

# Environmental Report 2023 Reporting Period 2022



**Kabel Premium Pulp & Paper GmbH**  
**Schwerter Straße 263**  
**58099 Hagen-Kabel**  
**GERMANY**

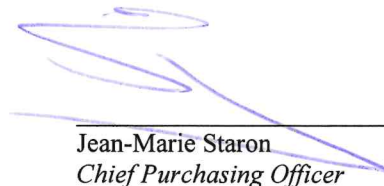
The updated environmental report includes the figures from the reporting year 2022. It also sets out the goals of the coming year and forthcoming projects.




Markus Schwinn  
*Chief Executive Officer*



Michael Rudat  
*Chief Operating Officer*



Jean-Marie Staron  
*Chief Purchasing Officer*



Klaus-Werner Ostmeier  
*Water Protection Manger*



Mareike Weber  
*Environmental Manager*

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## 1 Company Profile

The production of paper has a long-standing tradition within our company: the eponymous Papierfabrik (paper factory) Kabel was established as early as in 1896 in the Kabel district of the city of Hagen. In 1959, the factory was absorbed by the company Feldmühle AG and integrated into the STORA group in 1990. As a result of STORA merging with Enso Oyj to form the Stora Enso group of companies in 1998, our corporation was transformed into Stora Enso Kabel GmbH & Co. KG on 1 October 2001. The carve-out of 1 September 2016 had the company becoming independent of the group. The present-day company Kabel Premium Pulp & Paper GmbH (KPPP for short) is held by two family offices in Hanover to enable the long-term development of the business.

The company has about 600 employees. The two paper machines allow for an annual output of 450 000 tonnes.

A wood grinding mill and pulping facility are available to ensure the supply of raw materials. In addition, the factory incorporates a steam power plant for steam generation (120MW) which contributes some 10% of additional power through cogeneration. The biomass power generator located on the neighbouring premises is a 50% joint venture between KPPP and Envervie AG and ensures the conversion of wood waste and other biogenic raw materials into steam at a rate of up to 50 tonnes per hour, and up to 20 MW of electric power. The excess steam generated is utilised in paper production.

KPPP's primary sales market is Europe. Thanks to its central location within the sales territory, delivery of the required products to the customer is fast and reliable. Just over 60% of our sales volume is shipped to the DACH region (Germany, Switzerland, and Austria) and the neighbouring countries, as well as Italy and the United Kingdom. The remaining volume is sold in Europe, North America, and the EMEA region.

## 2 Corporate policy in environmental protection, occupational safety, quality, and energy

Principles of action in the field of quality, occupational safety, environmental protection, sustainable raw materials sourcing, and energy efficiency are an integral part of our corporate policy. They are the cornerstone of the company's strategic orientation which is focused around customer orientation, performance, competitiveness, and economic success.

Beside our long-term business goals, we define operative targets within the budgeting framework, measured on the basis of economic key figures, and communicate them across the organisation. The workforce participates in the company's success via a bonus system (so-called PBR system).

The resources needed for achieving our goals are procured by the corporate management.

Every single one of our employees has individual responsibility, taking account of quality issues, occupational safety requirements, environmental protection, and energy efficiency in the day-to-day routine. Every employee helps build customer satisfaction with their performance.

All employees are bound to fulfilling the statutory and regulatory provisions. But our corporate philosophy also provides for protecting the environment and avoiding unnecessary environmental impacts, which also covers the sourcing of energy, raw materials, and services.

We commit ourselves to complying with the requirements of

- DIN EN ISO 9001
- DIN EN ISO 14001
- ISO 45001
- DIN EN ISO 50001
- EU Ecolabel
- Chain of Custody (CoC) – FSC™ and PEFC® standards
- Controlled wood – FSC™ standards

as amended and for the ongoing optimisation of our integrated management system.

### 3 Summary: Business performance 2022 and strategic goals in environmental protection and the environmental management system

The two production lines could be run at full capacity especially in the first half of 2022.

Energy prices for electric power and gas rose sharply in spring due to the war in Ukraine. This substantial rise in costs could not be contained by other means and had to be passed on to the customers on a pro-rata basis. The sustained energy crisis, which caused inflation to soar, forced many customers to re-think the scope and publication cycles of their printed media, resulting in a marked drop in orders as of mid-year.

Decreased sales volumes and resultant inadequate capacity utilisation had to be counteracted by ramping down production capacities from October onwards, amongst other things by introducing short-time work as an instrument at the staff level. The sharp decline in orders seen in the second half of the year did not only impact any and all production processes but was also reflected in the environmental key indicators.

The KPPP's environmental index specifically looks at paper production, meaning that the key indicators are specifically defined per tonne of marketable products.

These effects become apparent when comparing the environmental indicators for 2021 and 2022.

Strategic Indicator	Unit	Results 2021		Results 2022	
		Target	Result	Target	Result
spec. Energy amount	MW/h vkf.Erz.	2,48	2,71	2,62	2,76
spec. Water amount	m <sup>3</sup> /t vkf.Erz.	14,5	13,14	13,2	16,58
COD-Load	kg/t vkf.Erz.	1,8	2,08	2,0	2,69
spec. Waste amount	kg/t vkf.Erz.	71,0	74,90	73,0	96,70
certified fibre content	%	80,0	81,85	80,0	81,34
Environmental Index	Index	72,44	72,95	72,03	84,61

Effects on compliance with the requirements set out in the BREF Letter Paper ("Best Available Techniques Reference documents") were not seen, as we managed to keep our environmental performance within specifications.

	waste water volume [m <sup>3</sup> /t]	COD [kg/t]	BOD [kg/t]	filtered sub. [kg/t]	AOX [kg/total]	whole N [kg/t]	whole P [kg/t]
<b>BREF Letter Paper</b>	12-20	2.0-5.0	0.2-0.5	0.2-0.5	< 0.01	0.04-0.1	0.004-0.01
<b>Kabel Premium 2022</b>	16.58	2.69	0.19	0.33	0.001	0.06	0.01

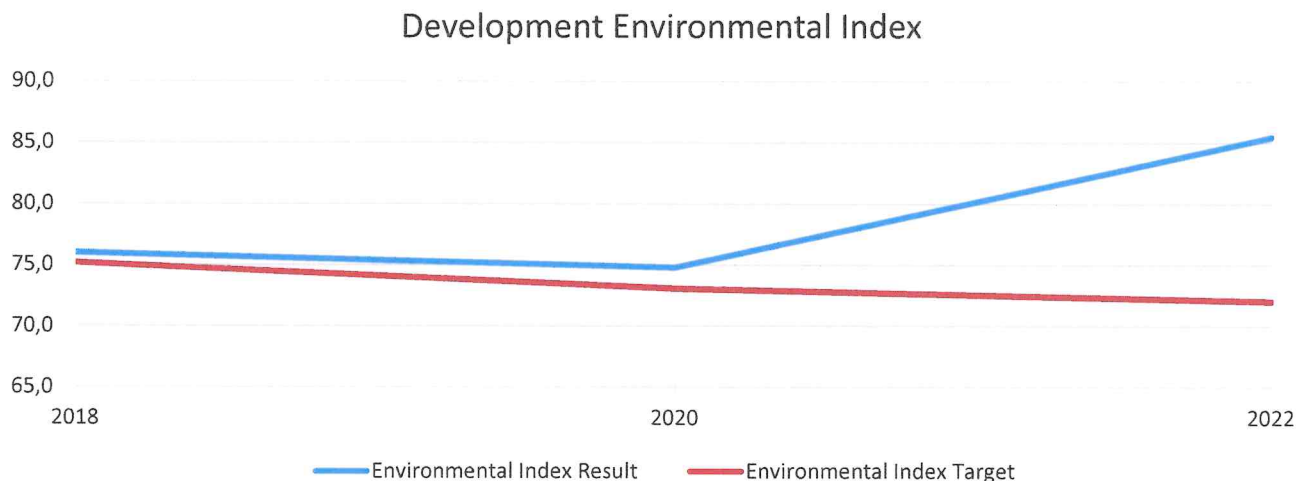
The KPPP paper factory, together with its secondary installations, is a facility requiring approval within the meaning of the German Immission Control Act (BlmSchG) and pursuant to no. 6.2, column 1(E) of the 4th German Ordinance for Implementation of the German Immission Control Act (BlmSchV).

### 4 Environmental goals 2023

Capacity/production-related downtimes meant that the specific individual indices could not be realised in the business year 2022. The result of the entire business year is less than stellar.

The overall environmental goal, expressed as a single indicator, is reviewed every year and tightened or adjusted as necessary to reflect the current situation.

The UI diagram target/actual comparison reflects last years' degree of performance.



With some of the goals for 2023 adjusted, we are now striving toward a target of 71.66 (the lower the figure, the better).

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certified fibre content	%	80,0	81,85	80,0	81,34	80,0
<b>Environmental Index</b>	Index	<b>72,44</b>	<b>72,95</b>	<b>72,03</b>	<b>84,61</b>	<b>71,66</b>

*These are the 2022 indicators realised vs 2021, plus the new targets for 2023*

## 5 Sustainability reporting duty from 2026 onward for the reporting year 2025

In April 2021, the Commission of the European Union proposed far-reaching changes with respect to sustainability reporting. The Member States are to implement these changes into national law until 2023.

The most significant new aspect of the EU proposal is that the reporting duty will apply to all companies with a workforce of more than 250, irrespective of whether they are listed or not. The responsibility for the sustainability reporting lies with the corporate management. In addition, all sustainability information must be provided for review by an auditor or independent service provider.

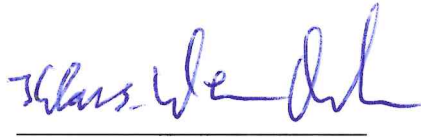
The reporting duty is to apply for the first time to all management reports published from 1 January 2026 onward, meaning that the reporting period 2025 must be covered as well.

KPPP works on a sustainability report from 2023 to comply with the statutory requirements.

Please contact us if you need further information.



Mareike Weber  
*Environmental Protection*

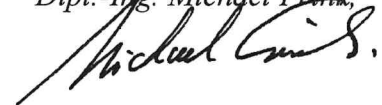


Klaus-Werner Ostmeier  
*Water Protection*

***Test note:*** *The environmental report presented here has been checked by us and receives the positive note that the information provided is correct and complete.*

Gütersloh, 01.03.2023

Dipl.-Ing. Michael Frink,



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