

ENVIRONMENTAL SOCIAL & GOVERNANCE



ESG REPORT 2022

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As a global leader in release liners and engineered films, Loparex strives to promote and maintain responsible business practices for the benefit of our customers, suppliers, employees, and the communities in which we operate. This commitment is consistently reflected in our actions as a company, and is an integral part of our identity.

Our reports are intended to provide a clear overview into how we as an organization engage with the topic of environmental, social, and governance commitments, as well as our activities and accomplishments to this end.

This report and other information relating to our ESG performance can be found online at www.loparex.com.



Foreword

CHARMAINE RIGGINS
CEO, LOPAREX GROUP

For Loparex, the question of how we can effectively manage our business and take responsibility for the social and environmental impact we have as a company is an important one. Consistent with our core values, we are committed to being a positive force for our customers, our colleagues, and our community.

Since the release of our last report, we have had to reckon with the impacts of the COVID-19 pandemic on both an organizational and individual level. Over the course of the past two years, this disease has exacted a devastating toll on many families, and our thoughts and prayers continue to be with those affected. During the pandemic, we pivoted quickly to different working options and virtual meetings while still continuing to build positive customer and employee experiences. Safety is a core Loparex value, and we have a duty of care for one another. I am proud of the empathy and compassion shown by our colleagues during these unprecedented times.

As a company, we operate in accordance with a set of Guiding Principles that define who we are and how we act when conducting business with others. Above all, we aim to create a socially sustainable and equitable future, beginning with fostering the success of our own employees. Professional development, tuition reimbursement, training and certification opportunities are among our main focal points for attracting and retaining talent, while a well-built diversity, equity and inclusion strategy will allow us to create a strong and inclusive company culture.

Nothing is more important than safeguarding our relationships with our customers. Paying close attention to the market and their needs allows us to align our offerings accordingly. We protect the privacy and data of our customers and take responsibility for ensuring that our technical innovation and manufacturing processes are both economically viable and environmentally supportable.

We also invest extensively in conducting our business responsibly. Through comprehensive audits and third-party certifications, we aim to minimize our environmental impact in the communities in which we work and live while providing products for our customers in a safe and responsible manner.

Over the past two years, our employees and our company have taken significant steps forward in terms of our environmental, social, and governance responsibilities while still remaining focused on our customers and their needs. I am proud of the initiatives we have pursued, and I hope this report helps to highlight these efforts.



Charmaine B. Riggins
Chief Executive Officer
Loparex Group

OUR VISION

To be the leading and most trusted solutions provider for engineered materials in all markets that we serve.

OUR MISSION

We collaborate and partner with our customers, leveraging our market, material science, and processing expertise to consistently deliver world-class service and solutions that enable sustainable performance.

OUR VALUES

Loparex is committed to:

- Operating with a duty of care to uphold a safe and healthy environment
- Focusing on our customers and listening to deliver value and best-in class service
- Communicating with integrity and clear intent while leading with authenticity and respect
- Giving colleagues feedback while recognizing and celebrating each other's successes
- Fostering a culture of diversity, inclusion, and belonging

Our Business

For over one hundred years, Loparex has been a trusted partner to companies across a variety of industries. We believe in long-term partnerships, creating value while growing alongside our customers and markets.



OUR OFFERINGS

PRODUCTION CAPABILITIES

We provide a comprehensive array of manufacturing and converting options under one roof.

- **Film Extrusion**
- **Lamination**
- **Poly Extrusion**
- **Silicone Coating**
- **Embossing**
- **Printing**
- **Slitting**

PRODUCT SOLUTIONS

Loparex is proud to offer the industry's most expansive portfolio of paper and film solutions.

- **Direct Coated Paper**
- **Poly-Coated Paper**
- **Direct Coated Films**
- **Poly-Coated Films**
- **Uncoated Functional Films**

PAPERS

Loparex supplies a full range of standard and specialty paper products.

- **Poly-Coated Kraft (PCK)**
- **Clay Coated Kraft (CCK)**
- **Super Calendered Kraft (SCK)**
- **Machine Finished (MF) Kraft**
- **Machine Glazed (MG) Kraft**
- **Glassine (GLS)**

FILMS

Our extensive in-house film extrusion capabilities support sophisticated constructions with up to nine layers.

- **Polyester (PET)**
- **Polyethylene (PE)**
- **Polypropylene (PP)**
- **Polystyrene (PS)**
- **Ethylene Vinyl Alcohol (EVOH)**
- **Ethyl Vinylene Acetate (EVA)**
- **Cyclic Olefin Copolymers (COC)**
- **Biopolymers & Bio Blends**
- **Polylactic Acid (PLA)**
- **Thermoplastic Starch (TPS)**

LOCAL SERVICE, GLOBAL OUTLOOK

[GRI 2-1D]



Loparex operates production sites in the United States, Germany, the Netherlands, India, and China. Collectively, these locations cover a full range of capabilities, from extrusion to coating, curing, printing, and packaging.

At each location, on-site teams are available to provide design and project management support and address issues such as R&D, IP needs, and regulatory compliance.

2.7B
m² Annual
Production

70+
Countries
Served



SPOTLIGHT | FIELD TECHNICAL SERVICES (FTS)

The FTS team brings our expertise directly to customers' manufacturing lines, providing on-site product and operational support to ensure that our solutions always run as intended.

MARKETS SERVED

[GRI 2-6A]

BRANDING & PACKAGING SOLUTIONS			
	Graphics	Label & Packaging	Hygiene
INDUSTRIAL SOLUTIONS			
	Building & Construction	Automotive	General Industrial
PERFORMANCE SOLUTIONS			
	Health Care	Composites	Electronics



VALUE CREATION

We offer customers competitive advantages through new product features as well as technology and manufacturing efficiency via an integrated supply chain and optimized production network. This, coupled with deep knowledge of applications, markets, and material science, has made us the release liner solutions provider of choice the world over.

INDUSTRY ASSOCIATIONS

[GRI 2-28]

Loparex works with industry groups and initiatives on both a regional and global level to pursue new avenues for improving sustainability and creating best practices.

Association	Our Engagement
	<ul style="list-style-type: none"> Loparex is a signatory to the European Commission's Circular Plastics Alliance Launched in 2019, the Alliance aims to boost the EU market for recycled plastics to 10 million tons by 2025 The Alliance currently encompasses more than 175 organizations from across the plastics value chain
 IK Industrievereinigung Kunststoffverpackungen e.V.	<ul style="list-style-type: none"> Loparex is a founding member of the Industrievereinigung Kunststoffverpackungen (IK), Europe's largest association for plastic packaging producers Loparex and other IK members collaborate on initiatives covering topics such as energy usage, CO₂ emissions, circularity, and microplastic pollution
	<ul style="list-style-type: none"> Loparex is a member of CELAB: Toward a Circular Economy for Labels in Europe and North America Established in 2020, this global alliance promotes matrix and release liner recycling across the entire self-adhesive label value chain
	<ul style="list-style-type: none"> Loparex is a contributor to the Afera Flagship Sustainability Project (AFSP) Launched by the European Adhesive Tape Association in 2021, the AFSP drives advocacy and development for sustainable practices and policies in the tapes industry
	<ul style="list-style-type: none"> Loparex is a member of the Pressure Sensitive Tape Council (PSTC) Founded in 1953, PSTC is the preeminent US-based trade association of pressure sensitive tape manufacturers and suppliers, providing testing, training, networking and advocacy opportunities

Our ESG Approach

Our reporting aims to provide a transparent, comprehensive, and accountable perspective on ESG-related efforts within the Loparex organization for all relevant stakeholders.



REPORTING FRAMEWORK

ESG reporting at Loparex follows standards and methodologies established by the **Global Reporting Initiative (GRI)**, with a focus on eight core material topics.

**GREENHOUSE GAS
(GHG) EMISSIONS**

Direct (Scope 1)
CO₂ Emissions

Indirect (Scope 2)
CO₂ Emissions

PAGE 23

ENERGY

Energy Consumption

Renewable Energy
Use

PAGE 24 - 25

WASTE

Waste Generated

Waste Directed to
Disposal

Waste Diverted
from Disposal

PAGE 26

WATER

Water Consumption

PAGE 27



**OCCUPATIONAL
HEALTH & SAFETY**

Total Case
Incident Rate (TCIR)

Severity Rate

PAGE 36

EMPLOYMENT

New Hires

Turnover

Average Tenure

PAGE 33

**DIVERSITY & EQUAL
OPPORTUNITY**

Percentage of Female
Employees

Percentage of Ethnic
Minority Employees
(US Only)

PAGE 34

**EMPLOYEE
ENGAGEMENT**

Employee Survey
Response Rate

PAGE 35



REPORTING SCOPE

- This report represents the first comprehensive disclosure of ESG metrics at Loparex, incorporating numerous environmental and social performance indicators for the year 2021 as well as setting environmental improvement goals for 2030. The indicators in this report cover all eight Loparex manufacturing sites and have been consolidated on a global scale.
- All measurements of greenhouse gas (GHG) emissions presented in this report adhere to the Greenhouse Gas Protocol published by the World Business Council For Sustainable Development (WBCSD) and the World Resources Institute (WRI).
- Scope 1 reporting incorporates all direct emissions from Loparex production sites in tons of CO₂, including natural gas, liquid gas, fuel and solvent combustion, and company cars.
- Scope 2 addresses indirect emissions in tons of CO₂, primarily reflecting purchased electricity as well as a limited quantity of purchased steam.
- Calculations in this report focus solely on CO₂ emissions and reduction goals. Emission values for other greenhouse gases such as CH₄, N₂O, HFCs, PFCs, and SF₆ are not included and will be addressed in the next reporting period.
- Safety data presented in this report reflects all direct employees of Loparex. Incidents involving external contractors or service provided are recorded but outside the scope of the reported data.
- Any information related to a GRI disclosure requirement will be designated with the relevant disclosure number. A full index of available GRI disclosures, including additional relevant data, can be found in the **Appendix**.
- Any information related to actions undertaken in support of a UN Sustainable Development Goal (SDG) will be designated with the relevant SDG number.
- All metrics and other information relating to GRI disclosures contained within this report have been independently audited and verified by DQS CFS GmbH.

SUPPORT FOR UN SDGS

Loparex is proud to support the **United Nations Sustainable Development Goals (SDGs)** to drive a more sustainable and equitable future at an environmental, social, and economic level. Our 2030 ESG goals align with 9 of the 17 SDGs:

SDG	Our Contribution
3 GOOD HEALTH AND WELL-BEING 	Health and safety are core values at Loparex. We take all steps to safeguard employee well-being on the job, and provide additional resources and opportunities for colleagues to improve their personal health.
6 CLEAN WATER AND SANITATION 	We monitor and manage water consumption throughout production to minimize waste and ensure responsible usage, abiding by all local regulations regarding water withdrawals and management.
8 DECENT WORK AND ECONOMIC GROWTH 	Loparex is committed to providing rewarding career opportunities across all roles and functions, with extensive scope for professional as well as personal development.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	We continuously review and upgrade production capabilities to ensure greater energy and resource efficiency.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	From using inputs made from recycled or renewable resources to material-saving solutions and an organization-wide zero-landfill policy, every effort is made to maintain environmentally responsible production.
13 CLIMATE ACTION 	We monitor and manage emissions across our production network, reducing our carbon footprint through more efficient manufacturing, use of renewable energy, and alternative raw materials from non-fossil fuel-based sources.
14 LIFE BELOW WATER 	We take proactive steps to protect marine life from microplastic pollution, working directly with customers in developing biodegradable and recyclable end products that limit the amount of plastic entering our oceans.
15 LIFE ON LAND 	Our sourcing policies emphasize conservation, requiring suppliers to commit to protecting high carbon stock areas and environments such as intact forest landscapes and peatlands from conversion.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Loparex maintains exacting standards for itself and its partners regarding human rights, labor practices, and business ethics. All Loparex employees and suppliers are expected to adhere to these standards.



SUSTAINABLE PRODUCTS

[GRI 2-22 | UN 12]

Our vision for sustainable products encompasses current solutions as well as future product design. Such products fulfill two main goals:

- Preventing waste within the lifecycle of a product
- Minimizing environmental impact through measures such as lower energy consumption, use of bio-based materials, or avoidance of harmful chemicals

We carry out a variety of **Sustainable Product Development (SPD)** activities in accordance with a defined Sustainability Roadmap, targeting three areas:

CIRCULARITY

Products designed for and used in regenerative systems where resource input and waste leakage are minimized by closing material loops

CLIMATE NEUTRALITY & ZERO WASTE

Products or processes designed to limit unwanted waste, use of non-renewable resources, and CO₂ footprint

CLEAN TECHNOLOGY

Products, process changes, or process developments that lead to the reduction or avoidance of ecologically harmful materials

OUTLOOK

By 2030, the majority of new technologies launched by Loparex will adhere to one of the three Sustainable Product Development pillars.

To achieve this, we have defined topics, overarching goals, and targets for each pillar. Collectively, they represent our Sustainability Roadmap for the decade ahead.

Category	Our Goal	2030 Target
CIRCULARITY		
Recyclable Paper & Films	Develop circular material streams for siliconized and poly-coated paper and film	More than 10% of all materials run through circular processes
CLIMATE NEUTRALITY & ZERO WASTE		
Waste Reuse	Increase use of post-consumer (PCW) and post-industrial waste (PIW)-based resins and process waste	More than 5% of raw materials sourced from PIW, PCW and process waste
Sustainable Resins	Increase use of bio-based, ISCC PLUS certified, and biodegradable resins	More than 10% of polyolefin from sustainable sources
Sustainable Paper	Increase use of paper from sustainable (FSC® / PEFC certified) sources	More than 95% of paper from sustainable sources
CLEAN TECHNOLOGY		
Replacement of Harmful Materials	Replace poly- and perfluorinated materials	Alternatives available for all suitable applications
	Replace tin catalyst-cured silicones	Production 100% tin catalyst-free where feasible
Elimination of Solvents	Reduce use of hazardous solvents	Solvent-free alternatives available for all applications
Biodegradable Products	Develop certified biodegradable products	Certified product portfolio available across all markets

Sustainable Procurement

Through its Sustainable Procurement Policy, Loparex defines an overarching approach to the responsible sourcing and procurement of goods and services. Annual training sessions ensure that all members of the Loparex global buying community fully understand these policies and associated sustainable procurement concepts, with particular focus on four key elements.





SUPPLIER CODE OF CONDUCT

[GRI 308-1 | UN 12 / 13 / 15]

93%

SUPPLIER
ASSESSMENTS
COMPLETED
AND VALIDATED

Loparex is committed to operating to the highest standards with regard to human rights, labor practices, business ethics, and environmental protection and sustainability, and expects its third-party providers of goods and services to subscribe to this same commitment by fully adopting and complying with the principles and practices set forth in the **Loparex Supplier Code of Conduct**.

7%

IN PROGRESS

Loparex also encourages its suppliers to require their own suppliers to adopt and comply with these same principles and practices.

CONFLICT MINERALS

[UN 16]

100%

PURCHASED
MATERIAL IN
COMPLIANCE

Loparex complies with country-specific legislation designed to stem the trade and proliferation of conflict minerals throughout the world. All new and existing raw materials are reviewed to determine if they contain tin, tantalum, tungsten, or gold that is intentionally added to enhance processing or functionality, and whether these meet the definition of a conflict mineral as set forth in the relevant country regulations.

If so, required diligence is taken, including a reasonable country-of-origin inquiry to determine if the minerals in question originated from covered countries or were made from scrap or recycled sources.

PAPER SOURCING

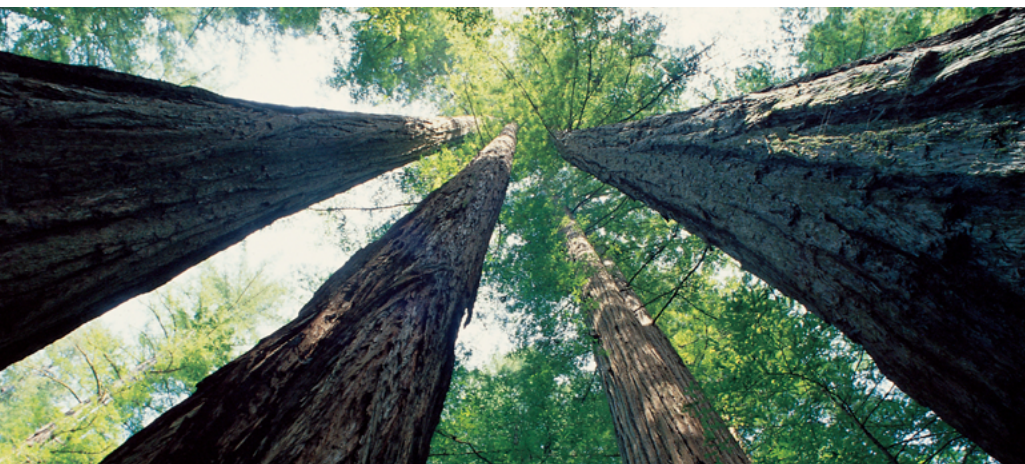
[GRI 308-1 | UN / 12 / 13 / 15]

100%

SUPPLIERS IN
COMPLIANCE

Loparex is committed to the responsible sourcing of paper by working exclusively with suppliers that share these values. Responsibly sourced paper is defined as:

- Containing fiber that is legally harvested, sourced, transported and exported from its country of origin
- Containing fiber that is traceable through the supply chain to the source of harvest
- Complying with local regulations
- Protecting high conservation values, including intact forest landscapes and protection of peatlands
- Protecting high carbon stock areas and avoiding conversion
- Respecting indigenous people's rights with free prior and informed consent
- Respecting and complying with all work safety standards and labor and human rights regulations, including no forced or child labor





FORCED LABOR PREVENTION

[UN 16]

100%

PURCHASED
MATERIAL IN
COMPLIANCE

Loparex is committed to supporting and complying with all country-specific initiatives and legislation that are designed to strengthen the prohibition against the purchase of goods made wholly or in part with forced labor.

OUTLOOK

As of 2023, sustainable procurement objectives have been integrated into the annual commitments of all team members that directly drive sustainable procurement initiatives within Loparex.

A key element of these objectives will be an increase in the quantity of sustainable materials used in our production processes in line with our Sustainability Roadmap. Accordingly, by 2030 at least **95%** of Loparex's total paper requirements will be purchased with Forestry Stewardship Council® (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certification, representing that base raw materials were responsibly sourced.

In addition, by 2030 at least **10%** of Loparex's total polyolefin requirements will either be derived from bio-based raw materials, be biodegradable, or will be purchased with ISCC PLUS certification.

Sustainable Manufacturing

Manufacturing is one of the largest sources of greenhouse gas emissions and generates a variety of other sources of pollution, including landfill waste and microplastics. Beyond this, manufacturers face growing demand from both customers and end consumers for more sustainable products.

Loparex takes a multifaceted approach to sustainable manufacturing processes by assessing resource use and environmental impact across all major production steps.





GREENHOUSE GAS EMISSIONS

[GRI 305-1 / 305-2 | UN / 12 / 13]

148k

TONS OF CO₂
EMITTED
(SCOPE 1+2)

Greenhouse gases (GHGs) are a key driver in climate change. Of these, carbon dioxide is the largest and most significant type of greenhouse gas, accounting for an estimated 76% of total GHG emissions.

To obtain an accurate perspective of its carbon footprint, Loparex records both direct emissions from controlled sources, including production processes and company vehicles (Scope 1), and emissions from purchased electricity, steam, and heat (Scope 2). In 2021, the combined Scope 1 and 2 emissions for all Loparex activities totaled **148,110** tons of CO₂.

OUTLOOK

By 2030, Loparex intends to reduce its total CO₂ emissions by **30%** compared to 2021 values. Beyond optimizing production processes to avoid unnecessary energy usage and emissions, savings will be generated through:

- Implementation of heat recovery mechanisms in manufacturing equipment such as printers and coaters
- Replacement of existing diesel-powered work vehicles such as forklifts with battery-driven models
- Increased use of renewable energy sources, including on-site generation
- Regulated utility efforts



ENERGY USAGE

[GRI 302-3 / UN 12 / 13]

1.34M
GIGAJOULES
CONSUMED

Industry is the largest global consumer of energy, making effective energy management in production a critical sustainability concern.

At Loparex, strategic energy management programs are adopted at a global level and supported by shared goals and measuring methodologies. All Loparex manufacturing sites have provisions for energy reduction projects in their operating budgets, which include funding for targeted equipment improvements and upgrades.

In 2021, Loparex manufacturing sites consumed a total of **1,340,096** gigajoules (GJ) of energy.

OUTLOOK

For 2030, Loparex aims to reduce total consumption by at least **15%** by implementing a variety of energy-saving measures at its locations, including:

- More efficient production processes, reducing unnecessary run times
- Strategic equipment upgrades
- Preventative maintenance projects
- LED-based lighting and occupancy sensors
- Ongoing workforce training on energy management and conservation

Investments for these measures are planned and approved through 2025.

RENEWABLE ENERGY USAGE

[UN 12 / 13]

7%

OF TOTAL
ENERGY USE
OBTAINED
FROM
RENEWABLES

Alongside reductions in energy usage, Loparex has targeted a significant increase in the proportion of renewable energy used in production. At certain locations, renewables such as solar and wind already account for a significant percentage of energy usage. Most notably, Loparex LLC's plant in Iowa City was able to cover **90%** of its purchased energy through wind power in 2021.

OUTLOOK

By 2030, Loparex intends to source at least **40%** of its energy needs from renewables by working with local providers to ensure a more sustainable energy mix. Multiple projects are also underway to explore the feasibility of deploying solar panels and wind turbines at production sites, which would increase renewable usage while providing greater energy independence.

SPOTLIGHT | SOLAR INSTALLATIONS

In 2019, Silvassa became the first Loparex site with solar capacity after a 110 KW grid-connected solar power plant was installed on the facility's main warehouse.



WASTE

[GRI 306-3 / 306-4 / 306-5 / UN 12]

18,574

TONS
OF WASTE
GENERATED

72%

DIVERTED
FROM
DISPOSAL

28%

DIRECTED
TO DISPOSAL

Loparex maintains a zero landfill policy that aims to direct more than **99%** of all non-hazardous waste away from landfill disposal through:

- **Targeted waste reduction and avoidance measures**, including downgauging and intelligent campaign planning
- **Internal recycling programs** that reuse process waste as a raw material for production supplies
- **External recycling partners** that purchase plastic and paper waste for reuse in applications such as fuel pellets, tablecloths, and mats

Of the **18,574** tons of waste generated by Loparex production sites in 2021, over **72%** was reused or recycled internally or externally. A further **22%**, comprising non-hazardous waste that could not be otherwise repurposed, was thermally recycled off-site. The remaining **6%** consisted of hazardous waste that was disposed of off-site.

OUTLOOK

By 2030, Loparex aims to reduce total production waste by **30%** by optimizing existing production processes and scaling back activities that generate hazardous waste, such as silicone coating with solvent-based formulations. Internal and external recycling activities will also be expanded to increase the quantity of material diverted from disposal across the organization.





WATER

[GRI 303-1 / UN 12 / 14]

156

MEGALITERS
WITHDRAWN

In 2021, Loparex plants withdrew **156 megaliters** of freshwater from groundwater and third-party water sources. All withdrawals were made in accordance with local regulations and water management requirements.

Loparex monitors global developments regarding water stress as a standard procedure for risk prevention. This is supplemented by a variety of actions in support of water conservation, including measures to limit impacts from effluents and microplastic pollution.

OUTLOOK

By 2030, Loparex aims to reduce freshwater withdrawals by **30%** by optimizing usage wherever possible. Measures being explored include expanding the re-use of process water to supply other manufacturing applications such as cooling.

A comprehensive Lifecycle Analysis of the Loparex product portfolio is also underway. This Analysis will provide a better overall understanding about how Loparex products may come into contact with marine environments and help steer appropriate mitigation measures.

Certifications

Third-party assessment of programs and management systems is a critical component of Loparex's ESG commitment. Such certifications confirm the implementation and effectiveness of individual measures, providing clear guidance on opportunities for further improvement.



ECOVADIS

4/8

SITES
CERTIFIED AT
CURRENT

EcoVadis is the world's largest and most trusted provider of business sustainability ratings. Its scorecards assess how effectively companies integrate corporate social responsibility principles into business and management systems based on 21 indicators across four areas: Environment, Labor Practices & Human Rights, Fair Business Practices, and Sustainable Procurement.

8/8

SITES
TARGETED
FOR 2023

Loparex began securing EcoVadis ratings for its plants in 2021. Loparex Germany, the largest site in the Loparex network, placed in the top 20% of the more than 90,000 EcoVadis-rated businesses, with assessors commending the plant's comprehensive ESG policies, extensive health and safety programs, regular supplier assessments, and proactive training of employees in conservation topics.

FSC CHAIN OF CUSTODY

2/6

PAPER SITES
CERTIFIED AT
CURRENT

The Forestry Stewardship Council® (FSC) is an international non-profit dedicated to environmentally and socially responsible forest management. It is supported by around 850 partners, including non-governmental organizations, research bodies, and private enterprises.

6/6

PAPER SITES
TARGETED
FOR 2023

FSC Chain of Custody (CoC) certification traces paper end products throughout the course of a given supply chain, ensuring the FSC's rigorous standards are maintained at every step of the way. To accommodate this, any FSC-certified material must be identified or separated from non-certified material throughout, ensuring greater transparency with regards to origin and environmental impact.

Both Loparex India and Loparex (Guangzhou) Paper Products currently hold Chain of Custody certification, allowing them to provide customers with a range of FSC-certified solutions.

SEDEX

4/8
SITES
CERTIFIED AT
CURRENT

Sedex is one of the world’s leading ethical trade service providers, with a network of over 65,000 members across 180 countries and 35 industries. The organization provides critical data for suppliers as well as buyers, simplifying the process of ethical sourcing while creating opportunities for further improvement.

4/8
SITES
TARGETED

To provide additional transparency and clarity to customers in markets with a strong end consumer focus such as Hygiene, Loparex maintains Sedex certification at select plants.

ISO MANAGEMENT SYSTEMS

Loparex maintains certified ISO 9001 quality management systems at all sites, supplemented by a range of additional certified systems.

Site	ISO 9001	ISO 14001	ISO 45001	ISO 50001
Eden	✓			
Hammond	✓			
Iowa City	✓			
Malvern	✓			
Forchheim	✓	✓		✓
Apeldoorn	✓	✓		
Silvassa	✓	✓	✓	
Guangzhou	✓	✓		

ISCC PLUS

1/3

FILM SITES
CERTIFIED AT
CURRENT

3/3

FILM SITES
TARGETED
FOR 2025

ISCC, the International Sustainability & Carbon Certification, is a leading global standard for sustainable supply chains. Its framework places an emphasis on environmentally, socially, and economically sustainable feedstock production and covers biomass, circular, and other renewable materials. ISCC certification thus addresses the entirety of the value chain, backed by detailed audits that ensure that all economic operators along the chain are complying with appropriate standards.

Loparex initiated the process of obtaining ISCC PLUS certification in 2021, with Loparex Germany becoming the first manufacturing site to successfully complete certifications.

OUTLOOK

To better serve both customers and stakeholders, Loparex intends to have a full range of sustainability-related certifications in place at its production sites by 2025. Priority has been placed on certification with the highest customer demand.

Site	FSC®	EcoVadis	ISCC PLUS	Sedex
Eden	2023	<i>In Place</i>		
Hammond	2023	2023	2025	
Iowa City	2023	2023		
Malvern		2023	2025	<i>In Place</i>
Forchheim		<i>In Place</i>	<i>In Place</i>	<i>In Place</i>
Apeldoorn	2023	2023		
Silvassa	<i>In Place</i>	<i>In Place</i>		<i>In Place</i>
Guangzhou	<i>In Place</i>	<i>In Place</i>		<i>In Place</i>

People & Communities

At the heart of our ESG commitment is a desire to improve individual lives. At Loparex, this goal encompasses both the employees that underpin our success as an organization and the greater communities around us.



HIRING & TALENT MANAGEMENT

[GRI 2-7-A / 2-7-B / 2-7-C / 405-1 / UN 8]

1889

FULL-TIME
EMPLOYEES

13%

NEW HIRES

16%

VOLUNTARY
TURNOVER

13y

AVERAGE
EMPLOYEE
TENURE

Total headcount at Loparex grew **3%** from 2020 to 2021 as new roles and teams were created to advance long-term expansion and improve day-to-day operations, including critical ESG topics.

To further improve employee retention and attract a larger number of well-qualified candidates, Loparex established a organization-wide talent and culture development program in 2021, built around four strategic goals:

- Ensuring the company's position as an attractive employer
- Providing a rich experience for team members to develop
- Enabling career paths to fulfill individual ambitions
- Shaping a safe, respectful, and enjoyable workplace culture

The cornerstone of this initiative was the creation of a full-time **Chief Talent and Culture Officer** role to define, initiate, and manage relevant projects across the entire Loparex organization. Other concrete measures implemented in support of the program included:

- **Individual Development Plans** that allow employees and their managers to collaborate on setting and achieving professional goals
- A global flexible working policy with greater provisions for home office usage
- The launch of "**Culture By Design**," a project to drive the adoption of positive norms and behaviors consistent with the company's values.

OUTLOOK

Expansion of talent development and retention initiatives will be a focal point in 2023 and beyond. Additional opportunities, such as a mentoring program partnering newer employees with more experienced professionals, will also be offered going forward.

DIVERSITY & EQUAL OPPORTUNITY

[GRI 2-7-A / 2-7-B / 2-7-C / 405-1 / UN 5 / 8 / 10]

19%

FEMALE
EMPLOYEES
IN 2021
(GLOBAL)

22%

FEMALE
MANAGERS
IN 2021
(GLOBAL)

20%

ETHNIC
MINORITIES
IN 2021
(US ONLY)

14%

ETHNIC MINORITY
MANAGERS
IN 2021
(US ONLY)

OUTLOOK

Loparex is committed to creating rewarding, meaningful opportunities for individuals of all backgrounds, and diversity and inclusion are a core priority. Focus will be placed on diversifying recruiting practices to create greater visibility for employment opportunities at Loparex among a broader audience.

To improve workplace equity, Loparex is also expanding harassment and discrimination prevention training at its US plants, backed by a broader global training program that addresses topics such as unconscious biases, particularly on a management level.

SPOTLIGHT | THE LOPAREX CULTURE COMMITTEE

The Loparex Culture Committee is a cross-functional global team of volunteers who are interested in developing company culture, celebrating and communicating important events and activities, and recognizing both individual and team achievements. The Committee is open to all employees and meets on a monthly basis.





EMPLOYEE ENGAGEMENT

[GRI 2-29]

77%

2021 SURVEY
RESPONSE

+1%

CHANGE VS.
2019

Loparex aims to give every employee a voice. Through experience surveys, employee dialogue sessions, discussion groups, town hall events, line management, and local HR departments, Loparex team members have a variety of channels through which to provide input and regular opportunities to engage with company management.

The centerpiece of these efforts is the biannual **Loparex Pulse Survey**, which collects employee feedback on crucial topics such as safety culture, working conditions, understanding of expectations, and internal communication. Survey results are made available to management teams across the organization and subsequently discussed in focus group sessions organized by Loparex HR, which identify areas for improvement and create concrete action items.

Key concerns raised by respondents in 2021 included the need for improved communication and information flow between functions, better training, and greater clarity on roles and responsibilities. A number of cross-functional focus groups were established in response to this feedback as a forum for discussing and developing actionable proposals for improvement.

OUTLOOK

Loparex will continue to maintain an open and productive dialogue across functions and departments, as well as encouraging individual employees to have a more prominent voice in our corporate culture.

OCCUPATIONAL HEALTH & SAFETY

[GRI 403-8 / UN 3]

1.87

2021 TOTAL
CASE
INCIDENCE
RATE

All Loparex plants operate in accordance to structured procedures backed by robust safety training and reporting mechanisms. These comply with all with legal and other requirements, including local state law as well as federal regulations.

-8.3%

VS. 2020

In the Silvassa and Forchheim plants, operations are carried out in accordance with ISO 45001 occupational health and safety standards. These standards are internally audited in Forchheim and externally certified in Silvassa.

41.4

2021 GLOBAL
SEVERITY RATE

On-site health and safety performance is measured via the Total Case Incident Rate (TCIR). This metric reflects the number of workplace injury incidents per 100 employees over a period of 200,000 working hours, and captures all injuries requiring medical treatment, days away from work, or restricted duty.

-34.3%

VS. 2020

TCIR reporting is supplemented by Severity Rate tracking for both individual sites and the global Loparex organization. This metric records the number of workdays lost due to accidents per 200,000 working hours over the past 12 months.

40.6%

COVERED BY
MANAGEMENT
SYSTEMS

SPOTLIGHT | AUTOMATION

Loparex strategically invests into automation to reduce physical strain on employees. In 2021, automated transport vehicles and packaging lines were installed in Eden and Iowa City, improving on-site safety and efficiency.

OUTLOOK

Despite improvements in safety performance, Loparex ultimately targets a zero-incident culture. To achieve this, Loparex is restructuring its companywide Health and Safety Program to align all production sites with the ISO 45001 framework and promote a more positive, proactive, and preventive safety culture.

This process is supported by several major organizational changes and programs:

- Establishing a full-time Senior Director role for Global Environmental Health & Safety as of July 2022 to formulate a new long-term health and safety vision and strategy, lead risk reduction initiatives across all Loparex manufacturing locations, and facilitate best practice utilization throughout the company
- Creating new company-wide risk control standards and systems
- Unifying safety standards and procedures across all manufacturing locations
- Continuing to upgrade and automate safeguards and processes on older machinery
- Improving tracking tools for greater overall visibility into safety metrics and trends, building insight into proactive, preventive opportunities
- Conducting comprehensive third-party audits of existing safety culture, practices, and perception
- Renewing focus on the Loparex Safety Action Committee program, which gathers best practices and drives improvements across all functions

While expanding and improving its safety commitments, Loparex will continue to focus on ensuring compliance with legal and other requirements, including local and state laws as well as federal regulations.

SPOTLIGHT | HEALTH & SAFETY EVENTS

Loparex organizes a variety of fairs, free screenings, and other on-site events intended to raise general awareness of health and safety topics among employees. Paid-for CPR and first aid courses are also available on a region-by-region basis.



COMMUNITY ENGAGEMENT

[GRI 2-29]

Loparex believes in the importance of building strong relationships with the communities in which we operate. Each Loparex site is encouraged to pursue its own community outreach efforts, which have included:

- Charitable giving programs such as food drives and “Angel Trees” to provide gifts for underprivileged children
- Sponsorship of local sports teams, school programs, and cultural events
- Educational opportunities for school and university students
- Collaborations with communal organizations such as Lions Clubs and Rotary International

OUTLOOK

In addition to maintaining engagement efforts on a site level, Loparex is also exploring opportunities for incentivizing individual employees to pursue positive engagement in their respective communities. Key among these is the planned introduction of a voluntary time off (VTO) benefit in 2023. Through VTO, Loparex employees will have the option of spending part of their day performing compensated work for an approved community organization or charity.

SPOTLIGHT | RANSHET SHIKSA MANDIR

Together with the Rotary Club of Mumbai Coastline, Loparex India is providing funding for the construction of a residential hostel for underprivileged rural students at the Ranshet Shiksha Mandir tribal residential school in Palghar. At current, the 40 girls at the school study, eat, and sleep in a cramped 37 m² space without adequate toilet or hygiene facilities. The planned hostel would replace this with a two-story building capable of accommodating 576 residents.

[IMAGE: Rotary Club of Mumbai Coastline]



Governance

Transparency and accountability are a critical part of our organization, backed by internal and external auditing as well as third-party certification.

Our company policies require all employees to adhere to competitive business practices, and enforce our commitment to international, national, and local laws, rules, and regulations.



OUR POLICIES

Loparex aims to contribute within the scope of our capabilities to improving economic, environmental, and social conditions through our business activities, open dialogue with stakeholders, and active participation in common efforts to support social progress.

HEALTH AND SAFETY

Loparex strives to provide a clean, safe and healthy working environment for all employees, contractors and visitors at all sites and facilities, and to take all necessary steps to prevent accidents and injury to health by minimizing any risks inherent in the working environment.

Loparex aims to proactively and continuously improve the working environment through a robust safety training program that includes behavior-based safety, fire safety, risk protection and electrical, mechanical and structural safety.



HUMAN RIGHTS

Loparex is dedicated to the protection of human rights. We are a committed equal opportunity employer and will abide by all fair labor practices. We will ensure that our activities do not directly or indirectly violate human rights in any country in which Loparex has facilities or in which Loparex conducts business, to include forced labor, child labor, modern slavery and/or trafficked labor, and any form of discrimination.

FREEDOM OF ENGAGEMENT

Loparex will strive to create a workplace in which there is mutual trust and respect and where every person feels responsible and accountable for the performance and reputation of our company. Loparex ensures that all employees enter the employment relationship with Loparex of their own free will and have the choice to leave their employment freely of their own volition.

EMPLOYEE TRAINING & COMMUNICATION

Loparex is committed to communicate regularly with all employees to address any areas of concern and to respect the rights of employees. Employee training, both job-specific and general in nature, is regular and ongoing and is part of each employee's annual goals. Loparex encourages employees to participate in community educational and technical training.

EQUALITY OF OPPORTUNITY

Loparex aims to promote employee well-being and motivation and provides opportunities for personal and career management and development. Discrimination or harassment against another person is not tolerated and Loparex respects the employees' privacy. All people should be treated equally and no direct or indirect discrimination based on sex, age, ethnic origin, nationality, religion, political opinion, sexual orientation, or membership in a union or collective bargaining unit is accepted. In recruiting, the focus will be on each person's skills, competence and general suitability for the job. Application and recruitment processes are open and transparent.



WORKING CONDITIONS

Loparex ensures compliance with all applicable laws and industry standards regarding a clean and safe workplace and working hours, including overtime. Paid accrued annual vacation, holidays, leave and other time off is granted companywide, consistent with time in service and local practice.

HARASSMENT & DISCIPLINARY PRACTICES

Loparex does not tolerate any form of harassment or behavior, including gestures, language and physical contact, that is sexual, coercive, threatening, hostile, abusive or exploitative in any manner by any employee, member of management, contractor, customer or visitor, including such behavior during general work activity and/or carrying out any form of disciplinary action.

ETHICS

Loparex complies with all applicable international, national and local laws, rules, and regulations and respects international agreements. Loparex does not tolerate corruption, bribery, price fixing, or any other illegal acts in its operations, and is subject to various national implementing laws and regulations such as the US Foreign Corrupt Practices Act.

PROTECTING THE ENVIRONMENT

Loparex recognizes the need to protect the natural environment. Keeping our environment clean and unpolluted is a benefit to all. Loparex follows best practices when disposing of or recycling waste and in the use of chemical or other substances, and in conserving energy, and seeks to maximize the efficient use of materials and resources. Loparex will meet or exceed all relevant environmental standards required by applicable laws, codes, and regulations.

QUALITY

Loparex is dedicated to meeting and exceeding customers' requirements and expectations by continually improving products, services, responsiveness, and management systems.

COMMUNITY INVOLVEMENT

Loparex promotes and participates in community engagement activities that allow us to actively foster economic, environmental and social development. In addition, Loparex promotes employee involvement in community and charitable events.

Outlook

2023 marks the beginning of a strengthened commitment toward comprehensive, transparent, and meaningful ESG initiatives across the entire Loparex organization.

Moving forward, we will pursue decisive actions coupled with regular updates on our progress and achievements.



2030 ESG ACTION PLAN

To achieve our targets for 2030, Loparex has established a plan of action in each area, focusing on impactful measures with both short-term and long-term benefit. The planning and execution of these measures is being carried out through close collaboration between relevant stakeholders within Loparex, supplemented by third-party expertise and trusted partners.

Topic	Actions
Greenhouse Gas (GHG) Emissions	<ul style="list-style-type: none"> • Optimization of Production Processes • Capital Investments Into Emission-Reducing Measures • Increased Use of Renewable Energy Sources
Energy Management	<ul style="list-style-type: none"> • Optimization of Production Processes • Capital Investments Into Energy-Saving Measures • Increased Use of Renewable Energy Sources • Improved Employee Training
Waste	<ul style="list-style-type: none"> • Optimization of Production Processes • Improved Internal and External Recycling Measures
Water	<ul style="list-style-type: none"> • Optimization of Production Processes
Occupational Health & Safety	<ul style="list-style-type: none"> • Centralized Tracking, Auditing, and Processes • Best-Practice Sharing and Utilization • Capital Investments Into Upgrades and Automation
Diversity & Equal Opportunity	<ul style="list-style-type: none"> • Diversified Recruitment Practices • Improved Training for Inclusion and Equality Topics
Employment	<ul style="list-style-type: none"> • Effective Talent and Culture Development
Employee Engagement	<ul style="list-style-type: none"> • Expanded Communication and Engagement Opportunities

Our progress in these eight areas will be a focal point of future ESG reports, and we will strive to provide appropriate transparency and accountability to all interested parties. In this regard, we welcome any feedback you may have on this report.

Questions and other comments can be addressed to info@loparex.com.

Appendix

GRI CONTENT INDEX

INDEPENDENT ASSURANCE STATEMENT



GRI CONTENT INDEX

Loparex has reported in accordance with the GRI Standards for the period from January 1st, 2021 to December 31st, 2021.

GRI 2: GENERAL DISCLOSURES 2021

Disclosure	Statement
ORGANIZATION & REPORTING PRACTICES	
2-1-a: Legal Name	Loparex
2-1-b: Nature of Ownership and Legal Form	Loparex is a privately owned incorporated entity.
2-1-c: Location of Headquarters	1255 Crescent Green, Suite 400, Cary, NC 27518, United States of America
2-1-d: Countries of Operation	<i>See Page 8</i>
2-2-a: Entities Included in Sustainability Reporting	Loparex LLC, Loparex Germany GmbH & Co. KG, Loparex Manufacturing GmbH & Co. KG, Loparex BV, Loparex India Pvt. Ltd., Loparex (Guangzhou) Paper Products Ltd.
2-3-a: Sustainability Reporting Period and Frequency	This report covers the period from January 1st, 2021 to December 31st, 2021. Sustainability reporting is undertaken on an annual basis.
2-3-b: Financial Reporting Period	Financial reporting for 2021 covered the period from January 1st, 2021 to December 31st, 2021.
2-3-c: Report Publication Date	This report was published on April 18th, 2023.
2-3-d: Contact Point	For questions about the information presented in this report, please contact Sonja Haug, Global Sustainability Manager, at Sonja.Haug@loparex.com .
2-5-a: External Assurance	Loparex seeks out external assurance for all publicly reported metrics relating to ESG goals and commitments. The goal of this engagement is to ensure that relevant information is accurately calculated and fairly presented in accordance with Global Reporting Initiative (GRI) Standards. All engagement with external assurance providers is subject to review and approval by the Loparex Executive Leadership Team (ELT).

GRI 2: GENERAL DISCLOSURES 2021

Disclosure	Statement
2-5-b: Assurance Reports & Providers	DQS CFS GmbH was engaged by Loparex to provide a moderate level of independent assurance in regards to a specific set of sustainability performance indicators presented in the 2022 ESG Report. This engagement was performed in accordance with a Type 2 assurance of the AA1000 Assurance Standard (AA1000AS v3).
2-6-a: Sectors Active	<i>See Page 10</i>
2-7-a: Total Employees	<i>See Page 33</i>
2-8-a: Workers Who Are Not Employees	Over the reporting period, Loparex had an average of less than 188 workers who were not Loparex employees. Loparex uses contractors as temporary business needs arise.

GOVERNANCE

2-9: Governance Structure and Compositions	<p>Loparex is governed by an Executive Leadership Team (ELT) whose role is to set strategic direction, ensure cohesive implementation, and facilitate continuous development of the organization in pursuit of our company vision. The Executive Leadership Team consists of the seniormost executives of the Loparex organization, representing the leadership of every key function within the company. At current, these are:</p> <ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer • Chief Talent and Culture Officer • Chief Procurement Officer • Senior Vice President, Global Commercial • Senior Vice President, Global Supply Chain • Senior Vice President, Global Manufacturing Operations • Senior Vice President, Americas Manufacturing Operations • Senior Vice President, Global Strategy, Marketing & Innovation <p>As of December 31st, 2021, 11% of the ELT was composed of female members and 13% of ethnic minority members.</p>
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GRI 2: GENERAL DISCLOSURES 2021

Disclosure	Statement
2-10: Nomination and Selection of the Highest Governance Body	ELT membership is contingent on an individual's role within the organization. The roles represented within the ELT are intended to reflect leadership positions within the most strategically important functions and groups, and may change or expand in response to emerging priorities. Such changes are decided by the members of the ELT in direct consultation with the company's ownership.
2-11: Chair of the Highest Governance Body	As the seniormost executive within the company, the Executive Leadership Team is led by the Chief Executive Officer of Loparex. The Chief Executive Officer is appointed by the company's ownership. Where they arise, potential conflicts of interest are reported and resolved in accordance with the Loparex Conflict of Interest Policy.
2-12: Role of the Highest Governance Body in Overseeing the Management of Impacts	It is the role of the Executive Leadership Team to review and approve mission statements, strategies, policies, and goals related to sustainable development within the organization. The ELT reviews and approves all reporting frameworks relating to Loparex's performance and impact in relevant material topics, including the choice of third-party assessment and certification partners. Key metrics are reported to the ELT on a quarterly basis and form the basis for additional action.
2-13: Delegation of Responsibility for Managing Impacts	<p>Overall responsibility for managing and reporting relevant impacts within Loparex operations is delegated to the office of the Global Sustainability Manager. Additional responsibility for individual material topics is delegated as follows:</p> <ul style="list-style-type: none"> • Energy: Site Director • Water and Effluents: Site Director • Emissions: Site Director • Waste: Site Director • Supplier Environmental Assessment: Manager, Procurement Excellence • Employment: Director, Global Talent Acquisition • Occupational Health and Safety: Senior Director, Global Environmental Health and Safety • Training and Education: Director, Global Talent Development • Diversity and Equal Opportunity: Managed by Loparex CEO and ELT

GRI 2: GENERAL DISCLOSURES 2021

Disclosure	Statement
2-14: Role of the Highest Governance Body in Sustainability Reporting	<p>The Loparex Executive Leadership Team is responsible for the review and final approval of all information contained in this report, as well as defining the material topics covered within it.</p> <p>In addition to approving the document as a whole, each ELT member reviews information and statements made regarding their direct areas of responsibility throughout the reporting process to ensure accuracy and consistency.</p>
2-15: Conflicts of Interest	Where they arise, potential conflicts of interest within the ELT are reported and resolved in accordance with the Loparex Conflict of Interest Policy.
2-16: Communication of Critical Concerns	Multiple channels are made available for stakeholders to communicate critical concerns to members of the ELT. These include e-mail, internal communication channels, town halls, and listening sessions.
2-17: Collective Knowledge of the Highest Governance Body	The advancement of collective knowledge on sustainable development within the ELT is driven by the office of the Global Sustainability Manager. Strategic concerns and opportunities, policies, best practices, and other critical information regarding sustainability is regularly communicated through internal meetings and discussions.
2-18: Evaluation of the Performance of the Highest Governing Body	Performance of the ELT in regards to the economic, social, and environmental impacts of Loparex as an organization is assessed by the company's owners on an annual basis, based on internally collected data as well as external assessments and certifications. Underperformance in key areas can trigger a range of corrective actions, up to and including replacement of ELT members.
2-19: Remuneration Policies	Members of the ELT receive fixed pay, with performance-based pay bonuses awarded in accordance with individual as well as company performance.
2-20: Process to Determine Remuneration	Remuneration for ELT members is determined based on prevailing industry rates and subject to approval by the company's owners.

GRI 2: GENERAL DISCLOSURES 2021

Disclosure	Statement
STRATEGIES, POLICIES AND PRACTICES	
2-23: Policy Commitments	<i>See Pages 41–43</i>
2-26: Mechanisms for Seeking Advice and Raising Concerns	<p>Senior management at Loparex maintains an open door policy, supplemented by regular CEO listening sessions accessible to all roles and functions across the organization. In addition to the direct support provided by local HR departments, a generalized global HR mailbox has also been made available to employees to communicate issues and concerns.</p> <p>An anonymous whistleblower hotline for reporting compliance and code of conduct violations has been active at Loparex's largest production site, Forchheim, since 2017, and Loparex plans to introduce similar platforms at other sites in 2023.</p>
2-27: Compliance With Laws and Regulations	Loparex had no significant instances of non-compliance with laws and regulations during the reporting period.
2-28: Membership Associations	<i>See Page 11</i>
2-29: Approach to Stakeholder Engagement	The key stakeholders for Loparex are its customers, employees, local communities, suppliers, and investors. In engaging with its stakeholders, Loparex aims to create positive impact, add value, understand and address potential concerns, and provide open communication regarding both issues and opportunities. This is achieved through regular dialogue and other forms of direct communication.
2-30: Collective Bargaining Agreements	<p>As of December 31st, 2021, an estimated 48% of the global Loparex workforce was covered by collective bargaining agreements.</p> <p>Working conditions and terms of employment for employees not directly covered by a collective bargaining agreement are not influenced or determined based on other agreements.</p>

GRI 3: MATERIAL TOPICS 2021

Disclosure	Statement
3-1-a: Process of Selecting Material Topics	Material topics presented in this report were initially chosen by the Sustainability team and approved by the Loparex Executive Leadership Team (ELT) based on guidance provided by the ESG Data Convergence Initiative (EDCI), a benchmarking standard for the private equity industry.
3-1-b: Stakeholders and Experts Involved in Selection	The metrics established by the EDCI have been selected based on the most accepted and widely regarded global ESG frameworks and focus on the most meaningful, comparable, objective, and actionable metrics from a private equity standpoint.
3-2: List of Material Topics	302 – Energy 303 – Water and Effluents 305 – Emissions 306 – Waste 308 – Supplier Environmental Assessment 401 – Employment 403 – Occupational Health and Safety 405 – Diversity and Equal Opportunity

MATERIAL DISCLOSURES

Disclosure	Statement
GRI 302: ENERGY 2016	
302-1: Energy Consumption Within the Organization	In 2021, Loparex manufacturing sites consumed a total of 1,340,096 gigajoules (GJ) of energy.
GRI 303: WATER AND EFFLUENTS 2018	
303-1: Interactions With Water as a Shared Resource	<i>See Page 26</i>
GRI 305: EMISSIONS 2016	
305-1: Direct (Scope 1) GHG Emissions	<p>In 2021, Loparex produced a total of 95,190 metric tons of gross direct (Scope 1) CO₂ equivalent emissions.</p> <p>In accordance with IFRS 16 reporting guidelines, this figure encompasses emissions from manufacturing activities as well as all vehicles leased by Loparex entities during the reporting period.</p> <p>As only CO₂ and CO₂-equivalent emissions have been tracked during this period, a global warming potential (GWP) rate of 1 has been used.</p>
305-2: Energy Indirect (Scope 2) GHG Emissions	<p>In 2021, Loparex produced a total of 51,795 metric tons of energy indirect (Scope 2) CO₂ equivalent emissions.</p> <p>As only CO₂ and CO₂-equivalent emissions have been tracked, a global warming potential (GWP) rate of 1 has been used.</p>

MATERIAL DISCLOSURES

Disclosure	Statement
GRI 306: WASTE 2020	
306-3: Waste Generated	In 2021, Loparex produced a total of 18,574 metric tons of waste. A detailed breakdown of the composition of this waste is given in the table below.
306-4: Waste Diverted From Disposal	In 2021, Loparex diverted a total of 13,379 metric tons of waste from disposal. A detailed breakdown of the composition of this waste is given in the table below.
306-5: Waste Directed to Disposal	In 2021, Loparex directed a total of 5,195 metric tons of waste to disposal. A detailed breakdown of the composition of this waste is given in the table below.

	TOTAL	Paper	Plastic	Other
Waste Generated	18,574	11,075	6,444	1,055
Diverted from Disposal	13,379	7,896	5,483	
Hazardous	-	-	-	-
Non-Hazardous	13,379	7,896	5,483	-
<i>Reused / Recycled</i>	<i>13,379</i>	<i>7,896</i>	<i>5,483</i>	-
Directed to Disposal	5,195	3,179	961	1,055
Hazardous				1,055
<i>Disposed Off-Site</i>	-	-	-	<i>1,055</i>
Non-Hazardous	4,140	3,179	961	-
<i>Incinerated (With Energy Recovery)</i>	<i>4,140</i>	<i>3,179</i>	<i>961</i>	-

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	
308-1: New Suppliers That Were Screened Using Environmental Criteria	In 2021, 100% of all new suppliers were screened using environmental criteria.

MATERIAL DISCLOSURES

Disclosure	Statement
GRI 401: EMPLOYMENT 2016	

401-1: New Employee Hires and Employee Turnover

In 2021, Loparex had a total of **239** new hires, representing **13%** of the number of full-time employees as of December 31st, 2021. The total voluntary turnover rate for 2021 was **16%**.

A more detailed breakdown is provided in the tables below.

	Americas	Europe	Asia-Pacific	India
Full-Time Employees	703	828	156	202
Male	530	702	108	196
Female	173	126	48	6
Under 30	81	141	3	25
30-50	293	362	143	165
Over 50	329	325	10	12
Average Tenure	14	16	11	10

	Americas	Europe	Asia-Pacific	India
Total New Hires	155	62	9	13
Under 30	47	20	1	6
30-50	76	34	8	7
Over 50	32	8	0	0

MATERIAL DISCLOSURES

Disclosure	Statement
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403: OCCUPATIONAL HEALTH AND SAFETY 2018

403-8: Workers Covered by an Occupational Health and Safety Management System	In 2021, 40.6% of all Loparex employees were covered by ISO 45001 occupational health and safety standards. A more detailed breakdown is provided in the table below.
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	Employees	% of Workforce
Covered by Internally Audited Management System	684	32.1%
Covered by Externally Certified Management System	180	8.5%
Total Covered by Management Systems	864	40.6%

405: DIVERSITY AND EQUAL OPPORTUNITY 2016

405-1: Diversity of Governance Body and Employees	<i>See Page 34 / Disclosure 2-9</i>
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Independent Assurance Statement

To the Management and Stakeholders of Loparex Group

DQS has been engaged by Loparex to provide independent assurance over a specific set of sustainability performance indicators of the ESG-Report 2022. The engagement took place in November 2022 and was concluded on February 9, 2023.

Objectives

The objective of this assurance engagement was to independently express conclusions on underlying reporting processes and validate qualitative and quantitative claims, so as to limit misinterpretation by stakeholders and increase the overall credibility of the reported information and data.

Scope of assurance

The assurance encompassed selected data from the reporting period January 2021 to December 2021. The assessment did not cover all GRI indicators but was limited to the following:

302-1; 302-3; 302-4; 303-1; 303-3; 303-5; 305-1; 305-2; 306-1; 306-2; 306-3; 401-1; 403-1; 403-4; 403-8; 405-1

The assurance engagement was performed in accordance with a Type 2 assurance of the AA1000 Assurance Standard (AA1000AS v3), which consists of:

- Evaluating the company's sustainability framework and processes using the inclusivity, materiality, responsiveness and impact criteria of the AA1000 AccountAbility Principles (AA1000APS 2018), and
- Evaluating the quality of the reported sustainability performance information.

The report has been self-declared to be in accordance with requirements of the GRI Standards.

Level of assurance and limitations

A moderate level of assurance under AA1000AS was provided for this engagement. Information and performance data subject to assurance is limited to the scope described above.

The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability.

Independence and Competences of the Assurance Provider

The DQS Group is an independent professional services firm that provides assurance on sustainability disclosures under the Global Reporting Initiative (GRI), CDP and other specialized

DQS CFS GmbH
August-Schanz-Straße 21
60433 Frankfurt am Main
Germany



 www.dqsglobal.com

management and reporting mechanisms. Independent verifiers have not been involved in the development of the report or have they been associated with Loparex sustainability program, data collection or strategic processes.

DQS Group ensures that the assurance team possesses the required competencies, maintained neutrality and performed ethically throughout the engagement. Further information, including a statement of impartiality, can be found at: www.dqsglobal.com.

The management of Loparex was responsible for the preparation of the sustainability data.

Assurance Methodology

The assurance procedures and principles used for this engagement were drawn from the International Standard AA1000 and methodology developed by DQS, which consists of the following steps:

1. Identifying statements and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process.
2. Reviewing the guidance documents for the sustainability data management
3. Identify samples of data to be assessed, reflecting the structure and operations of Loparex Group
4. Assessing the collected information and provide recommendations for immediate correction where required or for future improvement of the report content.

Evaluation of Data Quality

Nothing has come to our attention that causes us to believe that the specific sustainability performance indicators of Loparex are materially misstated. The definitions, boundaries, assumptions, procedures and responsibilities for data management are described in a comprehensive and transparent manner. The data templates for collecting and consolidating the data are structured in such a way as to enable independent verification.

Through a sampling procedure, the assurance team found that the sites generally adhere to the procedures set out in the guidance document. For certain sites, the assurance team noted isolated lapses in data quality, which did not affect the overall reliability of the reported information. Most of these lapses have been corrected during the course of the assurance engagement. For the remaining issues, measures will be taken to improve data quality in future reporting cycles even further.

It is recommended that Loparex continues the current data management approach and uses the findings of this initial assurance engagement to improve data quality even further. The assurance team also recommends establishing tighter controls on evidence keeping, in order to ensure that all sites adhere to the same high evidence keeping standards.

Evaluation of the adherence to AA1000 AccountAbility Principles

Inclusivity – *People should have a say in the decisions that impact them*

The stakeholder identification and engagement process was outside the scope of the assurance engagement.

Materiality – *Decision makers should identify and be clear about the sustainability topics that matter*

The data included in the scope of the assurance engagement consists of performance indicators for topics that are considered material, through a materiality assessment. The materiality assessment itself was outside the scope of the assurance engagement.

Responsiveness – *Organizations should act transparently on material sustainability topics and their related impacts*

Loparex is responding to those issues that it has identified as material and demonstrates this in its performance indicators. The organization and its stakeholders can use the reported information as a reasonable basis for their opinions and decision-making.

Impact – *Organizations should monitor, measure and be accountable for how their actions affect their broader ecosystems*

Loparex has implemented systems to monitor and measure its impacts, through selected performance indicators based on the GRI standards. The company has set up a comprehensive and robust data reporting approach.

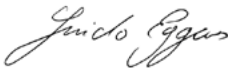
Conclusion

On the basis of a moderate assurance engagement according to the above-listed criteria, nothing has come to our attention that causes us to believe that the performance indicators of Loparex are materially misstated.

On behalf of the assurance team

February 14, 2023

Frankfurt, Germany



Guido Eggers

Managing Director
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