 2025. The revision includes, among other elements, the integration of Product Carbon Footprints (PCF). Regular updates ensure the methodology remains a dynamic benchmark, reflecting new developments and standards.

OUR TARGETS & AMBITIONS

To 2026:
- 60% of our packaging material is made from recycled material.*
- Increase in the annual quantity of primary savings of 8,000 tonnes of primary plastic in our packaging**

To 2030:
- 60% of our turnover is generated with products in the two leading segments "Driver" and "Pioneer"
- Products in the "Deviator" segment are discontinued or further developed.

WHERE WE ARE TODAY

Highlights 2024:
- "Beige ist besser" campaign
- German Sustainability Award in the Corporate Category 2025
- European Cleaning & Hygiene Award for Satino PureSoft

Status of target achievement:
- 39% of turnover is generated with products in the leading segments "Driver" and "Pioneer".
- 29.4% of material** for plastic packaging has been converted to recycled material.
- Savings of over 4,400 tonnes of primary plastic in our packaging**

* based on total weight of primary packaging
** packaging: sales packaging, outer film and stretch film

INNOVATIVE PORTFOLIO EXTENSION

We are expanding our existing portfolio through innovation and circular economy principles to boost resource efficiency across our value chain.

DRIVING THE CIRCULAR TRANSFORMATION

As a frontrunner in sustainability, we have prioritised the sustainable development of our corporate portfolio in our strategy. Our aim: to actively shape the transition towards circular economy – not only within our existing business, but beyond.

To take this ambition further, we established WEPA Circular Solutions: a business unit that concentrates our expertise, resources and innovation efforts around strategic areas such as the recovery of valuable materials from waste streams, closing of industrial water cycles with innovative technologies and exploring the use of renewable raw materials in entirely new applications. With a holistic view on value creation, WEPA Circular Solutions drives the transformation of our processes, materials and systems – with the clear goal of achieving zero waste.

In close alignment, WEPA Ventures expands our reach by investing in start-ups that pioneer circular technologies in fields such as Green & Cleantech, sustainable materials and industrial innovation. Through these collaborations, we combine entrepreneurial drive with industrial scale – and create tangible impact across and beyond our value chain.

HOW WEPA IS EMBEDDING CIRCULAR ECONOMY ACROSS ITS BUSINESS AND BEYOND

THE STRATEGIC DECISION BEHIND WEPA CIRCULAR SOLUTIONS

Interview with Carl-Luis Rieger,
Director Diversification & Cooperation,
WEPA Circular Solutions

→ Interview by Anja Friederich

Why did WEPA establish WEPA Circular Solutions – and why now?

Carl-Luis Rieger: Every year, global resource use exceeds the planet's regenerative capacity – a gap that's growing. This drives resource scarcity and increasing waste. Tackling this requires a systemic shift in how we produce, consume and reuse materials.

Circular economy is no longer a niche. It's becoming a major market driver – fueled by environmental urgency, regulatory pressure and economic opportunity. A clear shift from linear to circular value chains is underway.

Circularity isn't new for WEPA. Since the 1980s, we've led in recycled hygiene paper. What began as innovation has become a core element of our sustainability strategy.

With WEPA Circular Solutions, we are taking circularity at WEPA to the next level. This new business unit builds systems around our core business that reduce environmental impact and create economic value. It helps structure and accelerate our initiatives – strengthening WEPA's resilience and unlocking growth in the circular economy.

> "With WEPA Circular Solutions, we are taking circularity at WEPA to the next level. This new business unit builds systems around our core business that reduce environmental impact and create economic value."

Where will WEPA Circular Solutions make a difference?

Carl-Luis Rieger: WEPA Circular Solutions develops scalable circular business models through partnerships, strategic equity and infrastructure investments. We aim to foster sustainable growth, boost resilience and contribute to circular value creation – for WEPA and the wider industry.

We focus on:

1. Offsite Renewable Energy Generation
2. Alternative Circular Fibres
3. Circular Industrial Water Treatment
4. Side Streams to Value
5. Circular Economy Enabler Technologies

Our approach combines company building, investments in independent renewable energy, and partnering with green tech start-ups to drive innovation.

What are your key priorities?

Carl-Luis Rieger: In 2025, our focus is on turning ambition into action across three strategic pillars:

1. Build New Circular Businesses: We will launch our first joint ventures to transform side streams from waste into value. This marks a fundamental shift in the paper industry and opens the door to further circular business opportunities.

2. Invest in Renewable Energy Assets: We aim to reach construction readiness for a wind energy project in Germany and build a strong project pipeline to support our long-term goal: a 120 MW portfolio.

3. Expand our Venture Capital platform: We will double down on our Family Venture Capital strategy, with three to five investments per year. Our recent deals in frontier technologies have proven the value of active ownership and collaboration.

What are the main challenges?

Carl-Luis Rieger: Scaling circular solutions means tackling structural barriers – from technical hurdles to regulatory complexity. Supportive policies and targeted investments are crucial. And shifting mindsets, both in supply chains and markets, takes time. That's why cross-sector collaboration is essential to create real-world impact.

What's the vision for 2026–2027?

Carl-Luis Rieger: Our aim is to position WEPA as a circular economy leader. WEPA Circular Solutions will deliver measurable progress on sustainability and resource efficiency – creating long-term value and driving our transformation toward a more circular, resilient hygiene paper industry.

FIELDS FOR SCALING CIRCULARITY

To drive the circular transformation of our business, WEPA Circular Solutions concentrates on strategic areas. Each addresses key challenges in sustainability and resource use – laying the foundation for scalable solutions across fibres, water, energy, technology and residual materials.

CIRCULAR ECONOMY ENABLER TECHNOLOGIES

We invest in technologies that scale circularity – digitally and physically – across products, processes and data flows.

Focus areas:
→ Recycling and sorting innovations
→ Cradle-to-cradle tracking and tracing
→ Circular product design tools and product lifecycle optimisation

CIRCULAR INDUSTRIAL WATER TREATMENT

Water is essential to our production processes. We work on improving efficiency, reducing emissions and using smart treatment technologies to recover valuable materials from wastewater streams.

Since hygiene paper is typically a single-use product, we are particularly driven by the question of whether it is possible to recover fibres after they have entered the wastewater system. Instead of directing toilet paper solely to energy recovery or disposal, we explore how such fibres could be brought back into use – particularly in innovative, non-hygiene applications such as construction materials.

Focus areas:
→ Materials recovery from waste streams
→ Water risk management and emissions analytics software
→ Membrane and filtering technologies

SIDE STREAMS TO VALUE

At WEPA, we generate substantial waste streams – around 40% of our waste comes from side streams in production. We aim to reduce waste by developing scalable solutions that turn by-products into valuable resources. Across more than 60 waste categories, we explore new uses through internal innovation and targeted investments via WEPA Ventures. A key focus is on our largest waste stream: paper sludge. While it is already recycled, for example in the brick industry, we are on the verge of innovative applications that unlock even greater value.

Focus areas:
→ Upcycling of paper sludge and other residuals
→ Zero-waste strategies and full circularity
→ Smart waste analytics and valorisation

wepa VENTURES

WEPA VENTURES: FUELING THE FUTURE OF CIRCULARITY THROUGH START-UP COOPERATION

Through WEPA Ventures, we partner with European start-ups that drive industrial sustainability. By fostering cooperation with the WEPA Group, we provide WEPA with early access to transformative technologies, supporting our diversification strategy in the circular economy. For our portfolio companies, this means an acceleration towards developing a product that fits the markets' needs. Since our founding in 2020, we have invested in over 20 start-ups and have built several active partnerships. In line with WEPA Circular Solutions, we focus on start-ups developing technologies in the areas of sustainable materials, industrial transformation and Green & Cleantech. Examples include Resourcify (digital waste management platform) and Cirplus (B2B platform for circular plastics).

WASE

"WEPA's deep industry knowledge helps us adapt and apply our technology for maximum impact in the paper sector. We're excited to partner with a team that shares our vision for circular water solutions and look forward to creating real, measurable change together."

Thomas Fudge, CEO & Co-Founder

Our portfolio company WASE offers modular plug-and-play solutions to treat previously untreatable wastewater streams directly onsite. This supports our Circular Industrial Water Treatment strategy by enabling cost savings, closing water loops, and generating biogas to replace fossil fuels.

Alongside reputable venture capital investors, we joined WASE's latest funding round – driven by our conviction in the team, the product and its market potential. At WEPA, we currently evaluate how their technology can complement our existing infrastructure and help minimise fibre loss in line with our circularity goals. For WASE, the partnership provides deep industry insights and supports their go-to-market strategy in the paper sector.

encosa

"Partnering with WEPA gives us direct insight into high-impact business cases in different countries. Their feedback helps us fine-tune our solution to better serve the energy needs of complex industrial environments."

Sascha Koberstädt, CEO & Founder

Encosa optimises industrial energy infrastructure through a one-stop-shop battery storage solution – perfectly aligned with our Green & Cleantech focus. By removing complexity for their customers, they accelerate the adoption of this key technology for a more resilient and cost-effective energy system.

As a Circular Economy Enabler Technology, their solution supports the shift away from fossil-based processes – offering major potential for energy-intensive industries. Alongside valuable technology insights and tailored services for our team at WEPA, Encosa gains practical input on industrial energy needs to further refine their offering and strategy.

OUR TARGETS & AMBITIONS

- 100% of investment decisions are evaluated through a mandatory sustainability assessment.
- 100% of investments* create positive value for society and have either no significant or exclusively managed ESG risks.

* For M&A, joint ventures and venture activities, the capital invested is considered for achievement of the objective. For in-house developments for portfolio extension, development budgets are considered for achievement of the objective.

WHERE WE ARE TODAY

- 100% of WEPA Ventures activities have been evaluated and meet our targets for investment decisions.
- In 2024 the following investments were made, among others: Ronja, Southern Lights, WASE and Encosa.

Deep dive

Sustainability as a core principle in investment decisions

At WEPA, sustainability is a mandatory criterion for all investment decisions. To operationalise our commitment, we introduced the ESG Rating Tool in 2021. This tool ensures that 100% of portfolio extension – whether in start-ups, acquisition, or internal innovations – is systematically assessed for environmental, social and governance (ESG) impact and potential risks before approval.

Used in WEPA Ventures and Group Innovations already, the tool is now applied within WEPA Circular Solutions. To enhance the quality of our evaluations and align with SFDR Article 9*, we have expanded our assessment framework to include economic factors alongside ESG criteria to provide a holistic view of investment opportunities. The updated approach now considers market demand, revenue potential and scalability, helping us identify high-impact and high-potential ventures. Additionally, the sustainability impact assessment now incorporates alignment with the Sustainable Development Goals (SDGs), quantitatively measuring a venture's contribution and its overall performance against these targets.

We have also enhanced our process with stage-specific assessment for start-ups, applying tailored KPIs for Pre-Seed, Series A and beyond. Regular reevaluations ensure investments remain aligned with sustainability goals, allowing criteria to evolve as businesses develop.

* SFDR Article 9: refers to the highest sustainability classification under the Sustainable Finance Disclosure Regulation (SFDR), requiring investments to have a clear sustainability objective and demonstrate measurable positive impact on environmental and social factors.

wepa | Together for a better life

WEPA SUSTAINABILITY STATEMENT 2024

SUSTAINABILITY STATEMENT

ESRS 2 GENERAL DISCLOSURE

ESRS 2 BP-1

| General basis for preparation of sustainability statements

WEPA's sustainability statement has been prepared based on the EU Corporate Sustainability Reporting Directive (CSRD) and the underlying European Sustainability Reporting Standards (ESRS). At the time of this statement's publication, the CSRD had been postponed by the EU Parliament as part of the so-called "Stop the Clock" proposal. It remains to be seen what the final version of the standards will look like and what changes may occur. Based on the current state of knowledge, WEPA will be required to report for the reporting year 2027. In order to be well prepared for the reporting obligation, we have decided to begin implementing the CSRD requirements now and to align our reporting accordingly. This means that the requirements are not yet being fully met by us. We will closely monitor the changes to the CSRD and underlying ESRS and adjust our reporting accordingly.

WEPA's sustainability statement has been prepared on a consolidated basis. All fully consolidated companies are included in the sustainability statement, which reflects the same scope of consolidation as the financial statement. The upstream supply chain is covered by the statement.

ESRS 2 BP-2

| Disclosures in relation to specific circumstances

The reporting period for the sustainability statement is chosen according to the financial statement and represents the full business year 2024. When referring to a short-term time horizon, the relevant period is one year. Medium-time horizons cover the span from the end of the short-term reporting period up to five years. Long-term time horizons cover more than five years.
Any methods used for estimations are described in the context of the respective data points. Uncertainties and errors in previous reporting are made transparent in the context of the respective data.

ESRS 2 GOV-1

| The role of the Management Board and Supervisory Board

The WEPA Group has a two-tier governance model consisting of the Management Board and the Supervisory Board. The Supervisory Board consists of three members including the Chairman, all of which are independent. The Supervisory Board advises and monitors the Management Board and appoints the members of the Management Board. The Management Board consists of five members including the CEO, all of which are executive board members. The Management Board of the WEPA Group is responsible for managing the company in accordance with our strategy programme "Perform & Transform - WEPA 2026" and based on our corporate values of respect, commitment and sustainability.
The Management Board has experience from all sectors and products relevant to WEPA, such as pulp and paper, packaging, forestry, energy, chemicals, R&D, people and culture as well as finance and accounting. Additionally the board has broad experience in consumer goods related topics such as enabling transformation processes with a clear strategic focus on circular economy. The experience of the Management Board provides the relevant skills and expertise in WEPA's operations and business model across all geographic locations and markets relevant to the company.
The Supervisory Board has a deep understanding of WEPA and its relevant business areas, including WEPA's sustainability strategy and targets.
The Management Board including the CEO have versatile experience and skills in the field of sustainability, e.g. in sustainability reporting and assurance, including double-materiality processes, ESG governance (including corporate governance), energy and climate policies, labour laws, contributing to ESG-related regulations and lobbying, human rights, diversity, green transition, stakeholder management, supply chain management and circular economy. The director of sustainability also ensures that the sustainability department consists of experts that have the skills and expertise necessary to effectively implement and advance sustainability matters.
The age of the Supervisory Board members varies from 43-78. The age of the Management Board members varies from 36-68. Neither the Supervisory Board nor the Management Board has female representatives.

Monitoring, management and oversight of impacts, risks and opportunities

Each board member is responsible for the tasks of their respective departments and business areas. There is weekly individual coordination among the board members and a monthly comprehensive overview of the company derived from updates of the individual board departments. The monthly updates cover operational business development, financial situation and liquidity planning, strategy implementation, risk assessment, forecast and performance monitoring. Quarterly deep dives cover topics such as the achievements of the business units, strategy implementation with a focus on achieving the goals in the areas of finance, sustainability, people and culture, strategic partnerships with customers and brand building.
The CEO is responsible for WEPA's sustainability strategy and activities. The head of sustainability reports regularly to the CEO. The director of sustainability and the sustainability department are responsible for the implementation of the sustainability strategy. As the sustainability strategy pertains to WEPA's entire business and is a cross-functional task, the sustainability department also has a steering function to monitor and manage the implementation of the strategy by supporting and advising other departments.
The sustainability department is also responsible for conducting the double materiality analysis according to the ESRS requirements, including the assessment of impacts, risks and opportunities (IROs). The process of managing and overseeing IROs will be further formalised and embedded into WEPA's corporate risk management system in future.

ESRS 2 GOV-2

Information provided to and sustainability matters addressed by Management Board and Supervisory Board

WEPA's material corporate risks are reviewed on a yearly basis by the Management Board and the group function management systems, responsible for the corporate risk management system. The review also includes an evaluation of targets and the effectiveness of group policies. The Supervisory Board is informed on a yearly basis about high risks issues by the Management Board and the risk manager as part of management systems. The Management Board is also informed regularly about ESG issues, including impacts, risks and opportunities, by WEPA's director of sustainability. The Supervisory Board is also briefed yearly about WEPA's sustainability strategy and targets as well as significant impacts, risks and opportunities. While significant ESG impacts, risks, and opportunities are addressed, the process does not yet explicitly cover the impacts, risks and opportunities as defined and assessed during the double materiality analysis. A formalisation and closer alignment with the corporate risk management system is planned for the future.

ESRS 2 GOV-3

Integration of sustainability-related performance in incentive schemes

Most of the executives of WEPA, including the Management Board, are part of the so-called World Programme. The World Programme determines personal goals for executives in the following categories:

- Strong profitability & financial stability
- Most efficient company in our industry
- Performance with Care culture
- First class partner for our customers
- #1 in sustainability in our industry
- Best place to work
- Diversification in circular economy

The category "#1 in sustainability in our industry" also includes climate-related targets. The personal variable compensation of the executives depends on the achievement level in these categories.

ESRS 2 GOV-4

Statement on due diligence

WEPA has established a due diligence process in accordance with the UN Guiding Principles on Business and Human Rights and the international fundamental rights and principles in the workplace recognised by the International Labour Organization (ILO), as well as the main processes and measures of WEPA's sustainability due diligence. Basis of the due diligence process are our WEPA Code of Conduct, WEPA's Code of Conduct for Business Partners and our Human Rights Policy. Details are described in the relevant disclosures of this sustainability statement.

WEPA's due diligence processes and measures	Information included in sustainability statement
Environmental due diligence	E1-2 Policies, p. 17 E3-1 Policies, p. 26-27 E4-2 Policies, p. 33-34
Social due diligence	S1-1 Policies related to own workforce, p. 51-54 S2-1 Policies related to value chain workers, p. 72-73 S2-2 Processes for engaging with value chain workers about impacts, p. 73-74
General due diligence	G1-1 Business conduct policies and corporate culture, p. 82-83 G1-2 Management of relationships with suppliers, p. 83 G1-3 Prevention and detection of corruption of bribery, p. 84

ESRS 2 GOV-5

Risk management and internal controls over sustainability reporting

WEPA has an established corporate risk management system. Risks are identified and re-evaluated at least once a year. Those with a high financial risk are reported to the Supervisory Board annually. No risk has yet been defined in relation to sustainability reporting and internal control systems have not yet been established concerning sustainability reporting. Both the risk definition and the implementation of internal control mechanisms for sustainability reporting are planned to be implemented for the future.

ESRS 2 SBM-1

Strategy, business model and value chain

WEPA is a future-oriented European family business specialising in the production and distribution of sustainable hygiene paper. We offer sustainable and innovative hygiene solutions that provide a safe feeling of hygiene and contribute daily to the well-being of millions of people throughout Europe.
Our products toilet paper, kitchen towels, handkerchiefs, cosmetic tissues, towel paper, napkins, centerfeed rolls, de-inked pulp, cleaning rolls, doctor's rolls, dispensers, soaps, toilet seat cleaner, sanitisers and air fresheners. In 2024, the production capacity of the 22 paper machines and 80 converting lines was around 750,000 tonnes of finished goods.
WEPA has 14 sites across Europe – in Germany (5), France (3), Italy (2), Great Britain (2), Poland (1) and the Netherlands (1). WEPA has opened an office in Mumbai, India, as part of its IT & Digital division. This move strengthens our capabilities in AI, data analytics and smart factory technologies and underlines our commitment to aim for technological leadership in the hygiene paper industry. Around 4.300 employees currently work at WEPA. WEPA's revenue according to the consolidated income statement amounted to €1.8 bn in 2024.

WEPA's Business Units

The Consumer Business Unit specialises in private label products for European retailers, e-commerce partners, and consumers, while also offering WEPA brands such as mach m!t, Comprami, Scala and Perla. With 75 years of expertise, WEPA is a leading provider of sustainable and innovative hygiene paper for the European retail sector.
The Professional Business Unit delivers high-quality, sustainable hygiene solutions for commercial and public sectors, including washroom concepts, hygiene papers and dispenser solutions under its brands Satino by WEPA and BlackSatino. It also produces hygiene papers for specialist wholesalers' own brands and offers services such as towel paper recovery.
The Business Unit Circular Solutions will frame our diversification efforts in the circular economy area and become a significant growth opportunity and contributor to our strategy alongside our business units Consumer and Professional. Initially, the activities will focus on "Offsite Renewable Energy Generation", "Circular Economy Enabler Technologies" and "Side Streams to Value" investments, structured through the entities WEPA Green, WEPA Ventures and WEPA Circular Solutions as subsidiaries of WEPA SE and operating within WEPA Group's matrix structure.

WEPA.digital GmbH was founded at the beginning of 2020 and is responsible for the digitalisation of the WEPA Group. The interdisciplinary and international team of experts for new technologies supports the company in its digital transformation. The focus is on the digitalisation of production (Smart Factory), the future of supply chains (Digital Supply Chain) and the transformation of the working environment (Digital Workplace). In addition, WEPA.digital is responsible for the development of the WEPA.cloud as the basis for state-of-the-art technology solutions, comprehensive data analyses and the use of artificial intelligence. WEPA.digital is based in Düsseldorf.
Wepa Ventures is a family venture capital firm investing across Europe in early-stage opportunities. WEPA Ventures partners with start-ups that have the potential to impactfully transform the hygiene, health and FMCG industry with us towards more sustainability and customer centricity.
WEPA Green consolidates WEPA's energy generation activities. WEPA aims to become more independent from the volatile energy market and use more self-generated green energy and PPAs today and in future.
The large-scale production of de-inked pulp (DIP) at our French location WEPA Greenfield in Château-Thierry is a speciality. We produce high quality DIP from 100% recycled fibres. These are not only a valuable raw material for our own range of hygiene paper, but also an alternative to virgin fibres for paper and packaging manufacturers on the market. This makes our DIP products a strategically important component of our strategy to focus on the circular economy with a particular emphasis on the cascading use of fibres.

WEPA's holistic sustainability approach

As a family business, WEPA acts with a long-term perspective and on a strong value-based foundation. Our ambition is not only to run a successful business, but to create lasting value for society.
This mindset shapes our culture and guides how we operate: with our focus placed on people, in line with regulations and societal expectations and in close dialogue with our stakeholders. Building on this foundation, we are transforming our business to address the core challenge of our industry: safeguarding essential hygiene needs while reducing resource use.

Hygiene and resource use – a growing societal challenge

For a modern society, hygiene paper products fulfil the essential needs to secure hygiene and well-being. With our products, we provide health to society and aim to ensure access to high hygiene standards for generations to come. Yet meeting these essential needs comes with a challenge: the production of hygiene paper requires significant natural resources – many of which are used only once. This creates a growing dilemma between social health benefits and the environmental impacts of resource use.

Driving circular economy – expanding sustainability around our value chain

Beyond fibre recycling, WEPA is also rethinking material sourcing. That's why WEPA also focuses on identifying and scaling non-wood based alternative raw materials with a lower ecological footprint than wood-based fibres. Over the past years, WEPA has invested a three-digit million sum to expand recycling and non-wood based fibre production capacities.
In addition, we look at what leaves our production process: side streams such as paper sludge hold untapped potential for innovative applications. To push this transformation further, we established Circular Solutions – our business unit focused on turning these opportunities into scalable, circular solutions around the entire value chain.

Water and energy – securing the foundation of production

Producing essential hygiene products for society is inherently energy- and water-intensive. This is why, alongside a sustainable fibre portfolio, the efficient use of water and the transformation of our energy system are critical to WEPA's long-term viability.
Our energy strategy focuses on electrification and decarbonisation, with the goal of achieving net zero by 2040. To support the energy transformation and water efficiency, WEPA invests in energy infrastructure and water-saving technologies across its operations.

Market and consumer – enabling change through choice

Sustainable transformation can only succeed if consumers choose to be part of it. More sustainable products only make an impact if they are accepted and purchased. Since recycled hygiene paper is still not the norm, we launched our first end-consumer campaign "Beige is better" to reframe perceptions: showing that recycled hygiene paper matches fresh fibre quality while having a lower environmental impact.

WEPA's value chain

In WEPA's upstream value chain, pulp suppliers are a key business partner. Further important suppliers supply recycled fibres, chemicals and act as service providers. We mainly work with European suppliers. Our pulp is primarily sourced in Scandinavia, South and Middle Europe and South America. We exclude pulp suppliers from Asia due to a high risk of infringing on human rights and environmental requirements. Recycled fibres are sourced regionally, mainly in Middle Europe.
WEPA has long business relationships with the key business partners. We have established a robust supplier management process to enhance the sustainability of our value chain. This includes risk assessment for new suppliers that require onboarding, continuous risk surveillance of strategic supply partners and preferred suppliers, periodic evaluations of non-strategic supply partners and active engagement with our suppliers to drive sustainability practices.
Across its business units, WEPA perceives its business relationship with customers to be a partnership: our business goes beyond selling the actual product or service. We work on innovative, more sustainable concepts and products. WEPA wants to be partner of choice for its customers which also involves sharing knowledge on sustainability matters such as circular economy or science-based targets for climate. We are actively working to establish further partnerships to develop innovative products and solutions in line with our sustainability and circular economy targets.

ESRS 2 SBM-2

Interests and views of stakeholders

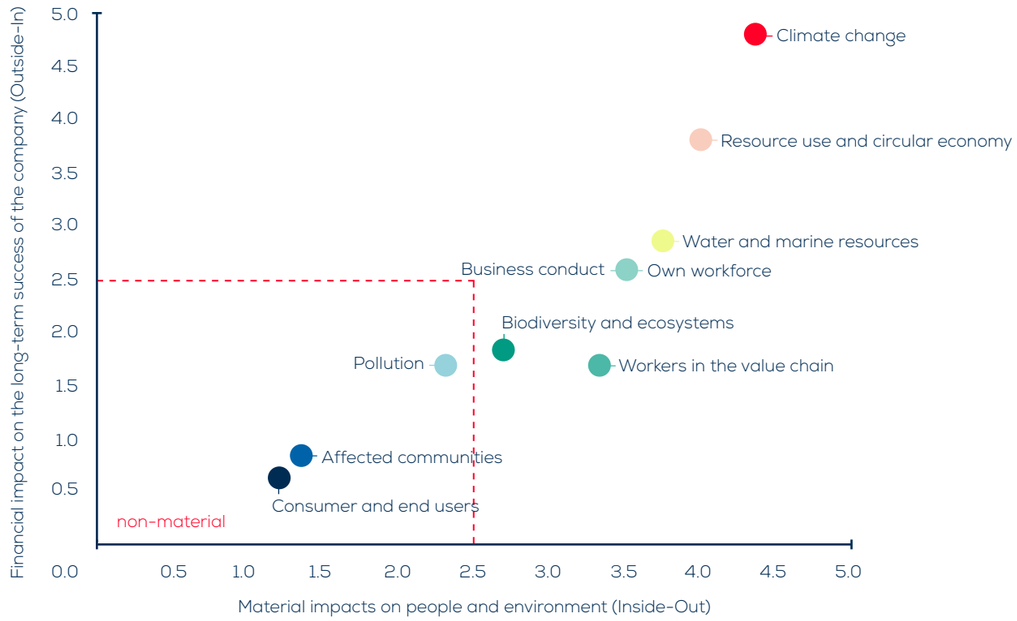
WEPA is committed to interact with stakeholders internally and externally on the basis of our values of respect, commitment and sustainability.
WEPA's key stakeholders consist of employees, customers, consumers/end-users, suppliers, service providers, investors, NGOs and policymakers as well as industry associations.
WEPA engages regularly with all key stakeholder groups. One important aim is to build on our partnerships and to start new projects with suppliers and service providers as well as our customers (e.g. reclaiming cardboard as a raw material or hand towel paper collection). We value stakeholder feedback to inform our sustainability and corporate strategy. Stakeholder feedback is shared regularly with WEPA's Management Board. The stakeholder perspective was also included in the preparation of the double materiality analysis.
We rely on long-term business relationships based on partnerships with our suppliers and service providers and take responsibility along the supply chain. With suppliers and service providers alike we have long-term partnerships and work on strategic projects, e.g. increasing the share of recycled material in our plastic packaging, the material use of our waste streams or increasing efficiency in logistics. In addition to day-to-day cooperation, WEPA evaluates suppliers on a yearly basis and carries out extensive on-site audits at its pulp suppliers.
WEPA's sales and marketing teams together with the sustainability team are the key interface to our **customers**. WEPA focuses on creating long-term partnerships that go beyond selling our products and services: we strive to create added value and be the partner of choice for our customers. We collaborate with our customers to make our products and portfolio more sustainable. We regularly conduct workshops with the WEPA sustainability, sales and marketing teams and our customers to improve the sustainability performance of products or establish new concepts such as reclaiming cardboard packing as a raw material for new products.
The public affairs department at WEPA is a key contact to manage relationships with our **political stakeholders**. We are in regular contact with politicians at federal, state and EU level to clearly understand their actions. We also interact with local political representatives. In addition, we participate in political and legal consultations. We prioritise communication and transparency when working together with political representatives and decision makers on all levels in order to drive forward our projects and sustainability strategy.
WEPA is an active member in regional, national and European **industry associations,** especially in the paper industry, and actively participates in working groups in order to contribute our expertise and knowledge and ensure effective representation of our interests.
WEPA also partners with **NGOs** such as WWF and Cradle2Cradle NGO. These partnerships allow us to share and reflect on our ambitions and goals with others and to tackle the challenges of a sustainable transformation together.
Our **employees** are a highly significant stakeholder group, and engagement with our employees is a top priority. An annual employee survey measures the commitment and satisfaction of our workforce. The WEPA works council is important for the representation of our employees' rights and perspectives.
WEPA's investor relations team is the key contact for our **investors** and in regular contact with quarterly calls, conferences twice a year and attendance of road shows. Sustainability issues (e.g. the sustainability strategy in general, energy projects, raw material, handling of waste stream, supply chain topics) play a major role in the exchange and are discussed regularly and in great detail. The sustainability department is involved and supports the dialogue.
WEPA values the perspective of its stakeholders and considers it to be vital to inform our strategy and business model. The perspective of internal and external stakeholders is important to us and our strategy and business model are regularly reviewed and adjusted where necessary.
WEPA's Management Board and Supervisory Board are regularly informed about sustainability-related impacts, also with regard to the stakeholder perspective. The Management Board and Supervisory Board

receive regular updates from WEPA's Group Director Sustainability, which reports to the CEO and informs about sustainability-related impacts and how they affect our stakeholders. As we work closely with suppliers and customers, the procurement department and the Business Unit Consumer and Business Unit Professional also provide regular updates on the perspectives of our stakeholders. Sustainability-related topics are discussed across departments with the sustainability team and reported to the management.

ESRS 2 IRO-1, IRO-2

| WEPA's materiality assessment process

The double materiality assessment was performed by WEPA's sustainability department with the goal of identifying WEPA's material impacts on people and the environment as well as risks and opportunities pertaining to WEPA. The assessment also serves to identify material matters for reporting. The list of sustainability matters covered in the topical ESRS (see ESRS 1 AR 16) is used as the basis for defining actual and potential impacts, risks and opportunities (IROs) related to sustainability matters. At present, no additional entity-specific sustainability topics have been identified beyond the ESRS list.
WEPA's own operations, our business relationships and our upstream and downstream supply chain are covered by the assessment. The sustainability department at WEPA conducts the assessment of IROs to the best of their knowledge. The outcome is then challenged in individual meetings with internal departments to include topic-specific expertise as well as the external perspective they provide by ongoing exchanges with WEPA's important stakeholders.
The sustainability topics listed in Appendix AR 16 of ESRS 1 constitute the long list, which serves as the starting point for the materiality assessment. The sustainability team reviewed this list topic by topic to identify and describe relevant IROs specific to WEPA's context. In this process, it was also determined whether the impacts are positive or negative, and whether they are actual or potential. Some topics were consolidated at this stage due to significant similarities.
The impact is further analysed in terms of severity. The severity dimensions are being assessed on a scale of 1-5. The assessment considers the scale and scope of the impact, and scale, scope and irremediability if the impact is negative. In case of potential impacts the likelihood is assessed on a scale of 1-5 as well. The financial impact is rated in terms of likelihood of occurrence and size of financial effects. Both assessments are based on a scale of 1 to 5. The threshold defining whether an IRO is material to WEPA or not is set at 2.5. If an IRO is equal or above 2.5 for either impact or financial materiality, the IRO is to be defined as "material".



For a more detailed overview of all material impacts, risks and opportunities covered by this sustainability statement, refer to the table of IROs included for each topical standard at the beginning of the respective paragraph:

→ E1 Climate change: refer to page 12
→ E3 Water and marine resources: refer to page 25
→ E4 Biodiversity: refer to page 31
→ E5 Resource use and circular economy: refer to page 38
→ S1 Own workforce: refer to page 49
→ S2 Worker in the value chain: refer to page 70
→ G1 Business conduct: refer to page 78

The process to identify, assess and manage impacts and risks is not yet fully integrated into the overall risk management process. WEPA's sustainability team, responsible for the assessment of impacts, risks and opportunities regarding the sustainability statement, and WEPA's management systems team, responsible for the company's risk management process, are in regular contact and discussed the definition of IROs for the 2024 report. Going forward, the process of identifying impacts and risks will be aligned with the company's overall risk management process.

The sustainability team is responsible for making the company aware of opportunities emerging from the process to identify opportunities for the materiality analysis. The sustainability team is charged with supporting the strategic transformation of WEPA and therefore highlights opportunities emerging from the materiality analysis process to the company.

WEPA has performed materiality assessments to determine material reporting topics in the past. The double materiality assessment conducted for this sustainability statement is the first assessment performed in accordance with the ESRS standards. Going forward, the impacts, risks and opportunities will be reviewed yearly. A more comprehensive update will be carried out in case of significant changes to the company's business.

E1 CLIMATE CHANGE

ESRS 2 IRO-1

Material impacts, risks and opportunities related to climate change

Impacts, risks and opportunities	Description	Time horizon
Energy		
Negative impact (actual): High energy consumption	Contribution to climate change due to high energy consumption within the company's own operations. WEPA's production processes are energy-intensive, leading to significant greenhouse gas (GHG) emissions. The paper industry is a highly energy-intensive industry.	short-term
Risk: Energy shortage	Additional costs for purchased energy and risk of sales losses resulting from loss of production in own operations due to high energy procurement costs or decreased availability.	short-term
Negative impact (actual): Consumption of fossil energy	Negative impact on ecosystems through consumption of fossil energy within the company's own operations. The consumption of fossil fuels leads to the extraction of coal, oil and gas. Extraction is linked to the destruction of ecosystems and is a driver of biodiversity loss through massive changes in land-use often resulting in habitat destruction, fragmentation and pollution.	short-term
Risk: Price volatility on the energy market	Negative financial effect on own operations due to high price volatility on the energy market. As a company with high energy demand, we are affected by price increases and volatile market conditions.	short-term
Positive impact (actual): Consumption of renewable energy	Positive impact on the transformation of the energy market by increased consumption of renewable energy within the company's own operations. By using and further increasing the consumption of renewable energy, WEPA contributes to sending important signals to the market for an increasing supply of renewable energy. Increasing the demand for renewables supports the transformation of the energy and labour market and helps the expansion of innovative technologies.	short-term
Risk: Transition risks due to bridging technologies	Transition risks from high investment costs for bridging technologies, such as biomass plants, in own operations.	short-term
Negative impact (actual): Processing pulp as an energy-intensive raw material	Contribution to climate change by use of an energy-intensive main raw material (pulp) in the upstream value chain.	short-term
Climate change adaptation		
Risk: Extreme weather events affecting production sites	Physical risks for company's own operations due to increasing extreme weather events (such as floods, heavy rain, water stress, etc.) make adaptation measures for capital goods necessary. This could potentially result in higher operating costs and/or investments.	short-term
Climate change mitigation		
Negative impact (actual): Scope 1 & 2 emissions	WEPA's production generates greenhouse gas emissions (Scope 1 & 2) that contribute to global warming.	short-term
Negative impact (actual): Scope 3 emissions	WEPA's business activities in the upstream and downstream value chain cause greenhouse gas that contributes to global warming (Scope 3 emissions).	short-term
Opportunity: New markets through sustainable products	Ensuring long-term income streams by reaching new markets through sustainable products and services contributing to circular economy and lower carbon emissions.	medium-term
Risk: CO_2 certificates resulting in increased costs	Due to mid-term dependence on fossil fuels, WEPA will likely face rising costs as carbon pricing schemes – serving as regulatory instruments – require the purchase of emissions certificates for production processes.	medium-term
Risk: Increased technology investments	Increased investment costs due to the financing of lower carbon technologies necessary to reach the SBTi (Science-Based Targets initiative)-aligned GHG emission targets	medium-term

ESRS 2 SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

Paper production is an energy-intensive industry. Energy consumption and the resulting emissions are linked to all areas of WEPA's value chain. We work towards decreasing energy consumption and reducing emissions along the entire value chain – from raw materials, production and packaging to logistics – with the aim of transforming our business: WEPA strives to decarbonise its business as much as possible and follows the vision of fossil-free products.
The production of hygiene paper requires high energy input. However, there is a significant difference when using our recycled fibres rather than our purchased wood-based virgin fibres. The energy requirement for our recycled fibres is on average 78% lower when considering the cradle-to-gate scope of fibre production (see also E4-1). The emissions of purchased wood-based virgin fibres occur in the upstream value chain and are accounted for in our Scope 3 emissions. This also shows that WEPA's strategies on energy and fibres are closely linked. While wood-based virgin fibres remain an important raw material for the foreseeable future, our strategic long-term focus is on replacing these by recycled and alternative virgin fibres. WEPA's fibre strategy aims at reducing the ecological footprint of the fibre portfolio, including among other factors the global warming potential. WEPA's energy strategy is essential for WEPA's long term economic robustness and competitiveness. It summarises the efforts to deliver on ecological and economic targets until 2030 and beyond: our ambition is to achieve net-zero operations by 2040. Based on the energy strategy, innovative energy carriers and new technologies will be permanently screened and prioritised based on availability and costs. WEPA will scale up its competitive advantage by investments in electrification, renewable energy and energy cooperations to ensure a high level of flexibility and resilience in a volatile and competitive environment.

ESRS 2 GOV-3

Integration of sustainability-related performance in incentive schemes

The WEPA World Programme allows leaders to set individual goals based on the categories below, which originate from the "Perform & Transform – WEPA 2026" strategy programme. The category "#1 in sustainability in our industry" includes climate-related targets.

See also
ESRS 2 GOV-3 (p. 4-5)

E1-1

Transition plan for climate change mitigation

Our 1+4 sustainability strategy is an integral part of the "Perform & Transform – WEPA 2026" strategy programme. The transformation plan for Scope 1 & 2 emissions is included in the energy strategy, which is connected to the sustainability strategy.
Our Scope 1 & 2 and our Scope 3 targets have been verified by SBTi, and the ambition level of the target is consistent with a decarbonisation rate intended to keep the global temperature increase to 1.5°C compared to pre-industrial temperature levels. WEPA has committed in 2024 to follow the SBTi Net-Zero standard, and has set the ambition of becoming net zero by 2040.

Decarbonisation levers and key actions

Scope 1 & 2	**1. Electrification and alternative energy sources** Step-by-step transformation to a flexible electrified production and alternative fuels for decarbonisation. Using biomass as bridge technology.
	2. Increasing energy efficiency Reduction of energy consumption through efficiency measures and production optimisation.
	3. Own renewable energy generation Further development and expansion of photovoltaic and wind power plants.
	4. 100% renewable grid electricity Increase the share of renewable grid electricity to 100% by 2030
	5. Innovative technologies and research Be part of the development and implementation of groundbreaking technologies from research projects to achieve energy savings of up to 80% in the paper industry (e.g. "Modellfabrik Papier", Düren).
	6. Compensation of unavoidable emissions Residual emissions will be offset as a final step through recognised measures.
Scope 3	**1. Purchased goods and services** → SBTi targets within pulp suppliers → Increasing awareness about decarbonisation for suppliers of pulp and packaging → Increase use of recycling materials (fibre for tissue products and as well packaging and other materials) → Partnership and projects to create carbon sinks, e.g. through reforestation and special technologies to combat climate change
	2. Fuel and energy related activities → Reduce indirect emissions in Scope 3 coming from energy efficiency targets and increased share of renewable energy carriers → Indirect emissions from the upstream supply chain related to own energy production, based on renewable sources

Scope 3	**3. Upstream and downstream transportation and distribution** → Strategic project with logistic companies, e.g. e-trucks for small distances or switch from classic trucks to e-trucks comes with a switch in maximum pallet loading. → Shorter routes of transportation through regional procurement, such as for raw material paper for recycling and Miscanthus
	4. Waste generated in operations → Increase material reuse of paper sludges (e.g. in bricks, cuttle bedding or innovative solutions) → Mechanical recycling of rejects with recycling companies → Implementation of our new Business Unit WEPA Circular Solutions
	5. End-of-life treatment of sold products → Increasing recycling of packaging materials → Take-back systems for used tissue paper to close the recycling loop
	6. Compensation of unavoidable emissions Residual emissions will be offset as a final step through recognised measures

Implementation of action plan

In 2021 WEPA initiated a major programme focusing on innovations regarding energy measures to enhance energy efficiency and reduce CO_2 emissions. All projects contribute to the transformation plan and are being promoted across all sites as part of this programme. Significant operational and capital expenditures are allocated for implementing the transition plan. Despite the challenging energy market situation, such as facing price volatility, the transition to renewable energy, grid security and carbon emission costs, WEPA has already invested more than 30m€ for this purpose.
To achieve our short-term target for Scope 1 & 2 until 2030 and to become net zero by 2040 to strengthen our operations, we implemented several actions over the last years. We are expanding our energy generation capabilities by constructing photovoltaic systems and increased the share of renewable electricity via power purchase agreements (PPAs). Additionally, we are optimising our energy efficiency through investments in new technologies, e.g. turboblower, heat-pumps and boilers.
At the same time, WEPA is working on long-term measures that require more comprehensive planning and larger investments. These projects aim to further increase energy efficiency, enable the transition to non-fossil energy sources via electrification and expand the use of renewable energy.
The transition plan for Scope 3 GHG emissions differs from that for Scope 1 & 2, as we mainly depend on our suppliers and less on own production. With our recycling strategy, we aim to make a significant change.
By increasing the use of paper for recycling instead of wood-based virgin fibres, we intend to substantially reduce a large portion of our Scope 3 emissions. We proactively identify Scope 3 emissions from our wood-based virgin fibres and logistics suppliers, collaborating closely with them to address and mitigate these impacts. Our efforts have already led to the initiation of strategic projects, fostering meaningful partnerships for a more sustainable future.
The transition plan for Scope 3 will be further intensified in the coming years to ensure effective implementation and achieve the science-based target for Scope 3. Close cooperation with suppliers and partners will continue to play a central role in developing innovative solutions and implementing sustainable measures together.

E1-2 POLICIES

Policies related to climate change mitigation and adaption

WEPA's group policy includes the WEPA environmental and energy policy. Climate change mitigation, climate change adaptation and energy targets are implemented:

"WEPA's environmental goal is to reduce the environmental and climate impact of our processes and the consumption of natural resources in the sense of sustainable development in order to prevent, among other things, pollution of air, water and soil. The focus is on the environmental aspects of water, waste, emissions, optimised use of chemicals and the protection of biodiversity and ecosystems.
WEPA assesses the environmental and social impact of its processes and products at all life cycle stages and is committed to continuous improvement, including its supply chain, climate change mitigation and adaptation. This includes promoting the sustainable use of our products.
We take responsibility for our supply chain to protect the environment, biodiversity and human rights. In this way, we strengthen the interests of affected communities."

The structural framework for achieving our environmental objectives is formed by continuous development of the environmental management system in accordance with DIN EN ISO 14001. 100% of our sites are certified according to ISO 14001. By creating environmental programmes that include strategic and operational goals, we can effectively manage and monitor our progress.
This approach allows us to continuously improve our environmental performance and ensure compliance with regulatory requirements.

All wood-based raw materials of our products are certified in accordance with FSC® (FSC®-C016151) or PEFC (PEFC/04-32-0775) and comply with at least the FSC® standard for controlled wood (FSC® Controlled Wood).
WEPA's energy goal is to ensure the efficient use of energy in all areas of the company in order to protect the environment and reduce costs. By implementing energy saving programmes that include both strategic and operational goals, the time horizon, the allocated resources and the implementation responsibilities, we achieve the goals defined in the corporate strategy.
In addition to this, climate mitigation and adaptation is addressed in our energy strategy, Secondary Raw Material (Zero Waste) Strategy and Future Fibre Strategy. A water strategy is in development to also address climate change and climate change mitigation risks concerning water use. 100% of sites regularly and at least once a year assess environmental risks as part of WEPA's management system and document the environmental risks in the WEPA corporate risks and opportunities matrix.

We also take responsibility for our supply chain to protect the environment, biodiversity and human rights.
In this way, we strengthen the interests of affected communities.
In WEPA's Code of Conduct for Business Partners, WEPA requires environmental responsibility:

"Our Business Partners commit to taking appropriate precautions to responsibly minimise the environmental impact of their business activities. In addition to compliance with all applicable environmental protection laws, this includes the following principles:

→ Efficient use of natural resources and the use of recycled materials wherever possible, as well as energy-efficient, climate-neutral and environmentally friendly technologies to reduce the carbon footprint and support global climate protection goals
→ Preservation of natural resources such as land, forests and bodies of water"

E1-3 ACTIONS

In recent years, WEPA has made progress in implementing the transformation plan for Scope 1 & 2 GHG emissions. This has been achieved particularly through smaller projects with quick implementation possibilities, such as vulnerability management, replacement of machine parts, installation of photovoltaic systems on roofs and the purchase of green electricity, partly through PPAs. Additionally, we have optimised our paper machines for greater efficiency or commissioned new ones to reduce specific consumption. At our site in Greenfield for DIP production from recycled fibres, we have installed a heat pump in the drying area. One example of successful implementation is the use of 100% green electricity for the production of our recycled fibres. As part of our overarching energy efficiency programme, WEPA invested more than 8.7m€ in 2024. A summary of all decarbonisation levers and key actions from 2024 can be found in the following table.

Decarbonisation levers and key actions

Scope	Decarbonisation levers
Scope 1& 2	**Increasing energy efficiency** Part reduction of energy consumption through efficiency measures and production optimisation, e.g. → by replacement of essential components of machinery → by installing a turbo blower as well as yankee deckle insulation **Switch of energy source** Commissioning of new steam boiler to phase out coal as energy carrier for steam production started in December 2024 at our site in Piechowice
Scope 2	**Active support in the energy transition** → Investments in PV systems and wind turbines at our sites and external projects → To increase the proportion of renewable electricity, we purchased 100% green electricity for the production of our recycled fibres. → Additional purchase of green electricity, e.g. up to 100% at our sites in Swalmen and Piechowice
Scope 3	**Using recycled fibre for tissue production** → By using recycled fibres for tissue production, we significantly reduce our Scope 3 emissions. Additionally, we promote a circular economy and conserve natural resources. **Avoidance of emissions through circular packaging** → Investments in innovative packaging solutions and optimisation of plastic packaging and its proportion of recycled material to reduce CO_2 emissions → Planned development of fibre-based packaging made from 100% recycled fibres to avoid fossil raw materials **Creation of a clean logistics system** → Including optimisation of product parameters, optimisation of routes and change of fuel and transportation vehicles → Use of e-trucks, which are already being used for short distances between sites and warehouses, e.g. Giershagen. **Emission reduction in the value chain** → Partnership and projects to create carbon carbon sinks, e.g. through reforestation and restoration of peatlands.

Additionally, we are preparing for further decarbonisation measures in Scope 1 & 2 in the coming year(s), which started in 2024, but are not yet fully implemented:

- → Construction of and preparation for the operation of a biomass heating plant as a bridging technology for the production of steam at our Müschede site
- → Preparation of permits for planned wind power plants
- → Conducting feasibility studies on photovoltaic technology at several locations
- → Fuel transition: we are participating in the HydroNet project at the Müschede site analysing a fuel switch to hydrogen use in tissue drying
- → Installation of new Miscanthus stock preparation in Swalmen to strengthen local alternative fibre use.

E1-4 TARGETS

As part of our commitment to sustainability, our undertaking actively tracks the effectiveness of our actions to address material impacts, risks and opportunities through a comprehensive set of targets and metrics. Through these measurable targets, we can continuously monitor the progress of our climate change mitigation actions and ensure that we meet our commitments.

Reduction of greenhouse gas (GHG) emissions

WEPA assumes responsibility and aims to contribute to limiting global warming to 1.5 degrees Celsius and prevent crossing critical tipping points. Under the SBTi, we have committed to reduce our emissions by -52.5% for Scope 1 & 2 per tonne of sold products* and for Scope 3 by 2030 per tonne of sold products (baseline 2019). Our effectiveness is measured through annual greenhouse gas inventories, which quantify our emissions and track progress towards these targets. We primarily use the Greenhouse Gas Protocol to ensure the accuracy of our calculations and the reporting of our emissions data. Consistency is ensured by not altering the GHG inventory boundaries compared to the base year, thus maintaining comparability. This is also verified during an external review process for each reporting year. Any changes in data sources or data collection leading to differences in emission compared to the base year will be transparently communicated and excluded from reduction. The baseline value for our GHG emissions reduction targets has been carefully established to ensure that it is representative of the activities covered and accounts for external factors. We selected 2019 as the baseline year because it reflects a period prior to the disruptions caused by the COVID-19 pandemic and other crises that significantly impacted our operations. This specification helps us avoid anomalies that might distort our emissions data, ensuring that the baseline is stable and reflective of our normal production activities.
Additionally, our focus was on the paper-making process, which is a core activity of our business. By concentrating on this key area, we ensure that the emissions data used as a starting point is comprehensive and relevant. We also reviewed external factors such as market fluctuations and regulatory changes to ensure they did not disproportionately influence the baseline emissions.
By taking these considerations into account, we ensure that the baseline is a robust foundation for tracking progress and setting meaningful reduction targets in line with our long-term sustainability objectives.
We consistently evaluate our progress towards these targets over time through systematic tracking and reporting. Our annual sustainability reports summarise achievements, highlight challenges and detail target completion. This ongoing assessment helps us remain accountable and adaptable in our approach.

* Reference value: finished goods + semi-finished goods sold + DIP sold

GHG emission target				
GHG emissions	2019 (base year)	2023****	2024	2030 (target year)
Scope 1 & 2 (in %)	100%	78.96%	71.36%	47.5%
Scope 1 & 2 (in t CO_2eq/t*)	0.76	0.60	0.54	0.36
Scope 3 (in %)	100%	84.83%**	87.59%***	47.5%
Scope 3 (in t CO_2eq/t*)	1.03	0.87	0.90	0.49

Energy efficiency

We aim to increase energy efficiency in our operations by 10% to 2030. Additionally, we conduct regular energy audits to identify areas for improvement and ensure that our strategies are yielding the desired outcomes.

Reaching net zero

WEPA further commits to set a long-term target and become net zero by 2040. This commitment was set in 2024, giving us 24 months to develop the specific long-term target. This target will be verified by SBTi, ensuring our long-term commitment to climate change mitigation. To achieve our net-zero ambition by 2040, we will continuously monitor and report on our corporate carbon footprint. Progress reports are generated annually to evaluate our adherence to the timeline and the effectiveness of strategies implemented to meet our net-zero commitments.
Our sustainability strategy emphasises both reducing environmental impacts and adapting to climate changes. Our adaptation objectives are designed to enhance resilience against climate change effects.
A prime example is our water risk target, which addresses critical climate-related risks. More details are available in Chapter E3 Water and marine resources.

By considering Scope 1, 2 and 3, we aim to comprehensively represent the emissions generated by our activities. Scope 1 is directly linked to our production facilities and includes direct emissions from our energy sources. To calculate these emissions, we used emission factors specific to each energy source. Scope 2 comprises emissions from the use of purchased energy. For calculating these emissions, we adopt the market-based approach, which aligns with our science-based target. We always use the emission factors of the previous year of the reporting period due to the emission factors of the reporting period not being available on time. Scope 3 encompasses all upstream and downstream emissions within the value chain, from purchased pulp to transportation and the disposal of our products at the end of their life cycle. We cover 90% of our purchased pulp volume with primary data from our suppliers. The Ecoinvent database is primarily used for the determination of emissions. The calculation includes all greenhouse gases covered by the GHG Protocol (CO_2, CH_4, N_{2O}, HFCs, PFCs, SF_6 and NF_3). Emissions have been converted into carbon dioxide equivalents (t CO_2eq).
As a European family business, our Scope 1 and 2 activities are primarily focused on Europe and are therefore assigned to these geographical boundaries. However, our upstream and, in some cases, downstream value chains (Scope 3) are global. For instance, we source fresh fibre not only from Europe and Scandinavia, but also from South America. Accordingly, our target applies to our global operations, with a particular focus on activities within the EU.

* Reference value: finished goods + semi-finished goods sold + DIP sold
** 15.35% reduction due to measures such as improving our pulp suppliers or use of our pulp suppliers or the use of materials with lower CO_2 emissions, reduction in purchased semi-finished goods and 6.7% changes due to methodological adjustments in the area of transportation data basis and waste water treatment.
*** 12.41% reduction due to measures such as improving our pulp suppliers or use of our pulp suppliers or the use of materials with lower CO_2 emissions, reduction in purchased semi-finished goods and 6.28% changes due to methodological adjustments in the area of transportation data basis and waste water treatment
**** Changes due to correction of energy consumption values

This target covers the emissions of the WEPA Group, excluding WEPA Categories Solutions GmbH, administrative locations outside the production (such as WEPA.digital GmbH or WEPA Ventures GmbH), the emissions allocated to the electricity generated at the Giershagen power plant and purchased articles such as dispensers from WEPA Professional. In addition, the focus is strongly placed on paper production, while the procurement of office supplies, equipment, etc. (i.e., operational materials outside of production) are not included in the accounting and thus not in the target.
The methodologies and significant assumptions used to define targets: we have chosen the SBTi tool aligned with the 1.5-degree reduction pathway. Since this is a specific target, the assumption was made that the baseline metric will remain relatively stable over the target period. Our target has been verified by SBTi, and the ambition level of the target aligns with a decarbonisation rate consistent with keeping the global temperature increase to 1.5°C compared to pre-industrial temperatures (based on conclusive scientific evidence). Our GHG emissions reduction targets are set using the Absolute Contraction approach, which is aligned with the global annual emissions reduction rate required to limit warming to 1.5°C. The SBTi's Absolute Contraction approach is based on constructing a scenario envelope which accounts for a range of valid emission reduction rates between 2020 and 2035. This approach is derived from climate models such as MAGICC6, ensuring plausibility and consistency with global climate goals. The emissions budget and the timing of peak emissions are also factored into our targets, ensuring that our emissions peak no later than 2020 and follow a consistent decline in line with the Paris Agreement goals.
In conclusion, by following this structured methodology, we ensure that our targets manage material climate-related impacts and risks, while also aligning with a 1.5°C trajectory.

E1-5 ENERGY CONSUMPTION AND MIX

Energy consumption and mix			
Energy consumption and mix in MWh	2019	2023	2024
(1) Fuel consumption from coal and coal products (MWh)*	74,002	62,501	53,366
(2) Fuel consumption from crude oil and petroleum products (MWh)		not relevant	
(3) Fuel consumption from natural gas (MWh)	1,427,578	1,442,755	1,523,578
(4) Fuel consumption from other fossil sources (MWh)		not relevant	
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	677,875	552,047	449,786
Consumption of purchased electricity from non-renewable sources	411,617	310,510**	224,079
Consumption of purchased steam from non-renewable sources	266,258	241,537	225,707
(6) Total fossil energy consumption (calculated as the sum of lines 1 to 5)	**2,179,455**	**2,057,303**	**2,026,730**
Share of fossil sources in total energy consumption (%)	**83.14%**	**77.67%**	**73.65%**
(7) Consumption from nuclear sources (MWh)	**138,632**	**91,659**	**106,622**
Share of consumption from nuclear sources in total energy consumption (%)	**5.29%**	**3.46%**	**3.88%**
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biological origin, biogas, renewable hydrogen etc.) (MWh)		not relevant	

* Coal boiler in PIC was stopped end of 2024, as last coal consumer
** Subsequent correction

Energy consumption and mix

Energy consumption and mix in MWh	2019	2023	2024
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	311,652	497,469	616,272
Consumption of purchased electricity from renewable sources	276,836	459,228*	574,815
Consumption of purchased steam from renewable sources**	34,816	38,241	41,457
(10) Consumption of self-generated non-fuel renewable energy	547	2,188	2,073
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**312,199**	**499,657**	**618,345**
Share of renewable sources in total energy consumption (%)	**11.91%**	**18.86%**	**22.47%**
Total energy consumption (MWh) (calculated as the sum of lines 6 to 11)	**2,630,286**	**2,648,619**	**2,751,697**

* Subsequent correction
** The calculation method was adjusted last year and carried over to the previous years.

E1-6

| Gross Scope 1, 2 & 3 and total GHG emissions

Gross Scope 1, 2 & 3 and total GHG emissions

	2019	2023*	2024	% 2024/2023
Scope 1 GHG emissions in t CO_2eq				
Gross Scope 1 GHG/emissions	352,822	344,641	354,630	3%
Scope 2 GHG emissions in t CO_2eq				
Gross location-based Scope 2 GHG emissions	278,712	248,608	239,325	1%
Gross market-based Scope 2 GHG emissions	249,142	132,877	104,634	-21%
Significant Scope 3 GHG emissions in t CO_2eq				
Total gross indirect (Scope 3) GHG emissions	835,197	640,450	709,182	11%
1 Purchased goods and services	436,385	339,892	394,420	16%
2 Capital goods	11,722	20,113	21,043	5%
3 Fuel and energy-related activities (not included in Scope 1 & 2)	115,230	92,812	94,269	2%
4 Upstream transportation and distribution	88,749	85,318	94,905	11%
5 Waste generated in operations	20,174	10,237	10,966	7%
6 Business travelling	1,866	2,268	1,429	-37%
7 Employee commuting	2,260	2,319	2,468	6%
8 Upstream leased assets	not relevant			
9 Downstream transportation	76,585	23,362	25,099	7%
10 Processing of sold products	not relevant			
11 Use of sold products	not relevant			
12 End-of-life treatment of sold products	82,225	64,129	64,583	1%
13 Downstream leased assets	not relevant			
14 Franchises	not relevant			
15 Investments	not relevant			
Total gross Scope 3 upstream GHG emissions	676,387	552,959	619,500	12%
Total gross Scope 3 downstream GHG emissions	158,810	87,491	89,682	3%

* Changes due to correction of energy consumption values

Gross Scope 1, 2 & 3 and total GHG emissions				
	2019	2023*	2024	% 2024/2023
Total GHG emissions				
Total GHG emissions (location-based) (t CO_2eq)	1,466,731	1,233,697	1,303,137	6%
Total GHG emissions (market-based) (t CO_2eq)	1,437,162	1,117,968	1,168,447	5%

GHG intensity				
GHG intensity per net revenue	2019	2023	2024	% 2024/2023
Total GHG emissions (location-based) per net revenue (t CO_2eq/m€)	1,404	691	720	4%
Total GHG emissions (market-based) per net revenue (t CO_2eq/m€)	1,376	623	646	4%

The consistency is ensured by not altering the GHG inventory boundaries compared to the base year, thus maintaining comparability. This is also verified during the external review process for each reporting year. Any changes in data sources or data collection leading to differences in emission compared to the base year will be transparently communicated. Compared to the base year 2019, various data sources were adjusted, and as a result, some assumptions were replaced with actual data (e.g. transportation data). Additionally, double counting in the areas of transportation and waste water treatment was minimised. Therefore, in comparison to the base year, some reductions in Scope 3 emissions are not attributed to specific measures but rather to methodological corrections and more precise data sources.

4. Upstream transportation and distribution: In 2021, assumptions were replaced with a data foundation for the transportation of semi-finished goods and transportation of DIP. This update resulted in approximately 0.56 kton CO_2eq fewer emissions.
5. Waste generated in operations: In 2019, double counting occurred in this category, which was corrected in 2022. Double counting accounted for 7 kton CO_2eq.
9. Downstream transportation and distribution: In 2019, double counting occurred in this category, which was corrected in 2021. Double counting accounted for 46 kton CO_2eq.

E1-8 INTERNAL CARBON PRICING

The process for establishing an internal carbon pricing scheme has been initiated and is expected to be completed by the end of Q1 2025. Afterwards all CAPEX projects will be subjected to internal carbon pricing, utilising shadow pricing. Initially, the focus will be on Scope 1 and Scope 2 emissions.
WEPA utilises its own carbon price forecast, which is aligned with the monthly EUA (European Union Allowance) market price. For internal project calculations with a longer time horizon beyond the liquidity of the EUA market, an internally developed carbon price forecast based on internal carbon market modelling is used. Once the process is established, it will cover 100% of Scope 1 and Scope 2 emissions.
The carbon price for each metric tonne of greenhouse gas emissions is set at €80/t CO_2.

E3 WATER AND MARINE RESOURCES

ESRS 2 IRO-1

Material impacts, risks and opportunities related to water

Impacts, risks and opportunities	Description	Time horizon
Water withdrawals		
Negative impact (actual): Water withdrawal for production	Negative impact on water basin with adverse impacts on ecosystems such as droughts or worsening water scarcity due to water withdrawal for production process within company's operations. Paper production is a water-intensive industry.	short-term
Risk: Reduced production output and sales losses	Reduced production output and sales losses due to decreasing water availability at company's operations.	short-term

ESRS 2 SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

Water is essential for the production of hygiene paper and thereby closely connected to WEPA's business model and strategy. It is also crucial in the upstream supply chain where wood is cultivated and processed into pulp for tissue made from virgin fibres. As water is a crucial factor and resource in the production of WEPA's main goods – hygiene paper – it is a central issue in our sustainability strategy. We have set a water target based on a thorough water risk analysis across all our production sites and continuously work on optimising water consumption, withdrawal or discharge and its effects on water ecosystems.
In the manufacture of hygiene paper, water is required for production, for auxiliary purposes and for cleaning purposes, whereby it is used several times within the production process. Paper production is a water-intensive industry. For hygiene paper from virgin fibres, water use is considerably higher compared to using paper from recycling as a raw material. WEPA sources virgin fibres mainly from European and South American suppliers and has long-term partnerships. We work together with our suppliers to optimise the extraction of virgin fibres regarding ecological aspects, including water.
In future, water stewardship will be also an aspect of supplier selection and evaluation with regard to pulp purchases.
We are aware of our corporate responsibility as part of the water-intensive paper industry. This means we protect as best as we can the waters from which we source fresh water or into which we return the water after its use. As a consequence, our water strategy focuses on the continuous site-specific optimisation of our sustainable water management.

E3-1 POLICIES

WEPA's group policy includes the WEPA Environmental Policy. Prevention of water and reduction of consumption of natural resources are implemented:

"WEPA's environmental goal is to reduce the environmental and climate impact of our processes and the consumption of natural resources in the sense of sustainable development in order to prevent, among other things, pollution of air, water and soil. The focus is on the environmental aspects of water, waste, emissions, optimised use of chemicals and the protection of biodiversity and ecosystems.
WEPA assesses the environmental and social impact of its processes and products at all life cycle stages and is committed to continuous improvement, including its supply chain, climate change mitigation and adaptation. This includes promoting the sustainable use of our products."

The structural framework for achieving our environmental objectives is formed by the continuous development of the environmental management system in accordance with DIN EN ISO 14001. By creating environmental programmes that include strategic and operational goals, we can effectively manage and monitor our progress. This approach allows us to continuously improve our environmental performance and ensure compliance with regulatory requirements.

In WEPA's Code of Conduct for Business Partners, WEPA requires environmental responsibility:

"Our Business Partners commit to taking appropriate precautions to responsibly minimise the environmental impact of their business activities. In addition to compliance with all applicable environmental protection laws, this includes the following principles:

- Efficient use of natural resources and the use of recycled materials wherever possible, as well as of energy-efficient, climate-neutral and environmentally friendly technologies to reduce the carbon footprint and support global climate protection goals
- Preservation of natural resources such as land, forests and bodies of water"

E3-2 ACTIONS

Development and implementation of water risk evaluation system

In collaboration with our long-standing partner WWF Germany, WEPA takes responsibility and follows the Water Stewardship approach. This approach provides companies with possible initiatives to handle the valuable resource of water responsibly – ecologically, economically and socially. To identify site-specific water risks for WEPA and implement appropriate measures for reduction of water risk, we developed our own comprehensive risk evaluation system based on the WWF Water Risk Filter in 2021. Our focus is on physical and regulatory risk categories.
The first evaluations were carried out in 2021 for the year 2020. Every two years subsequent reassessments are scheduled to derive a potential risk based on the latest state of knowledge. Through this approach, we aim to make a significant contribution to the sustainable management of water resources.
We held workshops with each site to plan measures to reduce water risks. In this sense, reducing water consumption and reusing treated water are crucial. These measures began in 2022, continued into 2023 and will extend into the coming years.

Water overall risk analysis			
Site	2020	2022/2023	2024/2025
WEPA Group	medium risk	medium risk	medium risk
Arnsberg-Müschede	medium risk	medium risk	medium risk
Giershagen	medium risk	medium risk	low risk
Kriebstein	medium risk	medium risk	medium risk
Mainz	increased risk	increased risk	medium risk
Leuna	low risk	low risk	low risk
Piechowice	medium risk	low risk	low risk
Lille	medium risk	increased risk	medium risk
Troyes	medium risk	medium risk	medium risk
Château-Thierry	low risk	low risk	low risk
Lucca	medium risk	high risk	medium risk
Cassino	medium risk	high risk	high risk
Bridgend	medium risk	medium risk	medium risk
Swalmen	medium risk	medium risk	medium risk

Founding the BlueWater initiative

In 2024, we established the BlueWater initiative with the primary goal of minimising physical water risks at each site and ensuring the availability of water resources. This project identifies best practices through site visits, which evaluate water-related data and projects.
From July 2024 onwards, ten WEPA sites were visited, with three more scheduled for Q1 2025. These visits increased water awareness and focus, with nearly all sites having a future vision for water. In 2025, each site will have an individual optimisation plan for freshwater reduction, tailored to their specific conditions. Our proactive approach to water stewardship underlines our commitment to managing our WEPA water risks and preserving water resources for the future.

Restoration and regeneration measures

Our renaturation measures involved various rivers, including the Diemel at our Giershagen site and the Röhr at our Müschede site. These efforts play a significant role in our commitment to reduce the risk of floodings at our sites.

E3-3 TARGETS

- Contextualised entrepreneurial water risk targets by 2030:
  - Reduction of corporate water risks to a nominal low water risk
  - No WEPA location may have a high-risk category.

- Water risks in the supply chain and in the river basin:
  - Addressing water risks along our value chain and advocating for the establishment of water stewardship

- Commitment beyond the supply chain
  - Raise awareness of biodiversity protection with partners and commit to the conservation and restoration of natural habitats in riverine areas

E3-4 WATER CONSUMPTION

Water consumption				
Water consumption*	2021	2022	2023	2024
Absolute water consumption in m^3	1,868,217	1,644,448	1,484,782****	1,778,506
Weighted water consumption in m^3/t**	2.1****	1.8	1.7****	2.0
Water consumption in m^3 in areas with high water risk	192,669	187,848	187,978****	52,344***

Utilising the WEPA Water Risk Filter, we have identified that our production facility in Cassino is located in an area with a higher overall water risk. Due to our site in Lucca moving to a medium risk in the new assessment and a slight reduction of the water consumption at our Cassino site, we were able to massively reduce the water consumption in areas with high water risk. In addition, our sites in Giershagen, Leuna, Lille and Troyes are situated in regions facing higher water scarcity risks. The Water Risk Filter's risk assessment is based on a company's geographic location, which informs a site's basin-related risks, as well as characteristics of its operating nature (e.g. its reliance upon water or its water use performance in connection with the nature of the business/site), which informs about a site's operational related risks. We take responsibility for the condition of our water discharge into the water systems. We monitor our emissions to water on a regular basis and comply with European, national and regional legal requirements.

* Water consumption is defined as the difference between water withdrawal and discharged water.
** Reference: produced semi-finished goods + sold DIP
*** During a maintenance stop at our Cassino site, interventions were made to the waste water treatment plant, which led to it being completely emptied. We have excluded this anomaly in order to represent a normal production process.
**** Subsequent correction

Water intensity

Water intensity	2021	2022	2023	2024
Total water consumption in own operations in m^3 per net revenue in million EUR	1,623	1,042	833	983

Emissions to water

Water emissions, weighted group average*	2021	2022	2023	2024
Chemical oxygen demand (COD) in mg/l	70.9	79.2	60.6	64.5
Suspended solids in mg/l	11.2	12.3	10.2	12.6
Nitrogen (N) in mg/l	4.4	5.0	4.8	4.3
Phosphorus (P) in mg/l	0.6	0.6	0.4	0.4

* Only accounts for production facilities with own waste water treatment facility

E4 BIODIVERSITY AND ECOSYSTEMS

ESRS 2 IRO-1

Material impacts, risks and opportunities related to biodiversity and ecosystems

Impacts, risks and opportunities	Description	Time horizon
Direct impact drivers of biodiversity loss/land-use change, fresh water-use change and sea-use change		
Negative impact (actual): plantation cultivation at our pulp suppliers	Negative impact on natural habitats and biodiversity due to plantation cultivation of our pulp suppliers in company's upstream value chain. The conversion of original forests and woodland areas to plantations often causes habitat loss and fragmentation, resulting in biodiversity loss. There is also a potential threat to soil quality resulting from the use of fertilisers and pesticides.	medium-term

ESRS 2 SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

WEPA's main impact regarding biodiversity lies with the raw material: hygiene papers are made from large quantities of wood-based cellulose fibres. The production of these fibres has a strong impact on land use and biodiversity. WEPA's transition plan on biodiversity is primarily centered on the fibres and minimising their ecological footprint. While we are in a transition phase to increase the share of recycling and alternative fibres in our fibre portfolio to 60% until 2030, we ensure that our wood-based virgin fibres come from responsible sources by steadily increasing the amount of FSC®- and PEFC-certified fibre. All used wood-based virgin fibres are at least FSC® Controlled Wood.
Compared to the impact of our raw material on biodiversity and ecosystems, the sealing of surfaces at our production sites plays a minor role. WEPA takes measures to minimise adverse impacts such as keeping surface sealing to a minimum, greening our properties, creating flowering meadows and breeding bees. We also take measures outside the core business and realise renaturation projects. The main risks resulting from sealed surfaces is the danger of flooding in case of extreme weather events and heavy precipitation. The current financial effects of flood risks are already materialising in the form of rising insurance premiums, as insurers assess climate-related risks and adjust policies accordingly. Furthermore, potential asset impairments may arise if production facilities suffer damage due to flooding, requiring expensive repairs or write-downs of affected assets. Additionally, any business disruptions caused by flooding could lead to lower revenue generation due to temporary shutdowns or supply chain delays.

E4-1

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Biodiversity refers to the diversity and variation of species and ecosystems at our production sides and along the supply chain.
As WEPA is part of the paper and pulp Industry (production of wood-based products), it is mandatory for us to have a Transition Plan on Biodiversity and Ecosystems.
To assess the environmental impact of the WEPA Group, a life cycle assessment was conducted using the method of ecological scarcity (BAFU 2021). The results revealed that approximately 50% of our environmental impacts are attributed to the fibres, particularly related to land use through the use of wood-based virgin fibres. As a result, our transition plan and our target regarding biodiversity is centered around the fibres and aims to minimise their ecological footprint.
The transition plan aims to reduce the proportion of wood-based fibres and replace them with recycled fibres, such as those from used paper, as well as alternative and more environmentally friendly fibres. In doing so, we embrace the concept of cascade utilisation, seeking to utilise fibres that have reached the end of their life cycle. By frequently reusing fibres and increasing the use of secondary raw materials, we minimise the demand for primary resources from ecosystems, thus reducing potential impacts on planetary boundaries (land-system change and biosphere integrity) and land systems. Our efforts are focused on promoting sustainable resource utilisation and making a positive impact on the environment through circularity.

At its core is our transition plan to integrate the circular economy and thus increase the proportion of recycled fibres. The social and political challenges of the last two years have limited our progress in this context. Due to the diminished availability of paper for recycling fibres of good quality, we were unable to follow our transition plan. To counteract this, we have looked at alternative waste paper sources and their reuse. In 2022, we started developing technologies to prepare recycled cardboard for tissue production; the main criterion here is the separation of large quantities of non-paper components. With this alternative source of raw materials, we prepare for improved pursuit of the transition plan and thus reduce the pressure on ecosystems and biodiversity.

Indication metrics and tools used to measure progress

In addition to the procurement and proper documentation of FSC®- and PEFC-certified pulp, another key indicator is the fibre footprint of the fibre portfolio. To determine this indicator, data and supplier information are evaluated annually, and an ecological footprint of the fibre portfolio is created. This footprint is tracked to measure progress on an annual basis. The calculation of the ecological footprint employs the method of ecological scarcity (BAFU 2021), which considers a wide range of environmental impacts and aggregates them into a single metric. The approach to conducting this life cycle assessment follows the ISO 14040 standard, but goes beyond it by using a specific metric in the final aggregation step. The result evaluates the generated pollutant emissions, resource consumption and biodiversity losses associated with fibre production (cradle-to-gate). Our target is to reduce the ecological footprint of the fibre portfolio by 25% to the year 2030 (baseline year 2019), based on these findings.

E4-2 POLICIES

WEPA's group policy includes the WEPA Environmental Policy. Biodiversity and ecosystem protection is implemented:

> "WEPA's environmental goal is to reduce the environmental and climate impact of our processes and the consumption of natural resources in the sense of sustainable development in order to prevent, among other things, pollution of air, water and soil. The focus is on the environmental aspects of water, waste, emissions, optimised use of chemicals and the protection of biodiversity and ecosystems.
> [...] WEPA assesses the environmental and social impact of its processes and products at all life cycle stages and is committed to continuous improvement, including supply chain performance, climate change mitigation and adaptation. This includes promoting the sustainable use of our products. We also take responsibility for our supply chain to protect the environment, biodiversity and human rights. In this way, we strengthen the interests of affected communities."

The structural framework for achieving our environmental objectives is formed by continuous development of the environmental management system in accordance with DIN EN ISO 14001. By creating environmental programmes that include strategic and operational goals, we can effectively manage and monitor our progress. This approach allows us to continuously improve our environmental performance and ensure compliance with regulatory requirements.

In WEPA's **Code of Conduct for Business Partners,** WEPA specifies environmental responsibility:

"Our Business Partners commit to taking appropriate precautions to responsibly minimise the environmental impact of their business activities. In addition to compliance with all applicable environmental protection laws, this includes the following principles:

- Efficient use of natural resources and the use of recycled materials wherever possible, as well as of energy-efficient, climate-neutral and environmentally friendly technologies to reduce the carbon foot print and support global climate protection goals
- Preservation of natural resources such as land, forests and bodies of water"

With the **Policy for Forest Certification Schemes**, the WEPA Purchase Policy for pulp specifies that purchased pulp does not originate from controversial sources.

"WEPA declares not be directly or indirectly involved in the following activities:

a. Illegal logging or the trade in illegal wood or forest products.
b. Violation of traditional and human rights in forestry operations.
c. Destruction of high conservation values in forestry operations.
d. Significant conversion of forests to plantations or non-forest use.
e. Introduction of genetically modified organisms in forestry operations.
f. Violation of any of the ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998."

The policy of a deforestation- and conversion-free supply chain is in development and will be in force from the beginning of 2025.
When sourcing fibres, forest certification must be used to manage biodiversity impacts, and respective Chain-of-Custody certification must be used to ensure the traceability of the material. WEPA exclusively sources pulp from suppliers which are FSC®- and PEFC-certified. WEPA is also third party-verified and has its own Chain-of-Custody certificates under the FSC®-C016151 and PEFC/04-32-0775.
An update of the future fibre strategy with a big focus on improvement of biodiversity is in development.
Environmental impacts emanating from our company are documented and evaluated within the framework of the requirements of the management system and self-monitoring. Furthermore, we prepare life cycle assessments against the background of our sustainability approach.
When planning processes and procuring capital and consumer goods and services, we ensure that environmental impacts are avoided or minimised wherever possible, and that energy efficiency is improved as far as economically feasible. We ensure the use of materials that are as environmentally friendly as possible and conserve resources by using them sparingly.
We also include our contractual partners in our environmental protection requirements.
Building on our value-oriented corporate culture, we demand and promote our employees' sense of responsibility for the environment. We achieve this through proactive communication, ensuring the availability of all relevant information and data, and train our employees. We provide the necessary resources for this purpose.
We maintain an open dialogue with our customers, the authorities and the public on all environmentally relevant issues.

E4-3 ACTIONS

WEPA takes actions as a company, at its sites itself, in the neighbourhood of our sites and in cooperation with partners.

- Replacing fuel-based cars with electric cars in our car fleet
- Side actions: WEPA Bees, WEPA Clean-up Day, Bike2Work actions, insect hotel building and installation, tree planting, installation of flowering strips, bird earing and housing, sustainability coaching in daily life
- Renaturation in direct neighbourhood of river Diemel at our site Giershagen and river Röhr at our site Arnsberg/Müschede
- Projects with partners: WWF renaturation project "Wilde Mulde", rebuilding peatlands in Finland with UPM, part of "Allianz der Pioniere", participation in WWF "Forest Forward"

WEPA allocates actions by mitigation hierarchy (avoidance, reduction and minimisation, restoration and rehabilitation).

As outlined in the Transition Plan, the key action is to primarily replace wood-based virgin fibres with recycled and alternative fibres. This approach aims to minimise land use, although the need for some virgin fibres remains due to the open-loop paper fibre cycle. Hence, alongside the avoidance objective, we are also striving to achieve a reduction in the use of virgin fibres.
We are embracing a systematic approach, and aiming for a long-term shift towards hygiene paper products predominantly made from recycled fibres. This transformation entails changes in both consumer behaviour and production practices.

E4-4 TARGETS

Future fibre targets

- Sales products made from at least 60% recycled fibres and alternative virgin fibres
- Reduction of the ecological footprint of our fibre portfolio by 25% (eventually replaced by science-based targets for nature)
- Furthermore, we aim to collaborate closely with suppliers who go above and beyond, working with them to develop new standards to promote sustainable forestry and biodiversity.

Our GHG emission reduction targets are closely related to reducing impact on biodiversity and ecosystems.

See also E1-4 (p. 19-21)

As described in the Transformation Plan, the method of ecological scarcity is utilised. In the context of this method, the impact of land use on biodiversity is presented using the approach of Chaudhary and Brooks (Chaudhary & Brooks, 2018a). The potential impact of species loss is described based on the intensity of land use. Different types of land use are assessed according to their intensity, quantifying the species losses caused by these activities in various ecological regions. The losses are then weighed based on the vulnerability of the ecosystems in each respective region. These calculations reflect the expected absolute species losses due to land use, considering the ecosystems' vulnerability and species endangerment (potential disappeared fraction, PDF). Accordingly, the metric can be associated with AR 4, b impacts on the state of species.

E4-5

Impact metrics related to biodiversity and ecosystems change

List of material sites in own operation

WEPA Deutschland GmbH & Co. KG, Germany:

- Rönkhauser Straße 26, 59757 Arnsberg/Müschede;
- Unterm Klausknapp 5, 34431 Marsberg-Giershagen;
- An der Zschopau 1, 09648 Kriebstein;
- Gassnerallee 45-47, 55120 Mainz;
- An der B91, Alter Maienweg, 06237 Leuna;

WEPA.digital GmbH, Jahnstraße 16a (Hinterhof), 40215 Düsseldorf

Poland: WEPA Piechowice Sp. z o.o. Ul. Pakoszowska 1B 58573 Piechowice

WEPA France SAS:

- Avenue de L' Europe, 59166 Bousbecque (Lille);
- Zi De Torvilliers, Route Nationale 60, 10440 Torvilliers (Troyes);

WEPA Greenfield SAS, ZI de la Grande Borne, 02400 Château-Thierry, France

WEPA Italia SRL:

- Località Salanetti, 55012 Fraz. Lunata, Capannori (LU) and
- Via Carlotti, 7, 55016 Porcari (LU);
- Via Contrada Cerasola, 28, 03043 Cassino (Frosinone)

United Kingdom:

- WEPA UK Ltd, 4 Bridgend Paper Mill, Llangynwyd Mid Glamorgan, South Wales CF34 9RS;
- WEPA Professional UK Ltd, Waterfall Street, Blackburn BB2 2BN;
- WEPA UK Ltd, 4th Floor, 120 Bark Street, Bolton BL1 2AX

The Netherlands: WEPA Nederland B.V., Boutestraat 125, 6071 JR Swalmen

India: Transcend Global Serices, 1002, 10th floor, First Avenue, Goregaon-Mulund Link Road, Alad west, Mumbai 400064

To gain an overview of the potential impact WEPA's actions can have on the surrounding ecosystem, the WWF Biodiversity Risk Filter has been used. The filter set is "Ecosystem Conditions". It has been recognised that the ecosystems around WEPA production sites are mainly in unsatisfactory condition, which leads to the situation that there is not much left which can be impacted. With this, all sites in Germany have a very low or low risk of impacting the surrounded ecosystems. The same situation can be found in France, Swalmen and the office in Bolton (UK). The production sites in UK and Poland are showing a medium risk of impacting the ecosystem by their actions. Finally, we found a very high risk for WEPA's office in Mumbai (India).
To gain an overview of biodiversity-sensitive areas which could be influenced by WEPA production sites, the Biodiversity Risk Filter of WWF has been used. It is a fact that every biodiversity area is sensitive, but as a rating criteria "Biodiversity Key Area" has been used. The following sites have been rated as low or very low critical sites: Cassino (Italy), Leuna and Düsseldorf (Germany), Bolton (UK), Château-Thierry, Lille (Bousbecque) and Troyes (all in France). A medium risk or medium critical areas for key biodiversity are Lucca (Italy), Mainz, Kriebstein, Müschede (Germany), Piechowice (Poland), Swalmen (Netherlands), Mumbai (India) and Bridgend (UK). The only sites with a high risk and, with this, key biodiversity areas are Blackburn (UK) and Giershagen (Germany).
Regarding the analysis of biodiversity-sensitive areas, the WWF Biodiversity Risk filter has been used for pressure of biodiversity.
The risk of our actions at WEPA sites mainly result in a medium risk for pressure on biodiversity. The sites Cassino, Lucca (Italy), Piechowice (Poland), Swalmen (Netherlands) and Troyes (France) showed a medium risk with a tendency to high, based on the geographical boundary of the valuation. The sites of Blackburn (UK) and Lille (France) are showing a high risk of increasing the pressure on biodiversity.

A rating in specific risk regarding WEPA operations needs to be carried out in the future.

E5 RESOURCE USE AND CIRCULAR ECONOMY

ESRS 2 IRO 1

Material impacts, risks and opportunities related to resource use and circular economy

Impacts, risks and opportunities	Description	Time horizon
Resource inflows including resource use/depletion of non-renewable resources		
Negative impact (actual): Use of fossil and petroleum-based raw materials	Contribution to negative impact on the environment through the use of fossil and petroleum-based raw materials in company's operations, in particular in the manufacturing of chemicals and in our packaging, which were sourced in the upstream value chain.	long-term
Resource inflows including resource use/regeneration of renewable resources		
Positive impact (actual): Renewable fibre raw material	Positive impact on the environment by sourcing renewable alternative and certified fibres as raw material in our upstream value chain and using the material within own operations.	medium-term
Risk: Availability of renewable fibre raw material	Planning risks potentially resulting in insufficient supply or higher prices due to uncertain availability of renewable fibre raw materials in the upstream value chain. Pressure on renewable resources is increasing due to exponential growth in demand resulting from a shift away from the use of non-renewable and fossil resources.	medium-term
Resources inflows including resource use		
Positive impact (actual): Use of recycled fibres	Positive impact on the environment and contribution to circular economy (e.g. changing consumption patterns) by sourcing recycled fibres in the company's upstream value chain to manufacture products that use less virgin resources and fossil energy compared to the market standard.	long-term
Opportunity: Advantages on the market and security of supply	Utilising recycled fibres as raw materials that have already been recycled multiple times to produce unbleached hygiene paper products in line with the concept of cascade use and circular economy. By using these recycled paper qualities, we become more independent from standard recycling qualities and thus more resilient.	medium-term
Resource outflows related to products and services		
Opportunity: Portfolio extension through WEPA Circular Solutions	Ensuring new long-term income streams through the extension of the company's portfolio.	long-term
Waste		
Negative impact (actual): Incineration and landfill of waste	Negative impact on the environment due to disposal types leading to incineration and landfill of waste within the company's downstream value chain. Incineration and landfill cause environmental impacts on water, air and soil quality and contribute to greenhouse gas emissions.	short-term
Positive impact (potential): New recycling paths for waste streams	Contribution to circular economy by identifying new recycling paths for waste streams in company's downstream supply chain. WEPA is working towards finding material usage for all waste streams in accordance with the waste hierarchy.	medium-term
Opportunity: New business model	Creating new business models and market opportunities by discovering new recycling streams for waste.	medium-term

Material impacts, risks and opportunities and their interaction with strategy and business model

At WEPA, our sustainability and corporate strategy prioritise resource use and the circular economy. We recognise the environmental impact of our products and raw material sourcing. To reduce our ecological footprint, transforming WEPA's fibre portfolio is crucial. Circular fibre solutions represent the future of fossil-free alternatives, contributing to decarbonisation and minimising ecological impact. We are dedicated to integrating these solutions into our fibre strategy.
To increasingly integrate circularity into our product design, we also focus on product packaging. Regarding packaging, we are pursuing a clear path with the circular economy as our main driver. In the short term, the

optimisation of plastic packaging is an important pillar which we aim to achieve by reducing the amount of material and increasing the proportion of recycled plastic. Our long-term objective is fibre-based packaging made from 100% recycled fibre to avoid plastics. Fibres are less likely to pollute soils and oceans and have a higher recycling rate.
The principle of cascade use underpins both the packaging and fibre strategies and is closely linked to circular economy. Cascade use aims to keep materials in circulation for as long as possible. Valuable raw materials, such as wood-based virgin fibres, should not be lost for further material use after a single application – e.g. in virgin fibre toilet paper. Therefore, we advocate for the production of hygiene papers from recycled fibres. Ideally, these fibres have already been reused multiple times before being repurposed in our products at the end of their life cycle. However, since fibre losses are inevitable, virgin fibres must be reintroduced into the cycle. To minimise environmental impact, WEPA promotes the use of alternative virgin fibres with the lowest possible ecological footprint.

E5-1 POLICIES

WEPA's group policy includes the WEPA Environmental Policy. Resource use and circular economy targets are implemented:

"WEPA's environmental goal is to reduce the environmental and climate impact of our processes and the consumption of natural resources in the sense of sustainable development in order to prevent, among other things, pollution of air, water and soil. The focus is on the environmental aspects of water, waste, emissions, optimised use of chemicals and the protection of biodiversity and ecosystems.
WEPA assesses the environmental and social impact of its processes and products at all life cycle stages and is committed to continuous improvement, including its supply chain, climate change mitigation and adaptation. This includes promoting the sustainable use of our products."

The structural framework for achieving our environmental objectives is formed by the continuous development of the environmental management system in accordance with DIN EN ISO 14001. By creating environmental programmes that include strategic and operational goals, we can effectively manage and monitor our progress. This approach allows us to continuously improve our environmental performance and ensure compliance with regulatory requirements.

In WEPA's Code of Conduct for Business Partners, WEPA specifies environmental responsibility:

"Our Business Partners commit to taking appropriate precautions to responsibly minimise the environmental impact of their business activities. In addition to compliance with all applicable environmental protection laws, this includes the following principles:

- Efficient use of natural resources and the use of recycled materials wherever possible, as well as of energy-efficient, climate-neutral and environmentally friendly technologies to reduce the carbon footprint and support global climate protection goals
- Preservation of natural resources such as land, forests and bodies of water"

All wood-based raw materials of our products are FSC®- or PEFC-certified or comply with at least the FSC® standard for controlled wood (FSC® Controlled Wood).
Furthermore, resource use and circular economy are addressed in our Future Fibre Strategy, Secondary Raw Material (Zero Waste) and Sustainable Packaging Strategy.

Future Fibre Strategy

As part of our Future Fibre Strategy, we prioritise fibres with the best possible environmental performance as a raw material as this heavily impacts the ecological footprint of our products. To assess the environmental impact of WEPA, a life cycle assessment was conducted using the method of ecological scarcity (published by the Swiss Federal Office for the Environment, 2021). The results showed that approximately 50% of our environmental impacts are attributed to fibres, particularly related to land use due to using (wood-based) pulp fibres. Consequently, our transition plan on biodiversity is primarily centred around fibres and minimising their ecological footprint. The transition plan aims to reduce the proportion of wood-based fibres and replace them with more environmentally friendly alternative fresh fibres and recycled fibres, such as those derived from paper for recycling and cardboard. This approach adopts the concept of cascade utilisation, seeking to utilise fibres that have reached the end of their life cycle. By frequently reusing fibres and increasing the use of secondary raw materials, we minimise the demand for primary resources from ecosystems, thus reducing potential impacts on planetary boundaries such as land-system change and biosphere integrity. Our efforts are directed towards promoting sustainable resource utilisation and positively impacting the environment through circularity. While transitioning to increase the share of recycling and alternative fibre in our portfolio to 60% by 2030, we ensure that our wood-based virgin fibres come from responsible sources by steadily increasing the amount of FSC®- and PEFC-certified fibre. The responsible sourcing of our wood-based virgin fibres is the basis for the long-term transition as long as our fibre portfolio still relies on these. Another key indicator is the fibre footprint of our fibre portfolio.

See also E4-1 (p. 32-33)

Sustainable Packaging Strategy

Sustainable products require sustainable packaging. In line with our circular economy commitment, we are consistently enhancing our packaging solutions.
In the short term, the optimisation of plastic packaging is an important pillar which we aim to achieve by reducing the amount of material and increasing the proportion of recycled plastic. Through targeted collaborations, we convert lower-quality waste streams into high-quality PCR granulate, ensuring a stable supply of recycled materials. Beyond primary packaging, we also integrate PCR into secondary and tertiary packaging, further strengthening recycling streams.
Our long-term goal is fibre-based packaging made from 100% recycled fibre. Eliminating plastics reduces the environmental impact, while fibres present the lowest risk of polluting soils and oceans and the highest recycling rate.

* Reference: finished goods + sold semi-finished goods + sold DIP

Secondary Raw Material (Zero Waste) Strategy

As part of our SRM (Zero Waste) Strategy, "Zero Waste" does not necessarily mean that no secondary raw materials are allowed to leave the site, but rather that they are used elsewhere as (secondary) raw materials. Besides reducing waste, our aim is to handle, sort or pre-treat our side streams so that they can be reused as secondary raw materials either within our own borders (e.g. production of building products) or externally. WEPA has established several goals and KPIs as part of our SRM (Zero Waste) Strategy. During the rollout at our sites, each site will set specific goals and measures. The effectiveness of these measures will be tracked monthly and discussed quarterly.
We began by establishing a risk score based on various factors to identify our most critical waste types, including volume, cost, current disposal methods, organisational liability risks and reputational risks. Following two comprehensive risk assessments, we developed an SRM strategy for 2030. This strategy includes corporate objectives, goals, potential measures and an execution plan for our mills and administrative operations.
The strategy involves the development of a waste risk score for each type of waste to pinpoint the main areas of concern and prioritise the waste types that require immediate attention. Additionally, a corporate waste risk score will be calculated for each mill to identify which facilities need urgent action.
The scope of this initiative covers the entire group for all waste streams, with a specific focus on individual sites. This risk assessment helps determine where actions are most needed.
The primary objective is to minimise waste in the long term. Should waste be unavoidable, the focus will be on internal reuse, particularly the refurbishment of consumables, such as jumbo reel cores, to extend their service life. By 2026, any waste that cannot be avoided or reused, but can be recycled or used for energy recovery – and is not explicitly required to be landfilled by law (e.g. asbestos) – should be recycled, with priority given to high material utilisation. By 2030, this target will expand to ensure that at least 80% of waste is repurposed for material use. The remaining 20% may be utilised for energy generation, provided that the incineration residues are subsequently used as materials. Landfilling will be considered only as a last resort or when mandated by regulations.

E5-2 ACTIONS

Fibres

- In 2024, our Fibre Strategy underwent significant revisions to more efficiently incorporate considerations of land use, biodiversity and resilience criteria in evaluating fibre sources. A key component of executing the fibre strategy involves initiating and following up on projects that evaluate non-wood and recycled fibre sources, as well as enhancing production capabilities.

- We invested in our stock preparation at the Giershagen site to adapt to utilisation of recycled cardboard, thereby enhancing our capacities to produce hygiene paper products from recycled cardboard. Starting in May 2025, the production line will be able to run recycled cardboard at full capacity.

- The campaign "Beige is better" was launched to promote our beige product range, which features fibres that are not bleached and thus retain their natural beige colour tone. This campaign aims to educate consumers about the high quality of these products, as many are accustomed to white fibre-base items.

- The overarching CELEBRATE initiative was implemented to ensure the achievement of our sustainability KPIs. This initiative encompasses projects such as fibres from miscanthus grass, RC Nature and circularity projects, including closing the loop with customers by utilising their recycled cardboard to produce hygiene products from their "waste".

Packaging

- Today we can achieve up to 60% PCR content in our packaging, significantly cutting resource consumption. We are further developing solutions to raise the PCR share to up to 80%, ensuring high quality and secure packaging.

- One of our innovation projects replaces plastic shrink foil in facial tissue promo packs with a strip of paper. By mid-2025, new technology will use glue and tape to securely bundle three boxes, reducing plastic waste.

Zero waste & secondary raw materials

- To better understand and manage waste, we plan to implement quantity scaling in our processes. This will help us identify where and why waste occurs, enabling us to create a deviation analysis for more accurate target setting. Additionally, we are developing a waste calculation tool which will provide insights into the expected content of waste related to purchased materials and the durability/reusability, thereby aiding in our efforts to increase sustainability. This KPI will assess the sustainability of products based on factors such as lifetime, frequency of use, sustainability of ingredients, hazardousness, recyclability and price.

- In collective action there are several other stakeholders involved. For the disposal path/reuse of secondary raw materials there are several suppliers for either disposal services or manufacturers involved, which use the secondary raw materials as raw materials (e.g. foil manufacturers). In addition, WEPA is in contact with several machine manufacturers to find a way to increase the waste quality. Moreover, WEPA collaborates with universities on numerous projects aimed at promoting the circular economy.

- Commencing in 2025, we will standardise all waste-related processes, including waste data collection, logistics, storage, sorting and collection, as well as the procure-to-pay process. These processes will be fully digitalised within our ERP system.

Other circular economy initiatives

- Our new Business Unit Circular Solutions is also focusing on other applications for the increase of resource use and circular economy.

- WEPA also has actions in connection with the recycling of waste fractions as raw materials, e.g. hand towel collection. The respective stakeholders could then be regional industries, schools or other facilities.

Summary of actions

Prevention	**Upstream value chain** → Usage of more sustainable raw materials and fibres, e.g. Miscanthus → Reuse of materials as raw materials, which cannot easily be used elsewhere, e.g. recycled cardboard → Reduction of packaging thickness and avoidance of non-vital parts of packaging (e.g. handles) → Collaboration with packaging producers in order to reuse plastic waste as raw material for new products → Collaboration for collection, sorting and recycling of used hand towels and reusage of fibre-based waste from our offices in our own stock preparation **Own operations** → Projects to avoid fibre loss in paper-making process → Decrease of used chemicals (e.g. through unbleached grades such as our beige products) → Actions to reduce water content in waste **Downstream value chain** → Decrease of foil thickness with stretch foil for jumbo reels and tertiary packaging → Usage of paper and cardboard waste from logistics, administration and production within own stock preparation
Preparing for reuse	→ Use of broke in own production process → Usage of longer-lasting materials within production, e.g. thicker core tubes, which can be reused up to ten times
Recycling	→ Separate collection of all waste fractions in all mills including maps of collecting points and instructions for employees → Recycling of most waste fractions (paper sludge, wood, oil, metals, spray cans, packaging materials...) → Investigation in pre-treatment options to make non-recyclable materials recyclable, e.g. drying/grinding/separation e.g. of metals from rejects → Monitoring and increase of sorting/collection cleanliness by regular trainings (planned for 2025) to increase cleanliness and make more fractions recyclable → Investing in research and development to identify new recycling possibilities → Installation of a metal separator in order to reduce the amount of mixed rejects and to make the metals reusable in other industries such as the steel industry → Investigation in other treatment possibilities in order to separate different fractions of sludge and make them reusable (e.g. calcium carbonate from fibre)
Energy recovery	→ Energetic use of fractions which are not possible to recycle or where no other recycling path is available and storage is not possible for the time of disposal (e.g. seasonality of brickwork industry) → Production of biogas for energy usage from organic content of waste water fractions at the Giershagen site
Disposal	→ Very small share of waste to disposal for fractions where recycling is not possible

E5-3 TARGETS

Future fibres

2030:
→ Sales products made from at least 60% recycled fibres and alternative virgin fibres
→ Reduction of the ecological footprint of our fibre portfolio by 25% (eventually replaced by science-based targets for nature)
→ Furthermore, we aim to collaborate closely with suppliers who go above and beyond this, working with them to develop new standards to promote sustainable forestry and biodiversity.

Packaging

2030:
→ 60% of our packaging material is made from recycled material.*
→ Increase in the annual quantity of primary plastics saved in packaging to 8,000 tonnes**

Secondary raw materials

2026:
→ Continuous waste reduction, conversion into SRM and waste sorting improvement
→ Decrease of corporate waste risk score KPI from medium risk to low risk
→ 100% material or energetical utilisation, with focus on high-quality recycling (if not prohibited by regulations, e.g. laboratory chemicals, asbestos)

2030:
→ Zero Waste***/more than 80% material usage of waste, energetical usage of internal waste allowed
→ Decrease of corporate waste risk score KPI from medium risk to very low risk

* based on total weight of primary packaging
** packaging: sales packaging, outer film and stretch film
*** "Zero Waste" does not necessarily mean that no secondary raw materials are allowed to leave the site, but rather that they are used elsewhere as (secondary) raw materials.

E5-4 RESOURCE INFLOWS

Certification of our wood-based fresh fibre portfolio

Certification	2019	2020	2021	2022	2023	2024
FSC®	71.75%	72.65%	74.47%	75.22%	87.44%	83.90%
PEFC	26.19%	24.95%	24.02%	24.53%	12.50%	16.10%
FSC® & PEFC	**97.94%**	**97.60%**	**98.49%**	**99.75%**	**99.94%**	**100%**
FSC® Controlled Wood	2.06%	2.40%	1.51%	0.25%	0.06%	0%

Our fibre portfolio

Fibre type in %	2019	2020	2021	2022	2023	2024
Wood-based virgin fibre	64.40%	63.80%	64.30%	67.40%	68.00%	67.22%
Recycling fibre	35.60%	36.20%	35.70%	32.59%	31.99%	32.74%
Miscanthus	/	/	/	0.01%	0.01%	0.04%

Ecological fibre footprint reduction

Fibre footprint	2023	2024
% change to base year 2019	-3.60%	no significant change 1.30%

We classify the changes to the basis year from 2020 to 2022 as of no significant change since we take a margin of inaccuracy for the calculation method into consideration. Compared to the base year, eco-points were increased by 1.3%, compared to 2023 by 5.2%, primarily attributable to the shift of fibre supply to south America. Approx. 4% more fibres were purchased from our supplier located in south America. Furthermore, no significant progress has been made in increasing the proportion of recycled content (RC), which is why there has been no reduction.

PCR in packaging

	2021	2022	2023	2024
Post-consumer recyclate (PCR) in t	**1,019**	**2,639**	4,308	4,433
Primary packaging in t	**11,486**	**15,707**	15,006	15,080
% share PCR in primary packaging	8.90%	16.80%	28.70%	29.40%

E5-5 RESOURCE OUTFLOWS

Waste

Waste per waste treatment type in t	2022	2023	2024
Hazardous – Recycling	10,317	14,690	12,059
Hazardous – Incineration	4,400	50	6
Hazardous – Landfilling	1	33	1
Hazardous - Other disposal operations*			961
Hazardous – Total	14,718	14,773	13,027
Non hazardous – Recycling	215,369	256,915	183,846
Non hazardous – Incineration	85,288	88,906	143,857
Non hazardous – Landfilling	7,151	6,172	7,530
Non hazardous - Other disposal operations*			1,529
Non hazardous – Total	307,808	351,993	336,762
Total	**322,527**	**366,766**	**349,789**

* Added in 2024.

Waste per waste treatment type in %	2022	2023	2024
Recycling	70.00%	74.05%	56%
Incineration	27.80%	24.25%	41%
Landfilling	2.20%	1.70%	2%
Other disposal operations*			1%

The data is provided by our waste disposal companies on an annual basis. The provided data contains among other information the volume in tonnes disposed per waste code and treatment type. The data is then aggregated on site and group level**. Our data collection process was improved in 2022, therefore, to ensure comparability of data, we do not report for years prior to that. In 2024 we added the category "Other disposal operations", primarily pertaining to waste stored for potential future processing by the waste disposal company. At the time of reporting, it remains uncertain whether this waste will be recycled or incinerated. In 2024, our recycling rates declined significantly, primarily due to weak economic conditions impacting the industries relevant to our current recycling disposal methods. As a result, a considerable volume of sludge had to be diverted to external thermal utilisation. Nevertheless, in line with our Secondary Raw Material Strategy, we are working to further diversify our recycling disposal methods to increase resilience against industry-specific fluctuations and meet our ambitions to increase the recycling rate.
WEPA has been pursuing the principle of resource conservation and circular economy for years. It focuses on the avoidance of waste and the recycling of valuable materials. The main materials that are present in the waste are fibre rejects and fibre- and de-inking sludges from pulping of paper for recycling. These materials make up more than 78% of our total waste. The total amount of non-recycled waste is 153,884 t, which includes a percentage of non-recycled waste of 44%.

* Added in 2024.
** The data includes data from our power plant in Giershagen. The power plant is not necessarily included in the scope of other data calculations shown in this report.

S1 OWN WORKFORCE

ESRS 2 IRO-1

Material impacts, risks and opportunities related to WEPA's own workforce

Impacts, risks and opportunities	Description	Time horizon
Working conditions		
Positive impact (actual): Working conditions are based on a strong European legal basis and established collective agreements	Positive impact on own workforce due to working conditions being based on a strong European legal basis and established collective agreements in company's own operations.	long-term
Negative impact (actual): Dust exposure for employees in production	Negative health effects for employees by possible dust exposure in indoor areas in our operation facilities.	medium-term
Negative impact (actual): Work-related accidents	Impact on the health of our own workforce by possibly dangerous work environment resulting in work-related accidents or ill health in company's operations. The handling of substances of concern can also result in work-related accidents. However, WEPA only handles small amounts of substances of concern.	short-term
Risk: Negative consequences from work-related accidents	Negative financial consequences and reputational damage resulting from lawsuits or claims after work-related accidents at own operations.	short-term
Positive impact (actual): "Best place to work" strategy	Contribution to improving working conditions of own workforce by the implementation of a dedicated "Best place to work" strategy in company's own operations.	medium-term

Impacts, risks and opportunities	Description	Time horizon
Equal treatment and opportunities for all		
Negative impact (actual): Diversity and equal pay	Low level of diversity regarding the share of female employees in our workforce and top management. Currently, no established monitoring for equal pay practices.	medium-term
Positive impact (potential): Diversity strategy	Positive impact on employee motivation among our workforce and on talent attraction for WEPA by implementation of a dedicated diversity strategy.	medium-term
Positive impact (actual): Training and skills development for employees	Ensuring constant development of our employees' skills by providing trainings through the WEPA Academy as part of our "Best place to work" strategy.	medium-term
Positive impact (actual): Strong protection mechanisms against harassment	Increased protection from harassment by having mechanisms, policies and measures against violence and harassment in place along the entire value chain.	short-term
Opportunity: Employer of choice	Positive external image as an employer, better employee retention and attraction based on equal treatment and opportunities for all employees. This ensures that WEPA has the skilled personnel for conducting business successfully.	medium-term
Risk: Decreased motivation and difficulty in attracting skilled workforce	A negative or unattractive external image as an employer can result in greater difficulty to attract skilled workforce and can lead to decreased motivation and productivity of employees within the company.	medium-term

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

WEPA's success and transformational path forward is driven by its people through their engagement, individual strengths, skills and expertise. WEPA's People & Culture strategy puts employees at the centre and focuses on creating the best place to work. This aims to create an environment where people are valued, engaged and motivated to perform and live up to their full potential. This is especially important in times of skilled labour shortage, demographic change and a rapidly changing working world – also due to the increasing relevance of AI. Attracting and retaining skilled employees, constantly developing their skills and capabilities as well as fostering high motivation and productivity are crucial for WEPA's continued success and competitiveness in the face of these challenges. We also firmly believe that diverse teams deliver the best results and focus to leverage the full potential of our workforce by taking a holistic approach to diversity, equity and inclusion.

S1-1 Policies

WEPA's production sites are in European countries with high-standard statutory requirements concerning working conditions, equal treatment and opportunities for all and other work-related rights. Local legislation is followed in all the operating countries.
At the centre of policies related to our own workforce is the WEPA Code of Conduct. Based on our company values, the WEPA Code of Conduct covers most of the material impacts, risks and opportunities related to the own workforce, while our privacy policy covers privacy rights. Both the WEPA Code of Conduct and the privacy policy are binding for all WEPA employees. No changes have been adopted to these policies during the reporting year.
Within our WEPA Code of Conduct, human rights standards and especially the freedom of association and the right to collective bargaining, the elimination of forced labour and child labour and the prohibition of discrimination are particularly emphasised. The core labour standards of the International Labour Organization (ILO) are set as binding for the whole organisation.
Furthermore, the WEPA Code of Conduct aims at general compliance including antitrust law and competition, labour law including appropriate renumeration and legal provisions regarding working hours, promotion of diversity and inclusion including equal opportunities in the recruiting process, and accessible work opportunities and health management and occupational safety including the prevention of accidents and occupational illnesses, or the offer of psychological as well as physical grievances.

WEPA's human rights policy commitments with its own workforce

Our WEPA Code of Conduct is in accordance with International Labour Organisation Conventions. It explicitly addresses the elimination of forced labour and child labour. In addition to that, WEPA has signed the UN Global Compact and adheres to its ten principles, including the two principles on human rights. WEPA complies with all applicable laws in the countries where we are active, and respects internationally recognised human rights wherever we operate.

In terms of human rights standards, we place particular emphasis on the following:

- Freedom of association and right to collective bargaining
- Elimination of forced labour and child labour
- Prohibition of discrimination

Furthermore, labour law is the binding set of rules on the basis of which the WEPA Group regulates cooperation with its employees. We comply with all applicable national laws and regulations as well as the core labour standards of the International Labor Organization (ILO). The following principles are particularly important to us:

- Provision of appropriate remuneration for our employees
- Employees only work overtime on a voluntary basis or on the basis of applicable law, collective agreements or factory agreements
- Respecting the right of our employees to form workers' organisations or trade unions of their choice through their own elections or to join them
- Recognition of the freedom of association of workers

In case of any indication of a compliance violation, we follow up and promptly investigate. Our procedure is based on the following steps:

1. We conduct interviews and review important documents in accordance with national regulations in order to obtain objective information. In this context, the regulations on process declaration within the framework of the IT works agreement must be observed.
2. We contact the employees in question – confidentially, of course – and apply the principle of the presumption of innocence.
3. Depending on the case, further action will be taken, including dismissals and disciplinary and civil consequences.

Engagement with WEPA's workforce

Engagement concerning compliance with our WEPA Code of Conduct happens either via discourse through the works council, the People & Culture (HR) department, the direct manager, the compliance officer or via anonymous reporting in the compliance reporting channel/whistleblower system. Examples of possible offences and behaviour that we do not tolerate are violations of hygiene measures, bribery and corruption, sexual harassment, behaviour that directly or indirectly damages the company financially and damage to reputation. Furthermore, we are against any act that hinders the protection of child labour, forced labour and discrimination, the protection of land grabbing, occupational health and safety, the right to fair wages, the right to form trade unions and the protection against violations of environmental law.
To enforce this, a compulsory annual training on the WEPA Code of Conduct that is additionally included in the standardised onboarding is in place.

Workplace accident prevention policy and management system

The WEPA Code of Conduct also includes the topics of health management and occupational safety at WEPA, such as information on the prevention of accidents and occupational illnesses, regular health days, offers for psychological as well as physical grievances and medical care services.
Moreover, the health and safety of our workforce are a crucial part of the WEPA group policy:

> "The occupational safety goal of WEPA is to avoid accidents and illnesses and to protect the health of employees as best as possible. Employees and their representatives are actively involved in decisions to improve the working environment and are encouraged to submit suggestions for improvement.
> Providing safe and healthy working conditions to prevent work-related injuries and illnesses is a matter of course. Unsafe behaviour is consistently addressed, causes are analysed, and employees are encouraged to adjust their behaviour accordingly to eliminate hazards and minimise risks.
> All managers are required to act as role models to strengthen safe behaviour."

Preventing discrimination and promoting diversity

Our WEPA Code of Conduct explicitly addresses the prohibition of discrimination as well as the promotion of diversity and inclusion. Grounds for discrimination that are specifically covered in the policy are age, ethnic origin, gender, abilities, religion, sexual orientation or social background.
We take a stand against discrimination in our WEPA Code of Conduct which rests on the German General Act on Equal Treatment (Allgemeines Gleichbehandlungsgesetz – AGG). On a European level, this German General Act on Equal Treatment is based on four equal treatment directives that were adopted by the Council of the European Union. Those are the Anti-Racism Directive (2000/43/EC), the Employment Framework Directive (2000/78/EC), the Equal Treatment Directive (2006/54/EC) and the Directive on implementing the principle of equal treatment between men and women in the access to and supply of goods and services (2004/113/EC).
We promote diversity and inclusion. In addition to that, we signed the "Charta der Vielfalt", a charter for the promotion of diversity, and are in the process of implementing corresponding measures in line with the charter.
To WEPA, diversity means explicitly valuing and emphasising difference and individuality. Being different gives us the potential to harness a variety of experience, knowledge and perspectives to our advantage. We promote the ideal of all people feeling that they belong, as unique as they are. This is why in 2024, our Leadership & Culture Day with the top leadership team of WEPA was partly dedicated to diversity.
In the same year an initiative from employees for employees kicked off the "WOMEN CIRCLE" – a dedicated network for all women within the company. This initiative promotes mutual growth, exchange and empowerment in alignment with WEPA's corporate culture and values. WEPA, especially the People & Culture team, is supporting the internal community.
Moreover, we encourage all WEPA employees to take the Gallup Strength Test and to participate in an individual coaching session afterwards to deepen their understanding of their own unique strengths. In addition to that, the WEPA Academy offers team strengths workshops in which the team members can get to know and understand each other's individual strengths better. This way, the teams' work can be enhanced and the assignment of tasks and projects according to strengths is being fostered.
In order to ensure discrimination is prevented, mitigated and acted upon once detected, as well as to advance diversity and inclusion, we have various measures in place. We offer regular WEPA Code of Conduct training with special reinforcement for managers. Furthermore, all processes are regularly reviewed for risks of discrimination. In case of a violation, reporting channels (anonymous and direct) are in place and after review of possible offences lead to corresponding consequences.
A disability is no reason for not being able to work at WEPA. We are consistently expanding our accessible work opportunities. Experts are consulted during selection processes and reorganisation measures (e.g. in Germany the representative body for the severely disabled). Together, we find individual and needs-based solutions.

We offer various suitable working time models to flexibly adapt to different stages of life as well as operational requirements as much as possible. Employees' suggestions are taken very seriously and the models are constantly being developed. When relatives are in need of assistance, there is an option for obtaining support through an external counselling service.
Lastly, a whistleblower system was put in place to address complaints, handle appeals and provide recourse for employees when discrimination is identified.

Training and education

Our WEPA Code of Conduct is first communicated through a mandatory onboarding training and regular reinforcement training. As part of this training, employees are also educated with regards to non-discrimination policies. Furthermore, the 48-page document is published and available for all employees in the intranet as a dedicated page in all company languages. Additionally, it can be physically viewed in the works council and People & Culture (HR) department.
Moreover, employees are given a transparent view of opportunities for themselves and their progression. Within our Oracle HCM system, open job postings for internal applications are posted and individual development profiles can be created. Records on recruitment, training and promotion can be tracked in the personal document record in Oracle HCM. In addition to that, PEP "Personal Evaluation & Perspective" talks between employees and their leaders document the employees and their progression on a yearly basis.
Our internal WEPA Academy also promotes employees' skills development. More information on skills development at WEPA can be found in the chapter "S1-13 Training and skills development" of this report.

S1-2 PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Annual engagement survey with Gallup

WEPA has introduced an open feedback culture through the annual employee engagement survey together with Gallup. With this engagement survey process and the corresponding follow-up workshop and discussions leading to action plans, employees have the opportunity to actively contribute to their working environment.
The employee survey on the topic of engagement and our Perform & Transform strategy takes place annually and the type of engagement is participation and through the follow-up phase. The stage of the survey with the aim "Better Together" is a continuous improvement process of basic needs, leadership, team environment, self-development and understanding of strategy, which is all mainly controlled via the follow-up process.
The topic of engagement lies in the People & Culture area and is operationally supported and implemented by the People Development team. The results are broken down to team level at every location as well as centrally for the CxO areas so that they are transparently incorporated into the Management Board and the company's concepts.
The leadership is informed about engagement results via the People & Culture (HR) department, the leader is then responsible for a structured follow-up process, in which they are empowered by Engagement Champions.

There are 47 Engagement Champions in total, with presence at every site. Furthermore, Engagement Champions receive an engagement training by the WEPA Academy.
To avoid language barriers, the engagement process is carried out in every national language of the countries WEPA has sites in. In order not to miss out on the process and increase awareness if no computer is available, an invitation to the survey is additionally distributed on paper.
Effectiveness of engagement is assessed through a mandatory follow-up workshop with action plans at team level, which are tracked by the external system of the provider Gallup. The effectiveness of the engagement process is summarised and tracked via the engagement index through the recurring engagement survey process and the question as to whether a) a team workshop has been held, and b) action plans have been formulated and implemented. Changes to the engagement index over time are tracked.
We measure the effectiveness of our standardised engagement survey through the four dimensions participation rate, satisfaction index, engagement index and accountability index. The participation rate is measured as a % of total employees that have participated in the survey, while satisfaction, engagement and accountability indexes are measured on a 1-5 scale and measure the current engagement as well as an assessment of how the process is followed-up.

All four dimensions have increased and therefore improved for 2024 in comparison to the 2023 survey with the following changes:

Participation rate: 81% in 2024 vs. 76% in 2023
Satisfaction index: 4.10 in 2024 vs. 3.94 in 2023
Engagement index: 3.84 in 2024 vs. 3.64 in 2023
Accountability index: 3.73 in 2024 vs. 3.44 in 2023

Furthermore, as the survey is undertaken with Gallup, we measure ourselves against other companies from the Gallup database. This is possible at question level.

Additional engagement initiatives

People in the workforce are first and foremost provided with information by their own management personnel. These include regular jour fixe meetings as well as team meetings.
Engagement on communication channels such as Viva Engage or the provision of information via the economic committee is ongoing while the type of engagement is information.
Employees are also informed via different communication channels such as Viva Engage, WEPA TV or black boards directed at specific sub-groups or the whole company, increasing transparency. Physical black boards and WEPA TV in accessible areas, emails and Viva Engage channels on company as well as site level in country language provide further possibilities for ongoing information exchange.
On Viva Engage any employee may receive information, comment, give insights or leave an opinion on ongoing topics. Additionally, a Viva Live Question and Answer session with the CEO is held twice a year with direct questions to the CEO being collected from all sites.
Moreover, the WEPA employee magazine "PaperPeople" is sent out to all WEPA employees and their families twice per year. It gives insights and updates relevant to employees in an understandable way and in the national language of the site the employees are employed at.
The works council functions as an additional information instrument that ensures dialogue. Works council are generally present at site, national and at group level with the right to distribute information in a quarterly works meeting with management representatives. Works meetings organised by the workers council happen on a quarterly basis with the intention to inform and go into direct dialogue with management representatives.
Additionally, as part of the company's obligation to provide information to its employees, the economic committee provides employees with continuous information on the economic development of the entire group and possible influences on the workforce.

Engagement for human rights and particularly vulnerable groups

The respect of human rights of our employees is of paramount importance to WEPA. WEPA complies with all applicable national laws in the countries where we are active as well as all European laws and regulations. This also includes our WEPA Code of Conduct and collective bargaining agreements. To ensure human rights violations are prevented, there is an obligatory WEPA Code of Conduct training in place for every employee.
We respect internationally recognised human rights wherever we operate, and have signed the UN Global Compact which also promotes the respect of human rights.
In Germany, one group, particularly vulnerable to impacts, severely disabled employees, is represented by a representative body in the works council.
The "Charta der Vielfalt" – an NGO that is a member of the EU Platform of Diversity Charters with the aim to increase diversity in the workplace – was signed in particular regard to the protection of vulnerable groups. It is one step in the WEPA initiative of bringing to life a project team to increase respect for diversity. Additionally, a pilot group on the topic of age management diversity has started in Germany in 2024 with the aim of understanding the needs of ageing employees. Other focus topics in the field of diversity will also be implemented.

S1-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

Overview of processes and channels:

- → WEPA Code of Conduct
- → Online training of WEPA Code of Conduct
- → Works council
- → Representation of severely disabled people
- → Whistleblower system
- → Unions
- → Collective agreements

WEPA ensures its own workforce is informed about the processes and channels in place in different ways. Third-party mechanisms are accessible to the entire workforce via intranet, link in the WEPA Code of Conduct and to all other stakeholders as well through our website. All employees are informed as part of the yearly WEPA Code of Conduct training, where employees also have to answer questions to confirm their understanding of the matter. Within the WEPA Code of Conduct, information on the whistleblower system can be found. It clearly informs employees that no one who reports a suspected violation of our Compliance Guidelines in good faith needs to expect negative consequences for themselves thereafter. Regardless of whether the reported suspicion is confirmed or not: submitting a tip will never be detrimental to one's employment. The WEPA Group will not accept retaliation against whistleblowers and reserves the right to take legal action if this should be the case.
The yearly engagement survey with Gallup provides an opportunity for employees to voice their general sentiments towards the company by e.g. asking employees about trust and respect in the company.

Some issues can be resolved directly with the person whose behaviour is complained about. In some cases, the manager, the human resources department or the works council can also support. A Group's Compliance Officer is available as well.
Our stakeholders, e.g. employees, suppliers and business partners, can also contact us via our whistleblower system. A report can be made here in any language and either anonymously, partially anonymously or by providing personal data. The system can be found on the intranet, via link in our WEPA Code of Conduct and on our website.
A whistleblower and compliance system is in place and covers a wide range of topics in the two areas of the Whistleblower Protection Act and the Supply Chain Due Diligence Act, including the following:

Firstly, the Whistleblower Protection Act protects employees who uncover irregularities in their company. Examples of possible offences are:

- → Violations of hygiene measures
- → Bribery and corruption
- → Sexual harassment
- → Behaviour that directly or indirectly damages the company financially
- → Damage to reputation

The Supply Chain Due Diligence Act regulates the due diligence obligations of companies to prevent human rights violations and environmental destruction in their supply chains. Examples of possible offences are:

- → Protection from child labour, forced labour and discrimination
- → Protection from land grabbing
- → Occupational health and safety
- → Right to fair wages
- → Right to form trade unions
- → Protection against violations of environmental law

A central reporting body is established at WEPA. The competent reporting body of the WEPA Group is responsible for recording the incoming disclosures. Internally, the reporting system is managed by qualified and properly trained employees in accordance with statutory requirements. These act independently and autonomously in accordance with the applicable data-protection provisions. All actions are taken by the reporting body via the reporting system. All actions are permanently stored in the reporting system in the log file relating to the respective complaints procedure in accordance with statutory provisions and, as such, are traceable and verifiable.
The competent reporting body sets down the further steps. Any necessary further enquiries are made via the reporting system mailbox.
The permanent communication capability for both sides ensures that queries and information about the status of proceedings can be exchanged. Upon completion of the complaints procedure, the whistleblower receives a closing message, setting out any measures initiated or implemented as the case may be.
The handling process is ended with the closing notification.
The whistleblowers may contact the competent public authorities established to receive the respective disclosures at any time during and following conclusion of the complaints procedure.

S1-4 ACTIONS

WEPA's production sites are located in European countries with high-standard statutory requirements concerning working conditions, equal treatment and opportunities for all. Local legislation is followed in all the operating countries.
Additionally, WEPA's Group People & Culture strategy is based on putting our employees at the centre of what we do. We are convinced that WEPA's success and its transformational path forward is driven by its people – through their engagement, individual strengths, skills and expertise. Therefore, our People & Culture strategy focuses on practising a performance with care culture – a culture where we combine our ambition of high performance with authentic care for people. Based on our target of offering the best place to work we create an environment where people are valued, engaged and motivated to perform and live up to their full potential. With our strategic initiatives we focus on enabling, engaging, retaining and developing our employees and attracting top talents. Our aim is to practise a trusting corporate culture in which employees are encouraged to show initiative, think proactively and be open to sharing new ideas – a culture of engagement. With our annual engagement survey "Better Together" with Gallup, we gather our employees' feedback and measure the engagement of all our employees. By working on concrete action plans we have been able to improve the engagement average of the WEPA Group yearly to a score of 3.84 in 2024. By 2026 it is our target to continue this path and achieve an engagement average of 4.0.

WEPA's "Best place to work" strategy combines the sub-topics of working conditions, equal treatment and opportunities for all and covers the following fields of action:

- **Learn & Grow:** we foster a strength-oriented people development and long-life learning culture by providing continuous and sustainable development and learning offerings to help employees succeed in current roles and future challenges.
- **Leadership Development:** based on our leadership principles we foster a constructive leadership culture by empowering our leaders to become role models in lead individual, lead team and lead WEPA to live up to our performance with care culture.
- **Diversity, Equity, Inclusion:** based on everybody's uniqueness we foster a diverse and inclusive workplace with fair and equal opportunities for all.
- **Employee Well-being:** as a value-oriented European family business we are committed to a holistic approach to strengthening the mental and physical health of our employees and their families. At the same time, we value the social aspects of well-being by promoting an environment that fosters cohesion.
- **Workplace Environment:** we create motivating and stimulating workspaces that meet current and future needs with regards to design, equipment and technology to promote communication, interaction and collaboration as well as well-being.
- **Communication:** we foster a culture of open communication where concerns, feedback and ideas are welcomed, enabling dialogue and participation contributing to a collaborative and trustful atmosphere.
- **Working Conditions:** we foster fair, modern and attractive working conditions that are adapted to employees' needs and continuously developed further.

We are committed to pay an appropriate and fair compensation. This means that the level of remuneration is determined by the requirements of the work task assigned – taking into account knowledge and areas of expertise, responsibility and scope for decision-making – and, where applicable, the performance of the person, but not according to gender, origin or other personal characteristics. WEPA always complies with local legislation and collective agreements, especially with regards to legally defined national minimum wages. At the same time, WEPA also takes into account the conditions in the local markets and benchmark data. This is because we strive to offer salaries to our employees that are in line with the market and the industry.

We also observe the legal provisions applicable on each site regarding working hours. Employees only work overtime on a voluntary base or based on applicable laws, collective agreements or company agreements.

In addition to that, the company's own workforce can report any actual material impact, related concerns or cases of non-compliance they detect through WEPA Group's whistleblower system or to the Compliance Officer, their supervisor, the People & Culture (HR) department or the local works council. WEPA's compliance systems and the process for handling reports are discussed in more detail under Chapter S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns.
The effectiveness of actions and initiatives in delivering outcomes for its own workforce are measured through an annual employee survey ("Better Together Survey"), measuring employees' satisfaction and engagement. Besides the survey, external ratings such as kununu are used as indicators for the implementation of the "Best place to work" strategy.

Detailed description of WEPA's "Best place to work" strategy

- **Learn & Grow:** To drive our Performance with Care culture the approach of performance development was introduced at WEPA with the roll-out of the Performance with Care dialogues. The purpose of the dialogues is to promote continuous and meaningful conversations between leader and employee. To enhance performance the dialogues are designed to establish clear expectations, conduct ongoing progress reviews based on frequent, focused and future-oriented feedback, provide continuous coaching and create individual action plans. In 2024 we focused on the roll-out of the MyDD+ dialogues to the WEPA European Leadership Team. Further roll-out of the dialogues is planned for every European site. The WEPA Academy is the centrepiece of our ambition to foster a long-life learning culture. It offers our employees and leaders a wide range of individual development opportunities and combines the three building blocks: Enable, Inspire and Connect. In accordance with WEPA's Perform & Transform strategy programme, the WEPA Academy continuously expands its offers in line with WEPA's overall strategic direction to ensure that our employees acquire the right capabilities to drive WEPA's transformation. In 2024 tailor-made learning journeys to enhance AI skills were implemented. Furthermore, the Academy enhanced its offerings of strengths coaching through internal WEPA coaches with special focus on employees working in production.

- **Leadership Development:** To promote our constructive leadership culture, WEPA has implemented a variety of programmes, initiatives and actions to further strengthen our leaders. In 2024, the Leadership Performance Toolbox was rolled-out – a comprehensive guide to WEPA's leadership approach, leadership principles and various leadership tools. Furthermore, the Leadership & Culture Day for the WEPA European Leadership Team was conducted in February 2024. This two-day event focused on discovering and unleashing the potential of leadership to shape WEPA's future together – offering a variety of keynotes, panel discussions and workshops on various leadership topics to enable self-reflection, personal growth and the development of leadership competences. In 2025 we will focus on accelerating our leadership culture by enhancing our leadership programme with the aim to bring our leadership culture to life at every level of our organisation – especially focusing on production sites.

- **Diversity, Equity, Inclusion (DEI):** In 2023, WEPA signed the "Charta der Vielfalt" to express our strong commitment to diversity as a value-oriented family business. With our 4,300 employees from more than 50 nations we aim to create a working environment with fair and equal opportunities for all and to promote a culture of belonging where everybody can thrive. In 2024, to develop the full potential of our diverse workforce, we revised our strategic approach to a holistic approach to DEI. A comprehensive data dashboard to measure the diversity of our workforce and the success of initiatives and actions was established as well as appropriate organisational structures. The sounding board for DEI will guide WEPA's strategic way forward with regards to DEI and the programme team will initiate and work on prioritised initiatives and actions. For 2025, WEPA will further focus on developing and deploying an

awareness and skill-building curriculum for leaders and employees. Furthermore, with regards to our employee structure the programme team will focus on the two prioritised diversity dimensions of age and gender to further develop specific measures.

→ **Employee Well-being:** In 2024, WEPA organised group-wide health days in each location and enhanced the Employee Assistance Programmes (EAPs) for accessible psychological support. WEPA offers the EGYM Wellpass programme providing access to fitness and wellness options across Germany, which continues to grow.

→ **Workplace Environment:** In 2024, WEPA continued to modernise office spaces according to our activity-based working approach to create inspiring and supportive environments. Furthermore, WEPA focused on improving employee amenities in production facilities. With the project "Physical Workplace", WEPA aims to further upgrade the working conditions for our colleagues in the production area. The aim is to implement get-together rooms with similar features at all sites. These rooms are designed to enhance the liveability for our colleagues, to foster interactions and to offer digital services in a modern environment. In 2024, the implementation of these rooms has already started at three sites. Until 2026, WEPA aims to have all sites equipped with at least one get-together room according to Group standards.

→ **Communication & Participation:** Open and transparent communication and participation is the foundation of WEPA's corporate culture. Our communication initiatives aim to inform and involve our employees at all levels early on, foster dialogue and open feedback and strengthen collective responsibility for our goals. To achieve this, we utilise various formats and channels, including daily updates via our internal social network Viva Engage, regular town hall meetings, "Ask Me Anything" sessions with our CEO, as well as our semi-anually employee magazine "PaperPeople". The centrepiece of WEPA's open feedback culture is the annually conducted engagement survey "Better Together". The WEPA Group recognises the right of its employees to form employee representative bodies and to bargain collectively to regulate working conditions, as well as their right to strike, subject to applicable law. Important partners are the works council committees at the locations, the General Works Council and the European Works Council. In these committees, the company informs the employee representatives regularly, promptly and in as much detail as possible about the economic situation, WEPA's strategy, health and safety and key initiatives. In Germany, extensive regulations covering this are anchored in the Works Constitution Act.

→ **Working Conditions:** Depending on the nature of work, employees have access to flexible working hours and a hybrid work model, allowing for both remote and office work to suit individual needs.

Mitigation of risks and tracking of effectiveness

In times in which skilled labour shortage and demographic change represent a risk, being the best place to work is of highest relevance for WEPA to increase our attractiveness for existing and future employees.
In 2024, WEPA set up a community of expertise "Talent Attractiveness & Acquisition" within our European People & Culture (HR) organisation. The designated specialists of this team worked on several initiatives to increase our attractiveness as an employer and to adopt a strategic approach to talent acquisition.
In 2024, WEPA defined its Employer Value Proposition (EVP) as a promise to our existing and future employees. The EVP defines why talents should choose us and what motivates existing employees to stay long-term. Among other things, we conducted a group-wide employee survey to find out what our employees value most about WEPA as an employer. Family business culture, future orientation, security and purpose emerged as important factors.

In addition to that, we have started to implement a standardised European pre- and onboarding process to allow an early social, cultural and functional integration of new colleagues. Our aim is to complete the roll-out to all European sites by the end of 2025. We also continuously focused on early careers as a way to attract and promote young talents, e.g. we integrated the learning platform "simpleclub" in our training programmes.

In 2024, our average kununu score was 3.9.

S1-5 TARGETS

Targets 2026:

Continuously increase employees' engagement
Employee engagement based on a survey with index > 4 (maximum value 5)*

Internal/external perception
Increase of external employer rating in the kununu rating and Glassdoor to > 4
Increase the score of the engagement survey question "I would recommend WEPA as the best place to work" within the engagement survey to > 4.25

Learn & grow
Empower employees through continuous developmental feedback – roll-out of Performance with Care dialogues completed for all European sites and in use: 80%

Workplace environment
All our sites are equipped with at least one get-together room according to Group standards.

Furthermore, we share the following ambitions for 2030:

Diversity
We are in the process of further developing our strategic approach to DEI, initially with a focus on the employability of an ageing workforce and gender diversity. Our aim is to constantly increase the proportion of women in our workforce and in leadership roles.

Gender pay gap
Our goal is to achieve a gender pay gap of 0%. In the meantime, we aim to reduce it to < 5% by 2030.

Target-setting process

The WEPA Group's People & Culture (HR) strategy and its targets are directly derived from the Group strategy. One important goal of the Group strategy is to constantly increase employees' engagement, measured by an annual engagement survey.
Trusting cooperation with employee representatives is an important part of WEPA's corporate culture. Intensive exchanges and consultations with the management take place between the employee representatives, such as the local works councils and the European Works Council. We inform our employee representatives regularly, promptly and in as much detail as possible, e.g. about our company's strategy and derived targets, initiatives and actions. Through the annual "Better Together" survey on engagement, the workforce is directly involved

in evaluating WEPA's performance against targets. The results of the annual "Better Together" survey on engagement are discussed at different organisational levels and with employee representatives. Leaders are trained to process the results and are offered support by trained Engagement Champions for processing the results and aligning development actions together with their teams.
Any lessons or suggestions on improvements may additionally be submitted through direct communication channels as described in Chapter S1-2 – Processes for engaging with own workforce and workers' representatives about impacts.

S1-6 CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

Characteristics of the undertaking's employees by gender

Gender	Number of employees (head count)	Percentage
Male	3,753	85.7%
Female	625	14.3%
Other	1	0.0%
Not reported	/	
Total employees	**4,379**	

Characteristics of the undertaking's employees by country

Country	Number of employees (head count)
Germany	2,092
France	769
Italy	481
United Kingdom	507
Poland	343
Netherlands	187
Total employees	**4,379**

Characteristics of the undertaking's employees by gender

Female	Male	Other	Not disclosed	Total
Number of employees (head count)				
625	3,753	1	0	**4,379**
Number of permanent employees (head count)				
575	3,558	1	0	**4,134**
Number of temporary employees (head count)				
50	195	0	0	**245**
Number of non-guaranteed hours employees (head count)				
0	0	0	0	**0**
Number of full-time employees (head count)				
512	3,677	1	0	**4,190**
Number of part-time employees (head count)				
113	76	0	0	**189**

Characteristics of the undertaking's employees by country

Germany	France	Italy	UK	Poland	Netherlands	Total
Number of employees (head count)						
2,092	769	481	507	343	187	**4,379**
Number of permanent employees (head count)						
1,907	767	481	507	285	187	**4,134**
Number of temporary employees (head count)						
185	2	0	0	58	0	**245**
Number of non-guaranteed hours employees (head count)						
0	0	0	0	0	0	**0**
Number of full-time employees (head count)						
1,965	760	477	491	343	154	**4,190**
Number of part-time employees (head count)						
127	9	4	16	0	33	**189**

In 2024, we integrated WEPA Professional UK and therefore increased in head count in UK compared to 2023.

Employee turnover	
Employee turnover	2024
Rate	9.6%
Number of employees who have left the undertaking	419

Scope: The values are reported in head count and at the end of the reporting period (31.12.2024).
All legal entities are included.
Definition Employee Turnover Rate: Nominator: departures 01.01 – 31.12.2024, Denominator: total employees on 31.12.2024

S1-7 CHARACTERISTICS OF NON-EMPLOYEES

Characteristics of non-employees	
Non-employees	2024
Workers engaged in "employment activities" (NACE Code N78), e.g. leasing personnel	203

There are no self-employed people. The leasing personnel is mainly used in production areas and logistics. The highest number of leasing personnel is in France to compensate for personnel limitations in production. The values are reported as an average in FTE.

S1-8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Collective bargaining coverage			Social dialogue
Coverage rate	Employees – EEA (for countries with > 50 empl. representing > 10% total empl.)	Employees – Non EEA (estimate for regions with > 50 empl. representing > 10% total empl.)	Workplace representation (EEA only) (for countries with > 50 empl. representing > 10% total empl.)
0-19%			
20-39%			
40-59%			
60-79%		UK (76%)	
80-100%	Germany, France, Italy, Poland, Netherlands		Germany, France, Poland, Italy, Netherlands

WEPA has multiple collective bargaining agreements in place. In Germany, branch-wide collective bargaining agreements are at federal state level with an additional general collective agreement that applies nationwide. In the Netherlands and in Italy, a branch-wide national agreement is in place. For Poland, France and the UK site-specific agreements apply.
Working conditions and terms of employment for employees not covered by collective bargaining agreements are determined based on collective bargaining agreements that cover other employees.
Site Works Council, National Works Council and a Group Works Council are in place. An SE European Works Council on group level is in place.

S1-9 DIVERSITY METRICS

Diversity in top management		
Gender	Number of employees (head count)	Percentage
Female	22	16.2%
Male	114	83.8%
Other	/	0.0%
Total employees	**136**	**100%**

Age distribution		
Age	Number of employees (head count)	Percentage
Under 30 years old	587	13.4%
30-50 years old	2,190	50.0%
Over 50 years old	1,602	36.6%
Total	**4,379**	**100%**

At WEPA, the top management roles are referred to as members of the "WEPA European Leadership Team" and defined through an internal grading system.
Within this grading system, the attributes "strategic responsibility" and "management responsibility" are relevant for categorisation. Both attributes are graded on a scale of 1-5. For the role to be classified as top management, a value of at least 3 must be achieved in one of the two specified attributes.

S1-10 ADEQUATE WAGES

All employees are paid an adequate wage. The lowest wage based on the lowest pay group is higher than any living wages, which WEPA defines as its adequate wage benchmark. For France, Germany, Poland and the Netherlands the minimum wage set by law is higher than the living wages and guarantees for this while for the UK and Italy, the lowest wages based on the lowest pay group are higher than the estimates on living wages set and published on the Wage Indicator database.

S1-11 SOCIAL PROTECTION

All employees in the workforce are covered by social protection, through public programmes or through benefits offered, against loss of income due to:

- sickness
- employment injury and acquired disability
- parental leave
- retirement

S1-12 PERSONS WITH DISABILITIES

Persons with disabilities	
Gender	Persons with disabilities
Female	7
Male	75
Other	/
Total	**82**

Numbers for Germany only as the reporting of a disability leads to considerable relief in working life while other countries tend to grant relief in the private sphere.
Definition for persons with disabilities in Germany: according to social law, a person is disabled if their physical, mental, intellectual or sensory capacities are highly likely to deviate for more than six months from a state that is typical for their age, and they may thus – in interaction with various barriers – be prevented from equal participation in society (Section 2 (1) Social Code IX). The degree of disability (Grad der Behinderung, GdB) is determined by the pension office in charge. A disability is classified as severe if the degree of disability is 50% or higher.

S1-13 TRAINING AND SKILLS DEVELOPMENT

WEPA is currently changing systems to conduct performance reviews. While the demand has been that each employee is involved in one performance development dialogue per year, this has taken place at local level without central reporting.
In 2024, there were new performance development dialogues rolled out for the WEPA leadership team (see definition in AR 71: definition of top management). In 2025, the roll-out of dialogues will continue at country level, increasing the circle of participants. The percentage of employees that participated in a performance and career development review with the new system is 1.9%, whereby it must be noted that the former system of performance reviews was still in place in parallel with the demand of one performance dialogue per employee conducted per year.
As explained, the agreed number of reviews by the management in the new performance review system is limited to the WEPA leadership team. Out of this group, 19.9% have participated in a performance and career development review with the new system.
WEPA offers a variety of training and development opportunities for individual and organisational growth. These include external and internal trainings in the WEPA Academy in synchronous and asynchronous formats, coaching as well as IT-security and safety trainings covered by external platforms (KnowBe4, secora). Additionally there are local offerings in plants, with one example being manufacturing excellence trainings.
All of this increases complexity in tracking, which is why a learning management system as an overall system for

tracking and personalised assignment in Oracle consolidating data from all the mentioned training opportunities is in prospect.
Throughout all currently tracked training opportunities, the average of training hours per employee amounted to 4.13 hours in 2024.
This number is split into the training categories as follows:

- Internal trainings in WEPA Academy: 2.32 hours per employee (1.7 hours per male employee and 6.1 hours per female employee)
- IT security trainings via KnowBe4: 0.16 hours per employee
- Safety trainings via secova: 0.99 hours per employee
- Asynchronous e-learnings: 0.66 hours per employee
- Coaching: 105 individual coaching sessions, 226 participants in team coaching sessions as part of the organisational growth development

S1-14 HEALTH AND SAFETY

Safety management systems based on ISO 45001 are implemented at 50% of our sites, while the remaining seven sites will be first certified until end of 2025. Meanwhile, the management system ensures 100% coverage of the entire workforce.

Health & Safety	
Metrics	
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0
Number of recordable work-related accidents for own workforce	67
Rate of recordable work-related accidents for own workforce	2.01
Number of cases of recordable work-related ill health of employees	3*
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	2,166

* Relates to Germany only, data for other countries is currently not available

S1-15 WORK-LIFE BALANCE

All employees are entitled to family-related leave. While we currently do not track the percentage of those who make use of this entitlement, we are actively working on incorporating this data into our upcoming report.

S1-16 REMUNERATION

Gender pay gap and total remuneration

In our ongoing commitment to transparency and equality, we have begun addressing the gender pay gap within our organisation. The unadjusted gender pay gap is currently at -21%, which reflects the fact that our industry is currently very male-dominated in production jobs. Women are predominantly employed in administrative roles, which generally offer higher salaries compared to production jobs.
While the unadjusted gender pay gap provides an initial snapshot, it is not a valid foundation for comparison. It is merely the first step in our reporting on the gender pay gap. We have identified that in our legal entities, which predominantly feature administrative jobs, the gender pay gap is different.
To achieve a more accurate and insightful analysis, we are in the process of developing an adjusted gender pay gap over the next year. This adjusted metric will include objective factors to cluster employees, allowing for a fairer comparison. The adjusted gender pay gap will serve as the foundation for developing measures to address pay disparities, rather than relying on the unadjusted gender pay gap.
We are committed to creating a workplace where all employees are compensated fairly for their contributions and are dedicated to foster equality within our organisation.
The annual total remuneration ratio of the highest paid individual to the average annual total remuneration for all employees at WEPA is 18.75.
The pay ratio is calculated on the basis of the WEPA SE Group total payments for wages and salaries, including social security, divided by the average number of employees, including trainees, according to the Group GAAP closing report as of 31.12.2024. For calculation, the highest paid individual remuneration is deducted from these figures. The ratio is then a result out of division of the comparable income of the highest pay individual by the calculated average income as defined.

S1-17 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

There were no incidents of discrimination or complaints filed within our systems (Compliance One). Therefore, no amount of fines, penalties or compensation for damages as result of incidents of discrimination were paid. As no cases occurred, no information or context can be provided.
Furthermore, there were no human rights issues or incidents, neither by own detection nor by external notification within the year 2024. As no issues and incidents occurred, and no fines, penalties or compensation were made, there is no information that could be provided.

S2 WORKERS IN THE VALUE CHAIN

ESRS 2 IRO-1

Material impacts, risks and opportunities related to workers in the value chain

Impacts, risks and opportunities	Description	Time horizon
Working conditions & equal treatment and opportunities for all		
Positive impact (potential): Sourcing in countries with weaker standards outside of the EU	WEPA relies on suppliers outside the EU, particularly for the procurement of virgin fibres (e.g. from South America). The potential negative impact on workers along the value chain arises from the risk that, compared to the EU, these workers operate under weaker legal frameworks and are less protected against violations of labour law. Additionally, due to generally longer working hours, there is a higher risk of occupational accidents and health issues, as well as a poorer work-life balance.	short-term

Material impacts, risks and opportunities and their interaction with strategy and business model

At WEPA, we are committed to building a responsible, resilient and future-ready supply chain that integrates compliance, sustainability and operational excellence. Our procurement approach is guided by clear ethical, social and environmental standards, and we work closely with carefully selected suppliers, service providers and logistics partners to ensure these standards are consistently met. All partners are expected to adhere to the principles outlined in WEPA's Code of Conduct for Business Partners.
Our sourcing strategy is designed to balance quality, sustainability, supply security and cost efficiency. We emphasise regional procurement wherever possible: recycled fibres are sourced from local partners, while virgin fibres are primarily obtained from suppliers in Scandinavia and South America – often ones with whom we have long-standing business relationships. To further strengthen our procurement capabilities, WEPA will launch a comprehensive Procurement Excellence Programme in 2025. This initiative will standardise supplier selection, enhance evaluation processes, and ensure full alignment with dynamic sustainability requirements and international compliance frameworks.

Description of value chain workers in the WEPA reporting scope

Type of value chain workers

- Workers working on the undertaking's site but who are not part of WEPA's own workforce: contractors and their workers or subcontractors who work at WEPA's production sites. The workers are controlled by the contractor and perform services such as technical and maintenance services, construction services and facility services such as cleaning, catering or security, IT services, etc.
- Workers working for entities in the undertaking's upstream value chain (e.g. workers of pulp suppliers)
- Workers working for entities in the undertaking's downstream value chain (e.g. those involved in the activities of logistics or distribution providers, retailers)

Value chain workers with a potential higher risk

- Value chain for pulp: tier-1 suppliers are multinational corporations based in Europe and have production facilities in South America and Europe.
- Value chain for chemicals: tier-1 suppliers source commodities for the production of chemicals for paper production in China.

S2-1 POLICIES

WEPA has established a due diligence process in accordance with the UN Guiding Principles on Business and Human Rights and international fundamental rights and principles in the workplace recognised by the International Labour Organization (ILO), as well as the main processes and measures of WEPA's sustainability due diligence.
Basis of the due diligence process are our **WEPA Code of Conduct, WEPA's Code of Conduct for Business Partners** and our **Human Rights Strategy.**
WEPA has set sustainability requirements concerning value chain workers and supplier commitment in **WEPA's Code of Conduct for Business Partners.**
WEPA's Code of Conduct for Business Partners sets out the minimum requirements that our business partners must meet to fulfil their responsibility. This document takes orientation from the United Nations Guiding Principles on Business and Human Rights, the basic labour and social standards set out by the International Labour Organization (ILO), the guidelines of the Organisation for Economic Co-operation and Development (OECD) and the fundamental principles of the UN Global Compact.
We request our Business Partners to adhere to WEPA's Code of Conduct for Business Partners, aiming to shape the supply chain ethically and sustainably. This collective effort not only strengthens long-term partnerships but also benefits society and preserves the environment.

WEPA human rights policy commitments

The WEPA Group is committed to respecting the United Nations Guiding Principles on Business and Human Rights, the basic labour and social standards set out by the International Labour Organization (ILO), the guidelines of the Organisation for Economic Co-operation and Development (OECD) and the fundamental principles of the UN Global Compact. This is specified in our human rights strategy, our WEPA Code of Conduct and WEPA's Code of Conduct for Business Partners.
WEPA expects a similar commitment from its suppliers, partners and service providers as set out in WEPA's Code of Conduct for Business partners.
WEPA's Code of Conduct for Business Partners specifies that WEPA business partners must adhere to principles regarding human rights and freedom from discrimination:

- Respectful interaction with employees and creation of a workplace that is free of harassment abuse and discrimination of any kind (ILO Nos. 111/100)
- Recognition of the right to organise and the right to collective bargaining to the extent permitted by law (ILO Nos. 87/98)
- Adherence to requirements with respect to minimum wages and working hours according to local laws, or to minimum standards of the respective national economic sectors and in compliance with ILO standards. Employees are paid wages that allow them to afford an adequate standard of living (ILO No. 100).
- Prohibition of child labour, forced labour and all forms of modern slavery and human trafficking, as well as enlisting or offering persons for illegal activities or acting as an intermediary to this end (ILO Nos. 29, 105, 138, 182)
- Respect of the right to free expression
- Ensuring of due diligence regarding the promotion of responsible supply chains for minerals from conflict and high-risk areas, in accordance with OECD guidelines

In addition, WEPA has drafted a **Responsible Procurement Policy**, which will be published and implemented in 2025.

Engagement with value chain workers

WEPA has ongoing due diligence processes to identify, prevent, mitigate and account for how WEPA addresses its adverse impacts on people or the environment. In terms of human rights and environmental due diligence in its supply chain, WEPA uses a risk-based approach that consists of various elements applied before and during the onboarding of new suppliers and monitoring of business partners.
Process information related to engagement with value chain workers and raising and handling concerns.

See also
S2-2 and S2-3 (p. 73-75)

S2-2 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

WEPA requires its suppliers to uphold the core ethical standards outlined in WEPA's Code of Conduct for Business Partners as a prerequisite for doing business with us. WEPA engaged with suppliers in dialogues to collect signed confirmation of WEPA's Code of Conduct for Business Partners. WEPA's Responsible Procurement Policy will also serve in the communication of expectations towards suppliers.
Conducting an ESG risk analysis of suppliers and identifying risk of human rights violation and environmental damages of tier-1 suppliers, we developed initiatives that we align with suppliers and provide them with trainings (in future via Sedex). Potential risks arising from the dependency on value chain workers are potential supply shortages if tier-1 suppliers' employees are unavailable or skilled workers are missing. Potential opportunities have not been identified.
WEPA is aware of the raw materials which are required to produce our hygiene products (e.g. pulp, chemicals, paper for recycling and others) and understands the trade flows of raw materials required to produce the purchased goods. Based on that, we identify the most common countries from which those raw materials originate from that tier-n supplier may provide to our tier-1 suppliers. We identify the human rights violation risk for those countries to assess if there is a risk of human rights violation. Furthermore, as part of our supplier risk management, we continuously track reports in the social media for human rights violation by our tier-1 suppliers and if associated suppliers of our tier-1 suppliers are reported violating human rights.
On an annual basis, all active suppliers are being risk assessed using the audited and approved methodology of Integrity Next. The first step is an abstract risk assessment that analyses the country- and industry risk of our suppliers. If the supplier is at high risk after the abstract analysis, the supplier receives an invitation for a detailed assessment for the topics: 1. Anti-bribery and -fraud, 2. Environmental protection, 3. Human rights and labour law, 4. Health and safety, and 5. Responsibility in the value chain.
The buyers are responsible for reviewing the responses. In case suppliers remain at high risk, buyers engage with the respective supplier to align improvement activities. These are followed up by a review process. Trainings and on-site audits are decided case by case. New suppliers must accept WEPA's Code of Conduct for Business Partners or provide a code of conduct in accordance with WEPA's values. This is essential to communicating a non-acceptance of human rights violations.
Primarily WEPA engages with key account managers in the sales department of suppliers for routine business, and with strategic suppliers we have annual business review meetings in person. Furthermore, we engage suppliers on-site visits conducted by WEPA Supplier Account Managers.

Scouting, supplier selection and supplier qualification is conducted by e-mail, virtual meeting, in person or on demand. In some cases, this can include on-site visits. Negotiations are conducted by e-mail, virtual meetings, conferences and trade fairs. Supplier risk management (mitigation and prevention) is conducted by e-mail, virtual meetings and in some cases on-site visits and/or on-site audits, on demand and case-by-case.
In 2025, we are extending this by conducting on-site SMETA audits on supplier production sites. We are committed to improving our suppliers. Hence, improvement activities are agreed and regularly followed up with the suppliers.
We have an escalation process in place and in case there is no willingness and no improvement progress, the supplier will not be awarded new business.
The Chief Operating Officer and Chief Executive Officer have the operational responsibility for ensuring engagement with value chain workers.

S2-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

WEPA monitors and works to remediate negative human rights impacts of which it becomes aware and which the company's activities have contributed to or caused. Remediation is specified case by case, based on verified impacts. WEPA establishes channels for reporting concerns, reviews reports carefully, handles personal data appropriately, ensures protection against retaliation and treats all reports in strict confidence. Investigations are conducted by designated persons with the necessary expertise. If a report is substantiated, WEPA takes appropriate disciplinary and/or legal action.
WEPA's monitoring channels are:

1. The Whistleblower Guideline and whistleblower system, available for all value chain workers via the WEPA homepage (see GOV 1)
2. Social media. Any adverse mentioning of tier-1 suppliers and associated tier-n suppliers are continuously monitored via Integrity Next and in future by Sedex.
3. In future membership in Sedex: the members will exchange information and audit results of on-site audits of production sites.
4. On-site audits and visits of WEPA buyers and in future by Sedex audits.

Most of our suppliers are in Central Europe and are therefore bound by strict laws regarding working conditions. We conduct extensive on-site audits of our pulp suppliers, many of which are located in South America. WEPA has audited more than 90% of our pulp suppliers in South America on site at least once in the last five years. Working conditions are also assessed as part of these audits. We use systematic online-supported abstract risk analysis to check 100% of our direct suppliers regarding human rights and environmental due diligence obligations and act on those suppliers whose working conditions still show deficiencies, even after a more in-depth risk assessment of those suppliers that have a high risk after the abstract risk analysis. Violations of human dignity will not be tolerated. Depending on the severity of the incident, the consequences can range from corrective actions, which the supplier must adhere to, to termination of the business relationship. So far, there have been no incidents of this kind with WEPA's suppliers.

100% of our pulp suppliers are FSC®- and PEFC-certified. Both certification systems include social standards and requirements for working conditions and health protection of employees. Forced labour and child labour are excluded, and the principle of equality and non-discrimination applies. Employees have the right to freedom of association and collective bargaining.

S2-4 ACTIONS

- As a result of the risk assessment in the online tool Integrity Next, we receive a confirmation regarding suppliers with high ESG risk. Before identifying appropriate action, we analyse the impact of WEPA on the supplier. In case there is an impact on the supplier, we have developed a standard corrective action catalogue by reported issue. The progress of actions with suppliers with high risk are monitored in the Supplier Risk meeting. There are annual KPIs that are measured checking the supplier ESG risk.
- WEPA's Code of Conduct for Business Partners is given to suppliers and signed versions are required; especially in new supplier qualification and onboarding, a signed CoC in accordance to WEPA's values becomes necessary.
- Responsible Procurement Policy will be communicated on the Website to prevent and mitigate misunderstandings or mis-expectations.
- Through the Sedex membership, we may invite suppliers to ESG SMETA trainings which may serve to prevent but also mitigate or remediate negative impacts.
- During supplier selections, in 2025 we implement standard ESG KPIs in the supplier selection matrix.
- The supplier risk management (including whistleblower system) will remediate negative impacts through risk identification, analysis and taking corrective actions.
- Supplier on-site audits support in mitigating and remediating negative impacts.
- WEPA plans value chain worker-related actions and allocates resources for implementation.
- In Group Procurement Excellence, there will be a dedicated manager for supplier sustainability, compliance and climate initiatives who will drive the implementation of the responsible procurement concept and portfolio of initiatives.
- In case there are incidents noticed in the value chain, the responsible supplier account manager is responsible for engaging with the supplier and for aligning corrective actions.
- WEPA will offer the supplier SMETA trainings through our Sedex membership to improve the overall understanding of ESG obligations.
- WEPA is implementing an end-to-end automated procurement platform to standardise processes and procurement controls. Furthermore, we are investing into databases to enrich supplier data and risk profile.

→ WEPA plans to become a member of a dedicated CSR Procurement Initiative in 2025 to further remedy human rights violations in our value chain.

Planned actions

WEPA plans to investigate becoming an active member in CSR Procurement initiatives to support human rights in the value chain. Furthermore, if suppliers are not willing to support WEPA in its values (Code of Conduct), we see the opportunity to replace the supplier by a supplier that might offer better performance and have a more innovative product portfolio. This identification is part of the Supplier Risk Control Tower Meeting.
WEPA ensures that our procurement practices do not cause or contribute to material negative impacts on value chain workers by:

1. Training buyers in responsible behaviour who are essential to selecting and managing suppliers as well as developing a governance structure with procedures/policies for key supplier management processes (in progress throughout 2025).
2. Communicating our values and expectations as part of the WEPA's Code of Conduct for Business Partners and Responsible Procurement Policy to suppliers
3. Due diligence of new suppliers. We conduct a risk assessment (financial risk, regulatory risk – that is checking against sanction lists, ESG risk, supplier cyber security risk and geospatial risks).
4. Due diligence of legacy suppliers: legacy suppliers are risk-surveyed and corrective actions are taken as required.
5. Due diligence with selection and awarding suppliers for new businesses: ESG risk and additional information from suppliers are collected in terms of production locations and other company information. This is another occasion when Procurement validates if our own practices may cause negative impacts.

Incidents and remediation

No severe human rights issues and incidents have been identified so far.

S2-5 TARGETS

Percentage of targeted suppliers:

1. have signed the CoC (target is 100% of strategic suppliers signed CoC in accordance with WEPA Business Partner Code of Conduct)
   - Risk analysis for 100% of our direct suppliers regarding fulfilment of their due diligence for human rights and the environment

2. commit to a deforestation-free supply chain (only relates to pulp suppliers)
   - Commitments of strategic pulp suppliers were presented to WEPA. Close dialogue with suppliers, customers and associations to implement the EUDR (EU regulation for avoidance of deforestation) took place and implementation of EUDR is ongoing. The project with NGOs WWF and Nextra to achieve a deforestation-free and conversion-free supply chain was continued. The policy of a deforestation- and conversion-free supply chain is in development and will be in force from the beginning of 2025.

Additional KPIs

Percentage of targeted suppliers:

3. with contracts that include clauses on environmental, labour and human rights requirements (100% contract coverage with strategic suppliers)
4. that have gone through CSR abstract risk assessment (100% of active suppliers)
5. at risk after the CSR assessment (100% of active supplier with high risk after the abstract risk assessment completed the in-depth risk assessment)

6. that have gone through CSR on-site audit (all strategic suppliers that are at high risk after the in-depth risk assessment must be audited and resolution of findings followed up)
7. % of assessed/audited suppliers engaged/corrective actions
8. Number of business-critical findings during audits
9. % of buyers trained on sustainable procurement (100% buyers with accountability for managing supplier accounts conduct an annual training specialised for that audience)
10. Sustainable spending

G1 BUSINESS CONDUCT

ESRS 2 IRO-1

ESRS 2 IRO-1 Material impacts, risks and opportunities related to business conduct

Impacts, risks and opportunities	Description	Time horizon
Corporate culture		
Positive impact (actual): Value-based corporate culture	Positive impact on employees' motivation, identification with company, and productivity by promoting a value-based corporate culture within the company.	long-term
Protection of whistleblowers		
Positive impact (actual): Anonymised whistleblower system in place	Positive impact on affected people along the company's value chain by provision of an anonymised whistleblower system.	short-term
Political engagement		
Positive impact (actual): "Best place to work" strategy	Positive societal impact through WEPA's transparent political engagement and the integration of our expertise into policy processes for issues across the entire value chain.	long-term
Management of relationships with suppliers including payment practices		
Positive impact (actual): Development of "Procurement Excellence Programme" involving supplier due diligence	Positive impact on business relations with supplier due to the development of a "Procurement Excellence Programme", resulting in trust and partnership for a good stakeholder relationship with fair long-term contracts and mutual reliability.	short-term
Opportunity: Strong relationship with suppliers	WEPA can benefit from enhanced business continuity resulting from the strong relationships we maintain with our suppliers.	medium-term

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

As a European family business, we think in generations, act with integrity and align everything we do with our core values: respect, commitment and sustainability. Throughout our entire business and value chain, strict compliance with applicable laws and regulations is our highest priority. Our processes are designed accordingly, and our employees are trained to uphold these standards. The WEPA Code of Conduct provides a reliable framework and binding principles to guide the actions of both our employees and business partners. Upholding strong governance principles and responsible business conduct is not only a matter of legal compliance and ethical responsibility – it is also a strategic imperative. It builds trust with our stakeholders, protects our reputation and supports long-term value creation. In an increasingly complex and interconnected global environment, transparent and consistent behaviour strengthens our resilience, enables sustainable growth and ensures that we remain a reliable partner in all our markets.

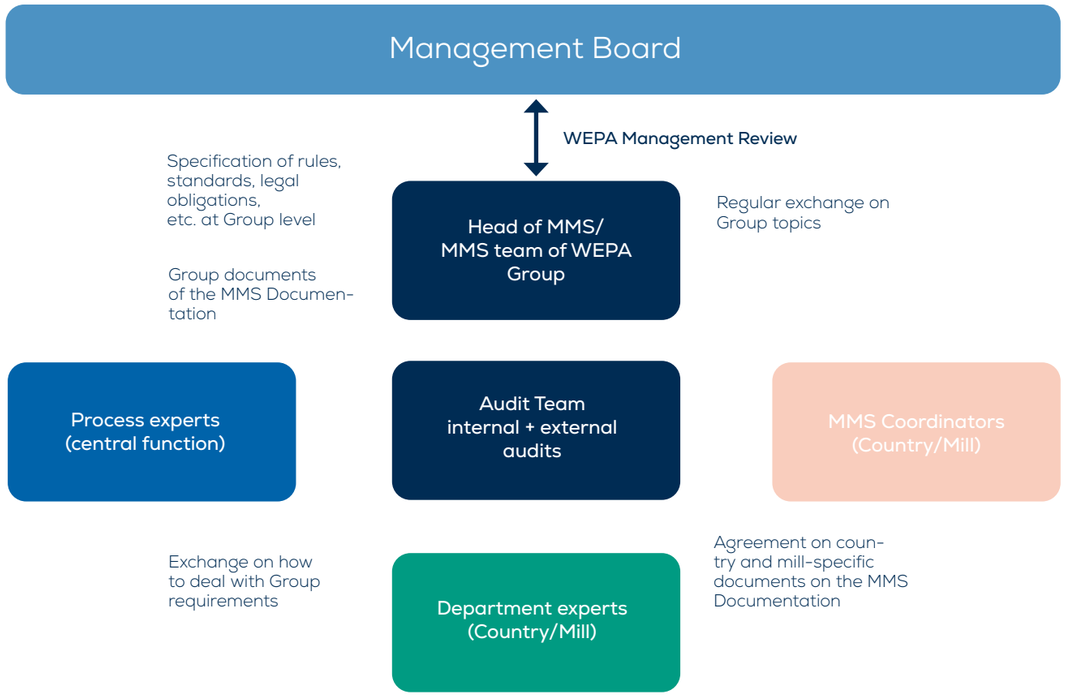
ERSR 2 GOV-1

The role of the administrative, managing and supervisory bodies

The WEPA Group is a future-oriented multi-generational family business with a two-tier board as governance model. This consists of the Management Board and the Supervisory Board. The Supervisory Board consists of three members including the Chairman, it advises and monitors the Management Board, and appoints the members of the Management Board.
The Management Board consists of five members including the CEO. The Management Board of the WEPA Group is responsible for managing the company in accordance with our strategy programme "Perform & Transform – WEPA 2026" and is based on our corporate values of respect, commitment and sustainability.
The corporate policy of WEPA is published by the Management Board and all WEPA strategies are released by the Management Board. Every policy and strategy has to be reviewed within five years.

The following graphic shows the communication structure of the management system of WEPA:

Management roles and communication structure within the WEPA management system



Expertise of administrative, management and supervisory bodies on business conduct matters

The Management Board including the CEO have versatile experience and skills in the field of sustainability, e.g. in sustainability reporting and assurance, including double-materiality processes, ESG governance (including corporate governance), energy and climate policies, labour laws, contributing to ESG-related regulations and lobbying, human rights, diversity, green transition, stakeholder management, supply chain management and circular economy.
The Management Board has experience from all sectors and products relevant to WEPA, such as pulp and paper, packaging, forestry, energy, chemicals, R&D as well as finance and accounting. They also have experience in the field of business conduct matters relevant to WEPA. The previous experience of the Management Board as described above provides the relevant skills and expertise in WEPA operations and business model and the related impacts, risks and opportunities.
In accordance with the business regulations, the board members are responsible for their work area. Every board member reports to the other board members about important issues of their work area.
There is weekly individual coordination among the board members and a monthly comprehensive overview of the company (from perspectives of operational business development, financial situation and liquidity planning, strategy implementation, risk assessment, forecast and performance monitoring) derived from updates from the individual board departments.

In addition to the above-mentioned quarterly deep dive into the achievement of the business units, strategy implementation with a focus on achieving the goals in the areas of finance, sustainability, people and culture, and strategic partnerships with customers and brand building are conducted.
In 2024 deep dive sessions on strategic topics were conducted regarding the energy transformation of WEPA Group.
The Management Board reports regularly to the Advisory Board about planning, business development and risk management. The Supervisory Board is convened as required. At least two meetings take place per calendar half year.
Among other topics, Advisory Board meetings have addressed risk management, updates from all Board areas and deep dive sessions on strategic subjects such as sustainability, people and culture, and markets.

G1-1 POLICIES

Group Policy

WEPA's decision making, management and operations are guided by WEPA's values of respect, sustainability and commitment, which are implemented in the Group Policy, the WEPA Code of Conduct and WEPA's Code of Conduct for Business Partners.
Compliance with the law and responsible practices are the foundation of WEPA's operations and create long-term value for WEPA and its stakeholders.

"WEPA wants to offer employees the best place to work by making working conditions safer and continuously improving them."

Guided by our purpose of "Together for a better life", we connect and support people.
By establishing a suitable safety culture, the company is investing in its future. This is based, among other things, on consistent leadership, commitment, individual coaching, the use of trend analyses as well as a clear goal orientation and consistently implemented measures. To achieve this, we use standardised performance indicators, structured reporting, training tailored to the respective workplace and transparent communication.
WEPA employees are an important key to success, and we are committed to ensuring their health and safety without compromise. As part of the ongoing improvement process, we see it as an important obligation and task to train and support our employees in a targeted manner in order to achieve sustainable commitment and ensure the success of the company in a future-oriented manner.
In addition to the mandatory further training measures, employees are invited to express training requests.

WEPA fosters a strong corporate culture through strategic initiatives in key areas, starting with embedding our corporate values of respect, sustainability and commitment into our work. Our People & Culture strategy "Best place to work" focuses on practising a Performance with Care culture where we combine our ambition of high performance with authentic care for people. Our WEPA Code of Conduct is the foundation of ethical behaviour and our corporate culture. The employees complete mandatory training on the WEPA Code of Conduct on an annual basis which is conducted by the WEPA Academy and encompasses business conduct and according matters.
In addition to that, we develop leaders through dedicated leadership training programmes focused on leadership principles as well as through our dedicated leadership events. Furthermore, we reinforce our corporate culture through an annual engagement survey, followed by targeted follow-up workshops with our Engagement Champions to strengthen engagement on a team-level and to foster our Performance with Care culture.

Mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour in contradiction of its Code of Conduct or similar internal rules

Allegations or incidents can be reported to the works council, People & Culture department, the manager and the whistleblower system.
WEPA has publicly announced the whistleblower policy and whistleblower system. This digital reporting system can be used by everyone to announce unlawful behaviour, be it in an anonymous, semi-anonymous or direct way.
The whistleblower system is ISO-certified and tracks, unchangeably, all incoming announcements and all actions to be taken in line with the legal regulations.

The WEPA Group has established a central reporting body for all companies of the Group. An external, independent, certified compliance service provider has been appointed to set up and monitor the system for the reporting body.
The competent reporting body of the WEPA Group is responsible for recording the incoming disclosures.
Internally, the reporting system is managed by qualified and properly trained employees in accordance with statutory requirements. These act independently and autonomously in accordance with the applicable data protection provisions.
In 2024 no incidents to the whistleblower system were reported, either regarding corruption or other human rights issues. Particularly vulnerable groups concerning corruption and bribery in the company were identified in purchasing and sales. For these groups special trainings are planned.

See also G1-3 (p. 84)

G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Suppliers are an essential part of WEPA's value chain. WEPA buys products, materials and services from mainly Europe and South America.
The main sourcing categories are fibres, chemicals, other raw materials, logistics, energy and indirect purchases such as services.
When selecting suppliers, WEPA's most important priorities include reliable long-term deliveries, cost-competitiveness, product and service quality, suppliers' financial stability, social and environmental responsibility, product safety and the product's carbon footprint.
We request our business partners to adhere to WEPA's Code of Conduct for Business Partners, aiming to shape the supply chain ethically and sustainably. This collective effort not only strengthens long-term partnerships, but also benefits society and preserves the environment.
We differentiate two ways of managing relationships depending on the materiality of suppliers:

1. High materiality suppliers (generally our strategic suppliers and/or pulp and chemical suppliers) are risk-assessed, monitored and in future audited using Sedex.
   Sedex provides a global SMETA standard and more information about the tier-n supply chain.
2. Low materiality suppliers (any other supplier, especially transactional suppliers) are risk-assessed, monitored and audited using the online platform Integrity Next. These are generally indirect (non-bill-of-material) suppliers such as services.

In 2025, we will install a new supplier segmentation. This segmentation will be the basis for managing suppliers in a different intensity. We are developing a selection matrix that will provide standardised criteria to compare suppliers.

See also S2 (p. 70)

G1-3 PREVENTION AND DETECTION OF CORRUPTION OR BRIBERY

The WEPA Group has established an Anti-Corruption Guideline. The purpose of this Guideline is to establish a clear framework for combating corruption and bribery within our organisation, ensuring compliance with international laws and regulations and promoting ethical business practices.
Besides this, WEPA has established a Code of Conduct. The purpose of this WEPA Code of Conduct is to provide all employees with the values and guidelines for proper conduct as defined by the WEPA Group. The annual training according to the WEPA Code of Conduct is mandatory for all employees. Allegations or incidents can be reported to the works council, Human Resources department, the manager and the whistleblower system.
A whistleblower policy and a whistleblower system are established and freely accessible via the WEPA homepage for internal and external stakeholders. The WEPA Group has established a central reporting body for all companies of the Group. An external, independent, certified compliance service provider has been appointed to set up and monitor the system for the reporting body.
The competent reporting body of the WEPA Group is responsible for recording the incoming disclosures. Internally, the reporting system is managed by qualified and properly trained employees in accordance with statutory requirements. These act independently and autonomously in accordance with the applicable data protection provisions.
In 2024 no incidents to the whistleblower system were reported, either regarding corruption or other human rights issues. Policies in general (including anti-corruption guideline, whistleblower policy and WEPA Code of Conduct) are filed within our management system accessible for all employees, and in addition an announcement is made in the internal information platform Viva Engage.
There is an annual mandatory training regarding the WEPA Code of Conduct for all employees including board members in place. Anti-corruption and anti-bribery behaviour are part of this training. Special trainings regarding anti-corruption and anti-bribery behaviour are in planning with our training organisation WEPA Academy.

G1-5 POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

WEPA is an active member of regional, national and European associations of the paper industry and other industry associations, as well as the IHK and family business associations.
WEPA actively participates in working groups to contribute our expertise and knowledge and ensure effective representation of our interests.
In 2024 we paid 651,597 EUR for memberships to lobbying associations. WEPA is not currently registered in a European or national transparency register, as we do not currently see any obligation to do so.

Persons authorised to represent interests directly:

- Management Board: Martin Krengel (CEO), Harm Bergmann-Kramer (COO), Ralph Dihlmann (CFO), Andreas Krengel (CSO), Menno Oosterhoff (CCO)
- Supervisory Board: Dr. Hans-Joachim Körber (Chairman), Thomas Ingelfinger, Dr. Dominik von Au
- Public Affairs Manager: Christian Staat

Main topics covered by lobbying activities and undertaking's main positions on these topics

WEPA represents its interests in a wide range of issues affecting the company.
Our main topics covered by lobbying activities and undertaking's main positions on the topic are sustainability and resource protection, energy, climate protection, bioeconomy, decarbonisation of industry, emissions trading system, carbon leakage, energy efficiency, renewable energy, energy taxation, EUDR, supply chain act, LULUCF, circular economy, biomass strategy, PPWR, energy grids, topics in the area of health and hygiene, species protection/biodiversity, pollution control and industrial policy.

Appointment of any members of administrative, management and supervisory bodies who held comparable position in public administration in two years preceding such appointment

No member of the Administrative, Management or Supervisory Board held comparable positions in public administration in the two years preceding. WEPA will respect all applicable regulations concerning a "cooling-off period". If employing former officials or other staff of government or government agencies or assistants or trainees, WEPA will respect the obligation of such employees to abide by the rules and confidentiality requirements which apply to them. Public Affairs must be consulted before employment of any former Member of Parliament, staff to Member of Parliament or government official by WEPA.

Legal obligation to be a member of a chamber of commerce or other organisation that represents its interests

In some European countries, we are required to be members of chambers of industry and commerce (IHK).
In Germany, we are a member of the local IHK where we have locations (IHK Arnsberg, IHK Rheinhessen, IHK Halle-Dessau, IHK Chemnitz, IHK Düsseldorf). In France we are required to be members of the local Chambre de Commerce et d'Industrie (CCI). We are also a voluntary member of the Franco-German Chamber of Commerce Abroad (AHK). In Italy, companies must be members of the local Camera di Commercio.

G1-6 PAYMENT PRACTICES

There are no proceedings about late payment.
WEPA always honours its financial obligations.

About this report

As a future-oriented, European family business with the fundamental values of sustainability, commitment and respect, the WEPA Group has always stood for sustainable corporate management. In this brochure, we provide an insight into our sustainability strategy and our ambitious goals and objectives, and inform you about our current sustainability measures in 2024. More detailed information on our sustainability measures and key figures can be found on our website wepa.eu.

If you have any questions or suggestions regarding this brochure, please contact Dr. Stefan Gräter, Director Group Sustainability, Anja Rohr, Head of Operational Sustainability & ESG Compliance or Anja Friederich, Sustainability Manager Communication & Engagement, at sustainability@wepa.eu.

More about WEPA on our website:

wepa.eu

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