



Turning crises into opportunities for people and the environment.

Sustainability Report 2021





*Dr Daniel Keesman and
Dr Michael Faller (l. to r.),
the two Managing Directors
of Faller Packaging.*

Simply better. Always ahead. Together.

Dear Readers,

We wish it could have turned out differently – but Covid-19 once again dominates our review of the year 2021. Even in its second year, the pandemic had still significantly affected our personal and professional lives. However, as in 2020, we managed well thanks to our package of measures. Once again, a big thank you goes out to our employees. They have supported all our steps in a disciplined manner and behaved in a responsible and exemplary manner in dealing with the virus – the above-average vaccination rate in the company and the low absenteeism speak for themselves. Many thanks for this contribution!

In addition to the inconvenience of the Covid-19 pandemic, economic challenges also cropped up in 2021: Shortages of cardboard and paper as well as excessive price increases for raw materials and energy caused us problems from the middle of the year. We were only able to counter this by increasing product prices. Unfortunately, the tense situation in the raw materials and energy markets will continue to accompany us in 2022. The unspeakable war in Ukraine will further aggravate this situation. However, what is much worse is that the Russian invasion brings endless suffering to the population of the country. We knew we had to help the Ukrainian people – that's why we joined the fundraising campaign of the city of Freiburg, 'Nothilfe Lviv' (Emergency Aid for Lviv).

Getting back to 2021: We also have a lot of positive aspects to report. Despite all the uncertainties, we were again able to increase our sales by 3.3 per cent to €147.8 million. Also very pleasing was the fact that new members have not only rejuvenated our Executive Committee, but the proportion of women members has now risen also to almost 30%.

We're also still on the right track ecologically. We're working continuously on our energy and material consumption and are focusing even more on the issue of sustainability. That is why we have become a partner in the 'Zielgerade 2030' (Home Stretch 2030) project and have set ourselves the goal of becoming CO₂-neutral by 2030. In the Sustainability Report 2021, you will also find out how we are reorganising our site in Schopfheim, what progress is being made with the new building in Waldkirch, and how our apprentices don't let the pandemic take the fun out of their training.

And what lies ahead in 2022? Despite the tense situation in the raw materials and energy markets, we aim to continue growing in the coming year and are targeting sales of €160 million. Ecologically, we are following the chosen path toward CO₂ neutrality and sustainability. We are also confident that we are taking a significant step forward in new construction in Waldkirch. And last but not least, there is something to celebrate: Faller Packaging turns 140. We will, of course, celebrate this anniversary properly – but that will be included in the next sustainability report.

Now we hope you enjoy reading and we look forward to giving you an exciting and comprehensive insight into the world of Faller Packaging with our Sustainability Report 2021!


Dr Michael Faller


Dr Daniel Keesman

Contents

Introduction

Interview with the management team..... 4

'A successful year overall'



Economy 9

Overall result improved again

Despite a difficult situation in the raw materials market, Faller Packaging came through the second Covid-19 year well.



Ecology 13

Ecologically on the right track

Renewable raw materials and renewable energies:

This is how the year 2021 went from an ecological point of view

Big Goal: Climate neutral by 2030

As the first signatory and pilot project of the 'Zielgerade 2030' initiative, Faller Packaging is committed to becoming climate neutral by 2030

Trend toward neo-ecology intensifies

Resource-saving, efficient and sustainable action and management is in vogue.



Social aspect..... 17

Stable through the pandemic period

Faller Packaging records stable employee numbers in 2021 and more and more women in responsible positions.

An eventful year for the apprentices

In their second Covid-19 year, the apprentices at Faller Packaging have once again come up with several new ideas.

The Executive Committee now has more female members and the average age is becoming younger as a result

Faller strengthens its management body

New intranet for greater usability

The new generation of the intranet at Faller Packaging goes online.

SUSTAINABLE DEVELOPMENT GOALS

Since sustainability is a fundamental issue for Faller Packaging, we have committed ourselves to the goals of the WIN Charter (business initiative for sustainability) of the Baden-Wuerttemberg state government and the Sustainable Development Goals (SDGs) of the United Nations. We publish a separate detailed report on this every year.

Learn more about the WIN Charter and the SDGs at:

<https://www.faller-packaging.com/en/about-faller-packaging/sustainability>

<https://www.nachhaltigkeitsstrategie.de/wirtschaft-handelt-nachhaltig>
(German only)



'A successful year overall'

The second Covid-19 year is finally over, and Faller Packaging can be satisfied with a successful result in 2021. In this interview, Dr Michael Faller and Dr Daniel Keesman report on the challenges of the past twelve months and provide an outlook for the anniversary year 2022.

As regards the pandemic, Faller Packaging has planned for the past fiscal year with relative confidence. Are you satisfied with the result?

Dr Daniel Keesman: Considering the circumstances, we have had a successful 2021 overall. The order intake and sales paint a thoroughly heterogeneous picture. We have had an excellent and continuous order intake in our primary plants in Germany and Hvidovre, Denmark. However, we are noticing lower sales than planned and less demand at the Lodz (Poland) and Debrecen (Hungary) sites. This is basically due to the individual plants' customer structures, which primarily consist of contract manufacturing organisations, i.e. contract packagers and manufacturers, and companies that primarily produce over-the-counter medicines for colds. These products were much less in demand because people stayed at home due to the pandemic, and social distancing and masks created a quite different barrier to infection. Nevertheless, we achieved an excellent economic result in all plants, even in those where sales were lower than expected. We can therefore describe the year as satisfactory and economically solid.



Employees at the company headquarters in Waldkirch examining last year's sustainability report.

How will the market for cold medication develop after the pandemic?

Dr Daniel Keesman: Predictions and forecasts are not easy, especially at this time. We have seen a pickup in this market since around November. We also know from customers who manufacture and distribute these products that they have ramped up their production capacities accordingly. They expect 2022 to be at the same level as 2020. It was an average good year for these products, not as strong as 2019, but still much more substantial than 2021.

How did Faller Packaging cope with the challenges of the pandemic in the workplace?

Dr Michael Faller: We have already come through the first Covid-19 year very well, and this was also confirmed in 2021. There were still meetings of the crisis team, and we kept trying to face the challenges and implement appropriate measures in the company. Here I must also express a big thank you to our employees: They all complied with the measures very well with admirable self-discipline, so we did not have any significant infection chains in the company or any severe outages in the second infection year. As a result of the legal changes, it also became clear in autumn that the vaccination rate in the company was actually above average.

At present, of course, the situation with Omicron is somewhat different. We now also have many Covid-19 cases in the company, resulting in quarantine measures. However, as far as I can tell, most of the employees' illnesses are not severe, so they can return to work relatively quickly. Basically, it shows that the absenteeism rate has always been somewhat higher during the past two pandemic years. However, this is because many employees had to go into quarantine repeatedly, which is reflected in the absenteeism rate. Overall, may I say: We got through the second year of the crisis very well and in a very disciplined manner. A big thanks once again to the entire staff!

The Covid-19 crisis had a severe impact on the economy in some cases, resulting in shortages of raw materials and supplies. How did the situation turn out?

Dr Daniel Keesman: The economies of the world's two largest economies, the United States and the People's Republic of China, picked up very strongly after the second pandemic wave and with the onset of the first vaccination campaigns. We are talking here about double-digit growth rates in some cases. This has resulted in high demand for raw materials from all supply



Dr Michael Faller (left) and Dr Daniel Keesman on a printing press in the folding carton production in Waldkirch.

chains, particularly in some industry segments. However, these suppliers had run down their inventories and production capacities and had to meet much of the increased demand volumes from safety stock. This especially applies to our market: The suppliers no longer had a buffer from mid-May onwards and could only produce and deliver the exact ordered quantities. As a result, delivery times have increased significantly, in some cases by a factor of three to four. Supply bottlenecks also occurred, and the excess demand caused prices for almost all raw materials and supplies to rise significantly. We even saw price increases in the double-digit percentage range in some cases.

What significance did this have for Faller Packaging's business last year?

Dr Daniel Keesman: All this already affected us from the middle of the second quarter. From then on, all suppliers continuously communicated delays in delivery time, and corresponding price increases were announced or slowly enforced. For us, this meant a considerably higher effort in material planning, an even more intensive comparison with our customers' volume requirements and, of course, our increased efforts to implement the necessary price increases for our products. During the second half of the year, these developments intensified, especially after the summer break and into the winter. However, we've managed this crisis relatively well. Nevertheless, this issue will still be with us in 2022.

Were there any fundamental developments in the corporate culture at Faller Packaging in the past year?

Dr Michael Faller: One of the fundamental developments in our corporate culture is that we are becoming much more agile and can react much more quickly to changes in the environment. In the meantime, we have entirely realigned our 'methodological toolbox' and are taking a more flexible and agile approach to these issues. We're not trying to find any 100 per cent fast solutions that become obsolete just a few days later. Our goal is to keep moving closer to problem-solving through adaptation and constant questioning.

We also rely on the diversity of our organisation to become more resilient and successful. By having a greater variety of different perspectives and experiences, we make better decisions as a team. This is why we expanded our top management level last year.



In research and development at Faller Packaging, craft skills are also still needed.



Interview

We are consciously making our management younger and increasing the proportion of women at the top. The second significant development concerns sustainability. Sustainability and climate protection have become increasingly important in recent years. Although we've been dealing with this for decades, we're trying to hone our profile even more, because this will enable us to align our actions with the pressing challenges of the future. In this respect, our company has now embarked on a path to resolutely address CO₂ emissions which are responsible for the rise in the earth's temperature. That is why we have become a partner in the 'Zielgerade 2030' project (Home Stretch 2030) and have set ourselves the goal of CO₂-neutral operation by 2030. Despite the great successes already achieved, there's still a long way to go.

Which trends can be identified in the industry, and on what aspects is Faller Packaging focusing?

Dr Daniel Keesman: With the emergence of new (infectious) diseases and the further development of medicines, our customers are also bringing more and more new products to market – even faster and more dynamically than usual. Small batch sizes, quick launches, increased speed in the supply chain, and more complicated packaging forms are all part of this picture. The analysis of the pharmaceutical market by LBBW states that new forms of packaging will also be needed due to the increase of bioceuticals, medicines produced using biotechnology and genetically modified organisms. This is because these drugs cannot be delivered orally – they are administered intramuscularly, intravenously or transdermally. This is good for us because we have a correspondingly high level of expertise in this segment.

The macro-economic forecasts continue to predict a tight supply chain until well into the year's second half. The situation with delayed delivery dates, supply bottlenecks and complicated material scheduling will continue to affect us. Our suppliers already announced more price increases at the beginning of the year. So we'll have to deal with those issues throughout the year and compensate for them through our operations. We will achieve this by passing on the increased material costs to our customers, raising sales prices, and establishing alternative material flows and purchasing options (although these are extremely limited). We also have long-term trend developments. The keywords here are, for example, sustainability, CO₂-free operation and increasing development speeds or digitalisation. Some Covid-19-driven constraints and challenges will undoubtedly impact the second half of the year and perhaps beyond.

Do you expect the paper market situation to ease?

Dr Daniel Keesman: No, not really. The ECMA study shows that the demand for fibre material will be sustainably high. Then we also have the Covid-19 pandemic. That's been accumulating since about the middle of last year and will continue for a year or two. However, we have spoken to the major suppliers, and they

have announced that they will increase their capacities. We will also try to profit from their efforts. However, building a new cardboard factory involves first obtaining permits, investing around €400 million, and three to five years of project time. That's not something you can simply produce like a magician getting a rabbit out of a hat.

How is the new building in Waldkirch coming along?

Dr Michael Faller: We have dealt very intensively with the preliminary planning and tried to incorporate the results of the early public participation in the planning. Here, in particular, the height of the high-bay warehouse and the land consumption are under observation of the city. In addition, there are considerations regarding construction costs and the future-oriented orientation of the new building. We tried to pack all this into the preliminary draft, and we believe our solution was (and is) particularly good. In February, we presented it to the Technical and Environmental Committee of the City of Waldkirch. The response to the preliminary draft was very positive, mainly because we reduced the height of the high-bay warehouse from 30 to 24 metres and minimised space consumption thanks to our compact design. The council then discussed the plan and approved it with only two votes against, showing that the city administration was highly interested in the project and intended to support us with its realisation.

The next steps are more or less out of our hands. The city administration is currently working on the development plan for the Inried industrial park. The plan will be disclosed in the summer, and the citizens will have another opportunity to voice any objections. Their reaction will determine what happens



At Faller Packaging, apprentices gain insight into different steps of their profession. Here in the punching of folding boxes.



Printers of the Faller Packaging Group prepare their machine for the next printing run.

then. If the objections are substantial, there will be a second open session. If not, a resolution on the statutes can be expected in the fourth quarter, followed by the building rights on the Inried.

The reallocation procedure of some plots of land is also underway. That can start with the disclosure. However, this raises the question of how property owners behave. After all, some had strong reservations. It isn't easy to estimate how they will behave at this early stage. We hope to have more

reliable information in the autumn. We'll then use the information to decide on the further progress of the project with the shareholders. We have to wait for the developments now; they are in progress.



Working together in the package insert production at Faller Packaging in Binzen.





Economics

Overall result improved yet again

'Against all odds, the pharmaceutical and healthcare markets are continuing to evince good growth rates,' says Dr Daniel Keesman, Chief Executive Officer of Faller Packaging. 'As in previous years, global demand for biopharmaceuticals – whether originator products or biosimilars – continued to grow in 2021. In addition, the trend toward sustainable packaging solutions intensified.' And Faller Packaging reacted to this with flexible packaging concepts made of paper, cardboard from responsibly managed forestry, the development of well-thought-out designs made of monomaterials, and with the consistently implemented recyclability of folding cartons, labels and package leaflets.

Positive sales development

The innovative strategy, consistently geared to environmental protection, paid off: Faller Packaging again increased its total sales in 2021 by approximately 3.3 per cent to €147.8 million (Chart 1.1).

Since November 2021, there has been an upturn in this market. Although predictions are not easy, especially at this time, Faller Packaging expects sales growth of 10.5 per cent and annual sales of approximately €163.4 million in 2022. This exceptionally high increase in sales is due to organic growth, the rise in raw material prices and the general increase in inflation.

Investments in the sites

Despite many imponderables in budget planning, in 2021 Faller Packaging again invested heavily in further developing its sites. A total of €7.8 million (Chart 1.2) – corresponding to an investment ratio of 5.3 per cent (Chart 1.3) – was mainly invested in expanding qualitative and quantitative capacities, above all in automation and digitalisation. In 2022, the company plans to invest €8.6 million.

Shortage of raw materials led to price increases

In the spring of 2021, a shortage of raw materials and the resulting increase in the price of almost all materials slowed the

company's success rate. This was due to extremely strong demand from America and Asia. Such a shortage of materials also leads to longer delivery times. The reaction to this was security orders to guarantee the supply, and this in turn led to further price increases and thus to an upward spiral. Efficiency programmes could no longer absorb these higher costs. To ensure the economic viability of Faller Packaging in the future and to continue to offer the products and services in the accustomed quality, the company was forced to increase prices, in some cases drastically. This measure enabled us to manage the crisis relatively well. However, no relief is in sight – the shortage of raw materials will still be a major issue in 2022.

A lot of movement at the various sites

Sales at Faller Packaging's German sites increased slightly in 2021, while the international subsidiaries in Poland and Hungary partially evinced strong sales growth. However, growth was lower than planned due to the reduced demand for cold medicines. The site in Denmark even grew in the double-digit range. Faller Packaging is particularly satisfied with the development of its subsidiary PackEx, which was launched in 2019 and specialises in efficient folding carton production in small and very small quantities. In the summer of 2020, the Management Board took stock of the findings and adapted the business plan. This bore fruit in 2021: PackEx turnover has increased by a factor of two and a half. The customer portfolio has also broadened significantly, and further growth is expected in the coming year. In 2022, Faller Packaging also expects PackEx sales to double again.

Rebranding Debrecen

With a delay of almost 23 months caused by the pandemic, Faller Packaging finally celebrated the inauguration of its new Hungarian site in mid-October 2021: Pharma Print Kft. became Faller Packaging Hungary. Now the team in Debrecen has officially joined the Faller family and is also involved in the visual brand of the packaging specialist company. With 70 employees,



The Business Unit Labels in Schopfheim is where the increasingly valuable raw materials are transported.



Even during the Covid pandemic, our colleagues at PackEx GmbH are focusing on sustainable packaging solutions.





The Faller Packaging Group site in Debrecen. The newly installed company logo is clearly visible in this bird's eye view.

the site was already successfully supplying the eastern European and international markets with package leaflets for pharmaceutical products before the takeover took place. The company thus fits perfectly into the portfolio of our group of companies.

Restructuring in Schopfheim

The Faller site in Schopfheim in southern Baden is responsible for developing, producing, and selling adhesive labels. Since the autumn of 2021, the company has been setting things in motion to provide customers with comprehensive support in producing and processing labels. Since then, the focus has been on the greatest possible customer centricity and a seamless customer journey/experience. To fulfil this service promise, the management adapted the organisational structure, bundled its labels know-how in Schopfheim and restructured the Business Unit Labels.



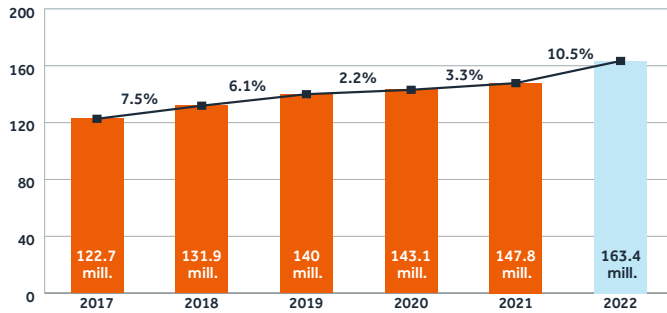
Tibor Molnar, Managing Director in Debrecen, Kerstin Gessler, Vice President Human Resources, and Kristof Szigeti, Production Planner (from right to left), at the official inauguration ceremony of the Debrecen site for integration into the Faller Packaging Group.

High delivery reliability and outstanding quality

Customers rarely had cause for complaint in 2021 either. The complaint rate at the Group level was 0.47 per cent, below the target of 0.5 per cent. At 97.32 per cent, on-time delivery significantly exceeded the previous year's figure. In 2022, Faller Packaging aims to reach its target of 98 per cent again, living up to its leading market position in terms of delivery performance. However, global supply chain challenges will continue to obstruct the achievement of this goal.

Equity ratio at a healthy level

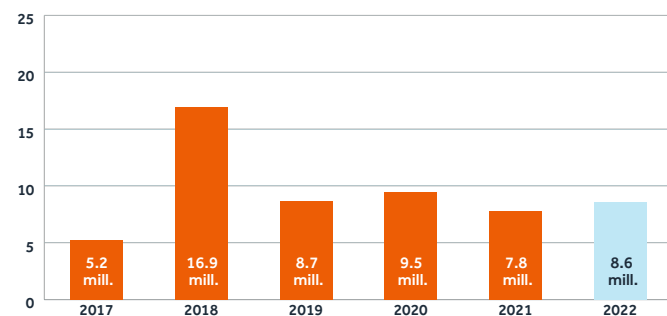
The efficiency measures and cost discipline again resulted in cost savings in 2021. They not only contributed to a significant increase in sales but also to the earnings situation being better than planned. Faller Packaging was able to increase its profits and further increase its reserves. The financial equity ratio is now 38.4 per cent, slightly above the previous year's level (Chart 1.4). The equity ratio is also at an extremely healthy level compared to other companies in Germany. The company considers itself prepared for future challenges on this solid capital base.



1.1 Annual sales of the entire Faller Packaging Group

Annual sales of the entire Faller Packaging Group including PackEx GmbH in millions of euros, from 2017 to 2021. Planned annual sales for 2022 and annual sales growth in per cent.

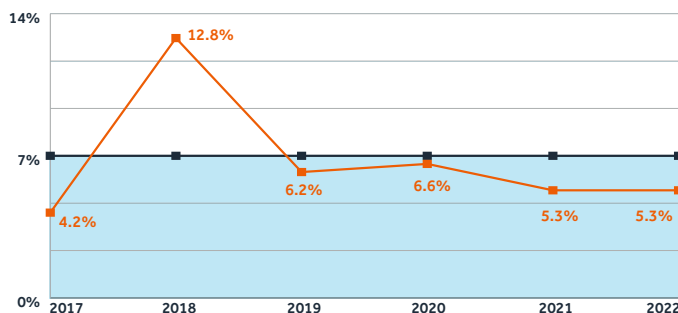
- Annual sales
- Planned annual sales
- Increase in sales



1.2 Annual investment volume of the entire Faller Packaging Group

Annual investment volume of the entire Faller Packaging Group, including PackEx GmbH in millions of euros, from 2017 to 2021, and planned investment volume for 2022.

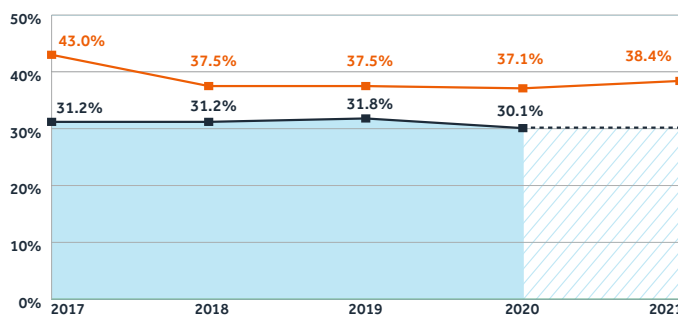
- Investment volume
- Planned investment volume



1.3 Development of the investment ratio of the entire Faller Packaging Group

Annual investment ratio of the entire Faller Packaging Group, including PackEx GmbH as a percentage of respective annual sales, from 2017 to 2021, and the planned investment ratio for 2022. Average investment ratio over the past five reporting years: seven per cent.

- Annual investment ratio
- Average investment ratio



1.4 Equity ratio of August Faller GmbH & Co KG

Annual status of the financial equity ratio of the entire August Faller GmbH & Co KG (mainly includes the sites in Waldkirch, Binzen and Schopfheim) as a percentage of total capital, from 2017 to 2021. Compared with the average equity ratio of medium-sized companies in Germany (data for 2021 not yet available, source: Statista 2022)

- Equity ratio of August Faller GmbH & Co KG
- Average equity ratios
- ▨ Curve progression with constant average equity ratio





Ecology

Ecologically on the right track

The Faller Packaging Group has traditionally been committed to sustainable business. In recent years, the company has worked intensively on cutting paper consumption in its offices and reducing operating materials and hazardous waste. The packaging specialist company primarily uses renewable raw materials such as paper and cardboard from predominantly sustainable forestry and monitors their efficient use. Germany's solidly functioning recycling system for paper and cardboard supports Faller Packaging in this regard. And last but not least, the company uses 100 per cent green electricity at its German sites.

Material consumption at the previous year's level

In 2021, material consumption and scrap were roughly on a par with the previous year. At 35 per cent, the reject rate is slightly higher than in 2020 (Chart 2.1). Here, the supply problems with the material became noticeable. To remain capable of delivery, Faller Packaging had to compensate for shortages through less suitable formats, resulting in a higher reject rate.

Savings in energy and CO₂ emissions

Electricity and gas consumption increased slightly (Chart 2.2). Energy consumption and CO₂ emissions per ton of printing stock also showed a negative trend and increased slightly (Charts 2.3 and 2.4). This was due to decreasing material output and the simultaneous increase in energy consumption, caused by the company's growth, the expansion of machinery in 2021 and increased electricity and gas consumption at some sites. Faller Packaging is responding to this with increased sustainability efforts, measures to reduce electricity and gas consumption – such as the switch to LED lighting systems – and the increased use of green electricity at its international sites.



The modular administration building at the company headquarters in Waldkirch can be easily dismantled and integrated into the new building for the move to the Inried industrial park.

Big target: Climate neutral by 2030

Sustainability, environmental protection and climate change are no longer niche topics – news about hot summers, flood disasters, devastating forest fires, and incredible amounts of plastic waste are part of the daily routine. We must take action today if we are to leave a world worth living in for future generations.

Faller Packaging as the first signatory

Faller Packaging takes the issues of sustainability, environmental protection, and climate change very seriously and consistently pursues its goals – also evidenced by its participation in the 'Zielgerade 2030' initiative. Here, Faller Packaging plays the roles of initial signatory and pilot project initiator. In this alliance, the company pledges to become climate neutral by 2030 and to achieve this in three stages: Analyse, reduce and compensate CO₂.

The joint project of IHK Südlicher Oberrhein (Southern Upper Rhine Chamber of Commerce) and Energieagentur Regio Freiburg (Energy Agency, Freiburg Region) was launched in October 2021 with a workshop. First, the consultants determined the CO₂ footprint for Faller Packaging's German sites. All emissions were recorded under the Greenhouse Gas Protocol (Scope 1-3). The following steps in 2022 are an employee mobility survey, an evaluation of the results, and a derivation of the first measures. For Faller Packaging, effectively managing climate protection activities alongside daytoday business is a challenge that the company is happy to take on. The new impetus provided by the 'Zielgerade 2030' initiative provides support for CO₂ balancing, and continuous progress towards CO₂ neutrality can thus be ensured.

Great steps already taken

A lot of homework has already been done. For example, production at the German sites in Waldkirch, Binzen and Schopfheim is powered exclusively by renewable energy sources. With the help of the Regio Freiburg energy agency, this should also be possible at the other sites. Faller Packaging takes another step on the road to climate neutrality with its products made from recyclable materials wherever possible. And customers are also actively supported in packaging plastic-free. The planned new building in Waldkirch is another project that offers opportunities for even more sustainable production processes and environmentally friendly management.

The carbon footprint topic has fully taken hold at Faller Packaging and also among customers. More and more inquiries are coming in about the carbon footprints of products – reliable supply chain partners and suppliers will have to give detailed replies on this in the future.



Faller Packaging's packaging solutions are recyclable and bind CO₂ into a circular economy.

The trend toward neo-ecology intensifies

The Zukunftsinstitut (Future Institute) in Frankfurt had predicted twelve significant trends that would shape the coming years, from security and mobility to the gender shift. Two of these trends emerged as particularly significant for Faller Packaging last year: the increasing global demand for biopharmaceuticals and neo-ecology.

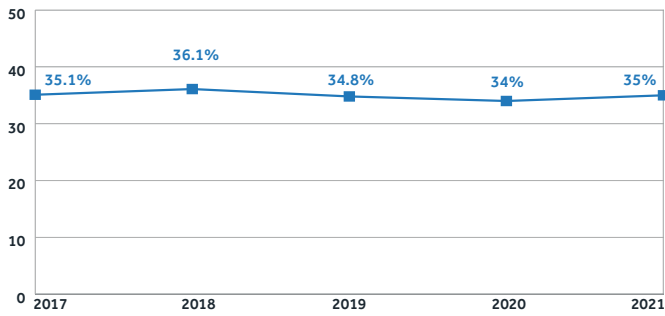
Flexible and sustainable packaging concepts

In 2021, the topic of neo-ecology moved more and more into the focus; neo-ecology is the trend toward resource-saving, efficient and sustainable actions and economies. On the one hand, the industry is all about people: effective health care, curing diseases and relieving pain. On the other hand, there is a wide range of criticism concerning the associated negative impact on people and the environment caused by the manufacture of medicines and their packaging. To overcome these hurdles, pharmaceutical companies are called upon to make greater use of their scope for action and to anchor sustainability in their corporate goals. With a sales share of 36 per cent in 2020 (source: astuteanalytics.com 2022), plastics and polymers have become the most prominent material segment in the pharmaceutical packaging market. These materials are preferred for packaging pharmaceutical products due to their low cost, light weight, strength, and good barrier properties against gases, vapours, and aromas. However, in the context of current legal requirements and debates, such as the EU ban on single-use plastic and the ongoing discussions about avoiding waste in the sea, there is an increasing demand – even in the cost-intensive pharmaceutical segment – to critically examine packaging for sustainability, to explore possibilities for improvements and to authorise alternatives for the replacement of plastic. This increases demand for flexible and sustainable packaging concepts, especially for sophisticated sterile prod-

ucts (parenterals). To meet this demand, Faller Packaging relies on renewable raw materials from sustainable forestry for its products, such as innovative but more straightforward packaging solutions made from monomaterials. Even at the end of their lives, Faller Packaging products do not pollute the environment: folding cartons, labels, and package leaflets are consistently recyclable.

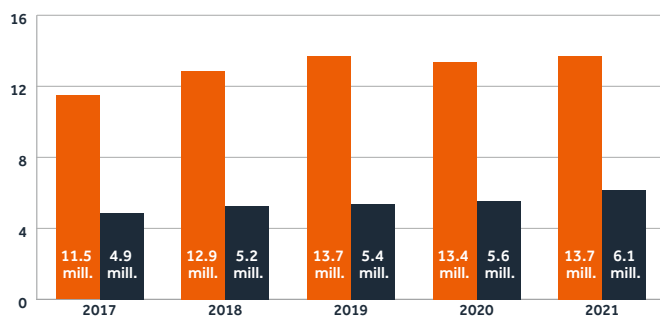


The Eco Flex Box shows how clever folding carton designs can make plastic-free packaging possible.



2.1 Percentage of scrap in the annual material consumption of the Faller Packaging Group (excluding PackEx GmbH)

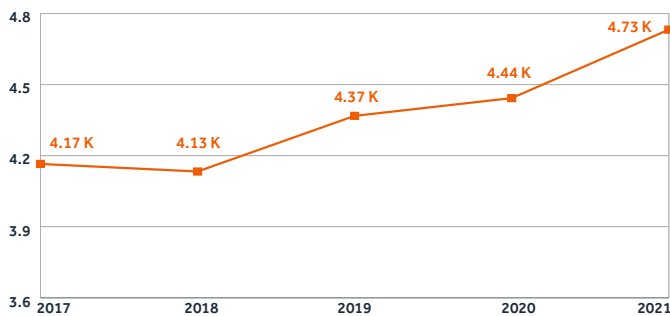
Scrap as a percentage of annual material consumption from 2017 to 2021.



2.2 Annual electricity and gas consumption of the Faller Packaging Group (excluding PackEx GmbH)

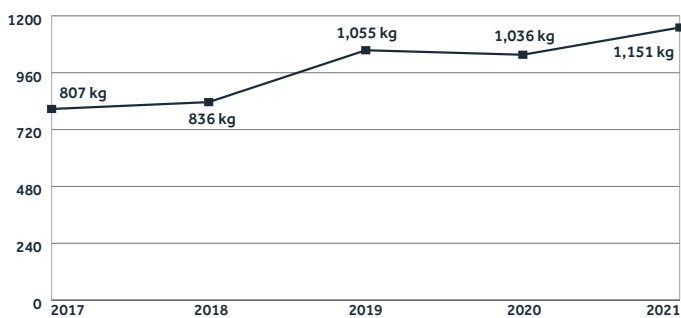
Consumption of electricity and natural gas in millions of kilowatt-hours per year, from 2017 to 2021.

■ Electricity consumption
■ Gas consumption



2.3 Energy consumption per ton of printing stock of the Faller Packaging Group (excluding PackEx GmbH)

Energy consumption required to produce one ton of printed material in thousands of kilowatt hours from 2017 to 2021.



2.4 CO₂-consumption per ton of printing stock of the Faller Packaging Group (excluding PackEx GmbH)

Carbon dioxide emissions for the production of one ton of printed material in kilogrammes, from 2017 to 2021.





Social aspect



Stable through the pandemic period

For Faller Packaging, sustainability also means assuming social and societal responsibility, which benefits the company's employees and the region in which the company is rooted.

Number of employees remains constant

Despite the ongoing Covid-19 pandemic, Faller Packaging expanded its workforce (Chart 3.1). 1,325 people now work at the company's sites in Germany (Chart 3.2) and Europe (Chart 3.3). The only negative aspect: In 2021, the company trained fewer young people than in 2020. The reason for this is the shortage of applicants on the market. The age structure of the workforce shows a healthy distribution over the entire working life. The largest group is the 30 to 35-year olds. The Covid-19 pandemic had little impact on sick leave days in 2021. Downtime was similar to the previous year's numbers and was within acceptable limits at less than ten per cent of total working hours.

The proportion of women in management positions is on the rise.

The increasing number of women in specialist positions at Faller Packaging is encouraging (Chart 3.4), the proportion of whom has increased significantly from 6.8 to 18.9 per cent since 2020. Specialist positions are held at Faller Packaging by employees who do not have direct responsibility for personnel but who have a high level of responsibility for their results. The number of women in management positions also increased slightly to around 21 per cent of managers in the company. The outstanding employee group of women in management positions and specialists thus accounts for a combined total of almost 40 per cent. There are still no fixed quotas for this area. By comparison, a fixed gender quota of at least 30 per cent has only been in place for supervisory boards since August 2021.



Kerstin Gessler, Vice President Human Resources, (left) and Kerstin Löffler, Vice President, Marketing & Corporate Communications, have strengthened our Executive Committee since 2021.

An eventful year for the apprentices

In their second pandemic year, the apprentices at Faller Packaging did not allow it to affect their enjoyment of their training – and they got a lot going for themselves in 2021. Highlights included eating Berliner doughnuts together at the individual sites to ring in the carnival season, the digital apprentice team event with joint pizza baking, a visit to an online escape room and the Christmas Tree Challenge, where small teams competed in decorating the Christmas trees at the company headquarters in Waldkirch. To ensure that as many young people as possible are motivated to train at Faller Packaging in the future, the apprentices presented the company at the Job Start fairs, the Online Vocation Fair, and the Digital Cult fair in Lörrach, all of which beat our advertising drum vigorously!

Social commitment of the apprentices

Social commitment is an important element for the apprentices at Faller Packaging during their training. In 2021, the young people again developed exciting and significant projects. For example, at the Binzen and Schopfheim sites, they collected donations in kind for the Förderverein für krebskranke Kinder e.V. (Support Association for Children with Cancer). An internal appeal enabled the apprentices to hand over many toys to the children's hospital ward at Freiburg University Hospital. At the plant in Waldkirch, things were more manual. The apprentices built a new play hut for the local St. Vincent Kindergarten. Thanks to the support of Faller Packaging's management, a high-quality play hut has been created here for the children.



Apprentices from the Faller Packaging Group lend a hand. The children of the local St. Vincent Kindergarten get a new play hut.





The new Executive Committee in the Printing Division of the folding carton production in Waldkirch. (l-r, lower level: Dr Daniel Keesman, Kerstin Gessler, upper level: Jörg Galle, Kerstin Löffler, Dr Michael Faller, Jörg Frischkorn, Mathias Felber)

The Executive Committee is becoming more female

Faller Packaging expands its top management: Kerstin Löffler, Vice President, Marketing & Corporate Communications, and Kerstin Gessler, Vice President, Human Resources, are the first two women to join the Executive Committee (EC). The EC currently consists of Dr Michael Faller, President & Corporate Managing Partner; Dr Daniel Keesman, CEO; Jörg Frischkorn, Vice President Operations; Mathias Felber, Vice President Business and Jörg Galle, Vice President Finance, who succeeded Markus Fritz on March 1, 2022.

Löffler, Gessler and Galle have significantly reduced the average age of the management level in Waldkirch to 56 years. Women now account for almost 30 per cent of Faller Packaging's management board. In comparison: This accounts for only 16.8 per cent of medium-sized German companies, as the magazine *Absatzwirtschaft* 2021 reports in its article 'Women in Top Management: Increases are modest. Catch up is essential'.

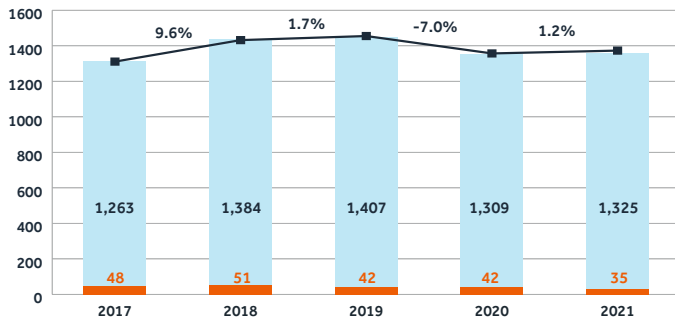
'These three new colleagues bring a breath of fresh air and different perspectives to our Executive Committee,' says a delighted Dr Daniel Keesman. 'This results in new approaches that will help us make the company even more resilient and successful in the future.' The EC already realised some time ago that participation in the Human Resources and Marketing & Corporate Communications functions were essential for the highest level of the company's operational management. 'In Kerstin Löffler and Kerstin Gessler, we have gained colleagues who have exactly the right qualifications and experience for shaping the company and making corporate decisions,' explains Dr Daniel Keesman.

New intranet for greater user-friendliness

The new generation of the intranet went online in autumn at Faller Packaging, almost precisely 17 years after the first entry in the old system. After a short transition period during which both systems ran in parallel, the changeover was fully completed on November 26. A modern web application now provides employees with comprehensive Faller Packaging news in the News Portal, significantly facilitating communication with colleagues thanks to the extensive company telephone directory. In addition, Fox's Corporate Media feature makes it possible for the first time to organise, search and download corporate images, product photos and marketing materials in a dedicated database.

However, the mass of data and articles accumulated over many years in the old system called Fifi are not lost – since we introduced Microsoft SharePoint successfully, all of the files are still available in that programme.

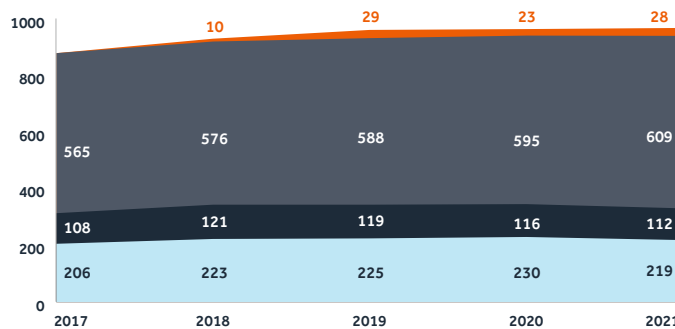
The new Fox intranet will also help Faller Packaging to implement its sustainability strategy. In this way, the company intends to dispense with the paper notices used in the past and thus save resources.



3.1 Number of employees of the Faller Packaging Group at the end of the calendar year

Number of employees in the entire Faller Packaging Group, including PackEx GmbH, surveyed at the end of the calendar year, from 2017 to 2021. Increase in the number of employees compared with the previous year in per cent. The number of apprentices is shown separately.

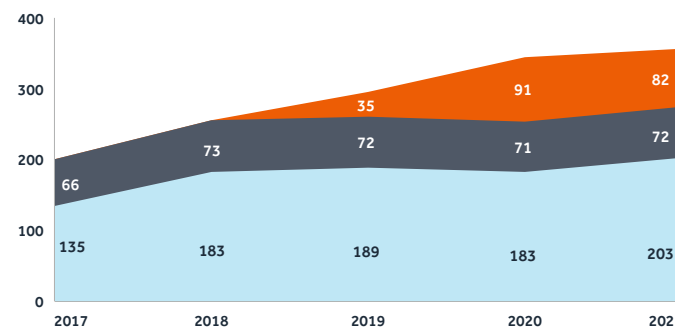
- Total no. of employees
- Apprentices
- Increase in the number of employees



3.2 Number of employees at Faller Packaging sites in Germany

Number of employees at the Faller Packaging sites in Binzen, Schopfheim and Waldkirch, including PackEx GmbH employees, surveyed at the end of the calendar year, from 2017 to 2021.

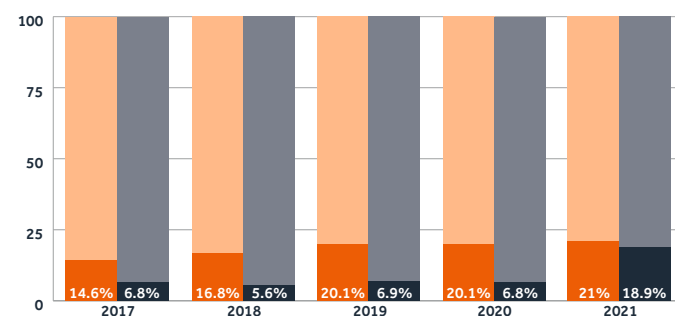
- Binzen
- Schopfheim
- Waldkirch
- PackEx



3.3 Number of employees at Faller Packaging's international locations

Number of employees at Faller Packaging's international sites in Debrecen, Hvidovre and Lodz, surveyed at the end of the calendar year, from 2017 to 2021.

- Łódź, Poland
- Hvidovre, Denmark
- Debrecen, Hungary



3.4 Proportion of women in management positions in the Faller Packaging Group

Proportion of female employees in specialist and management positions in the Faller Packaging Group, as a percentage of all management positions in the company, from 2017 to 2021.

- Women in management positions
- Men in management positions
- Women in specialist positions
- Men in specialist positions



Faller Packaging Group

August Faller GmbH & Co. KG

Head office and
folding carton production

Freiburger Straße 25
79183 Waldkirch
Germany

Phone +49 7681 405-0
info@faller-packaging.com
www.faller-packaging.com

August Faller GmbH & Co. KG

Leaflet production

Meitnerring 6
79589 Binzen
Germany

Phone +49 7621 1618-0
info@faller-packaging.com
www.faller-packaging.com

August Faller GmbH & Co. KG

Business Unit Labels

Güнденhausen 22
79650 Schopfheim
Germany

Phone +49 7622 666989-0
info@faller-packaging.com
www.faller-packaging.com

August Faller A/S

Folding carton production
(Nordics)

Hammerholmen 1
2650 Hvidovre
Denmark

Phone +45 36 88 07-00
info.dk@faller-packaging.com
www.faller-packaging.com

August Faller Sp. z o.o

Folding carton production

ul. Nowy Józefów 64e
94-406 Łódź
Poland

Phone +48 42 2078-150
info.pl@faller-packaging.com
www.faller-packaging.com

Pharma Print Ltd.

Leaflet production

Judge Gedeon utca 7.
4031 Debrecen
Hungary

Phone + 36 52 530 036
info@pharmaprint.hu
www.pharmaprint.hu

PackEx Ltd.

Startup: Toolless
production and small production runs

Mittelrheinstraße 23a
67550 Worms
Germany

Phone +49 6242 83 70-910
info@packex.com
www.packex.com

IMPRINT

All rights reserved.

August Faller GmbH & Co. KG, Waldkirch 2022

www.faller-packaging.com

Contact persons:

Dr Michael Faller | President & Corporate Managing Partner

Lutz Benz | Sustainability Officer

