



CORPORATE SOCIAL RESPONSIBILITY

Report 2022-2023

**Update target and
Key figures cockpit
2022**



PACKAGING



POS SOLUTIONS



SERVICES

WELCOME

Our 2022 Corporate Social Responsibility Report provides up-to-date, transparent information about STI Group's sustainable commitments. This seventh report uses a different format to previous reports.

Since 2010 we have documented our goals, actions and results in regular CSR Reports. Over time we have added new focus topics and identified additional action areas. As a result, when we strategically realigned the company in 2021, we also decided to relaunch our approach to CSR.

In the context of our corporate strategy and policy, our previous goals were reviewed and reflected upon:

- Reduction of energy consumption
- Reduction of water consumption
- Reduction of waste
- Employee professional qualifications
- Risk management systems
- Support for social initiatives

We conducted a materiality analysis to determine our priority action areas for the future and defined a new CSR roadmap to 2030. Having set ourselves eight major development goals, we will measure and communicate

our progress towards these goals. We have also defined key performance indicators (KPIs) for strategic action areas.

This 2022 CSR Report therefore begins a new three-year cycle for reporting, with targets and key figures being reported annually. Our reports will address the core sustainable values that our company is committed to and which form the basis for all strategic and operational corporate decisions.



STI GROUP

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People at the STI Group

#2



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AT A GLANCE



CEO STATEMENT

'We want to lead the way to a more sustainable packaging landscape.'

Jakob Rinninger, CEO STI Group

Our company has always taken a sustainable approach to creating value for our clients. As a family business, we are committed to protecting the environment and support the UN Global Compact principles of sustainable and responsible corporate governance. Along with over 19,000 companies and organisations worldwide, we also support the United Nations Sustainable Development Goals. STI Group's vision and strategy is based on the above principles.

PEOPLE

As a medium-sized business with European production sites, we are aware of the special responsibility we have towards all employees. Good working relationships are something we value highly and we are rightly proud of our long service records. To support all aspects of employee wellbeing, we maintain a clear focus on occupational safety and prevention. Before and during the Covid 19 pandemic and beyond, the welfare of those who work for us is always our top priority.

PIONEERS IN PACKAGING

As pioneers in our industry we always strive for new, innovative solutions and cooperate closely with external partners throughout

the value chain. The ultimate aim of our research and development projects is to devise market-ready solutions, which help us to contribute actively and significantly to a more sustainable packaging landscape. Our packaging designs promote the careful use of resources, coupled with optimal recyclability and climate protection.

CIRCULAR ECONOMY

Fibre-based packaging and displays are already well aligned with the concept of a circular economy. Improving the recyclability of packaging will maximise recycling efficiency. We strive to keep the resources we use in circulation for as long as possible to minimise negative environmental impacts.

Our Circular Innovation programme targets the development of solutions that extend the usefulness of fibre-based packaging. This will help us to replace today's plastic-based packaging with more sustainable solutions as well as opening up additional application areas.

Many of our projects are breaking new ground, including our trials of alternative fibres for packaging production. As an innovation partner, we have produced

packaging and POS solutions made from silphie material that can be recycled through existing waste streams.

At the heart of STI Group lies outstanding product and service quality. We achieve this by continuously striving for operational excellence in our processes and using modern and innovative manufacturing methods.

As pioneers in the packaging industry, we aim to lead the way in shaping a more sustainable packaging landscape. Our innovative approach enables us to better support our customers in achieving their sustainability goals.


Jakob Rinninger

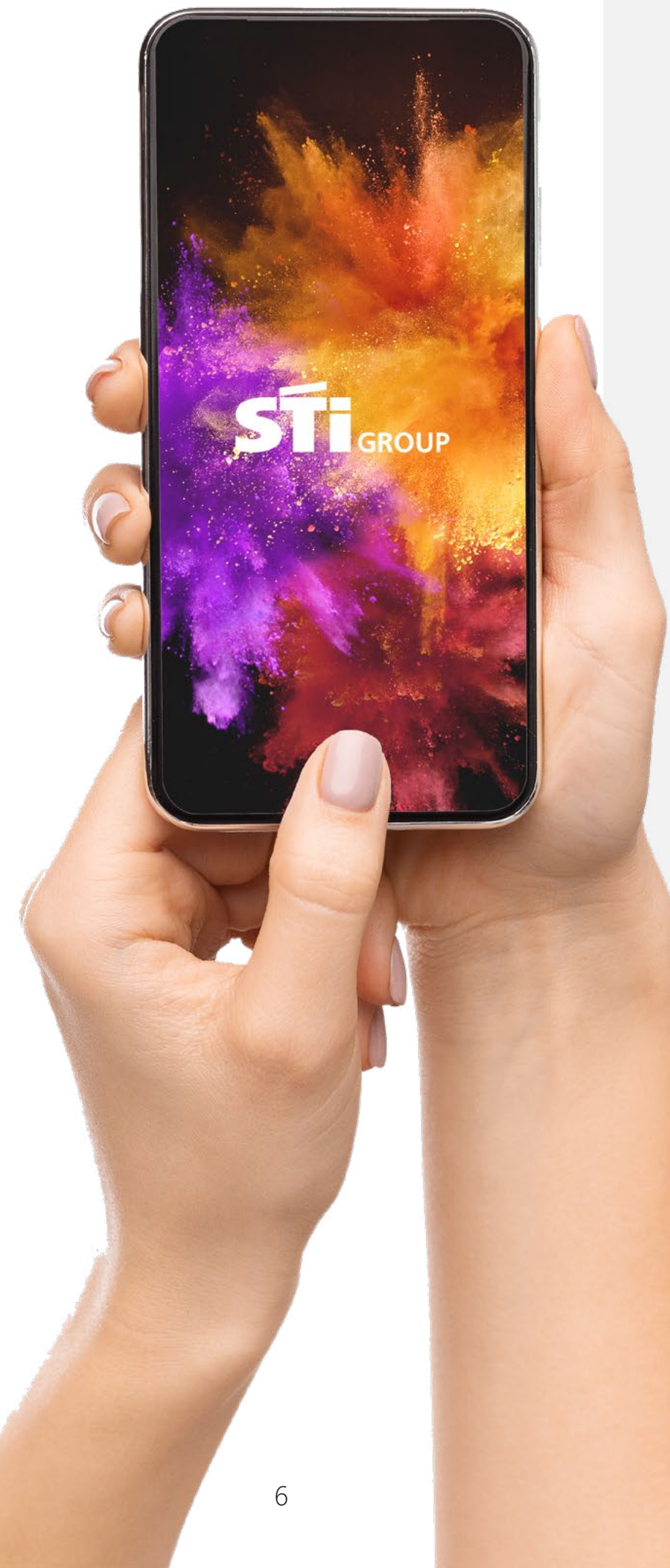


ABOUT STI GROUP

ABOUT STI GROUP

STI Group is a family business, its past and present characterised by a pioneering spirit of innovation and creativity. With a focus on sustainability, we design and produce packaging and displays for tomorrow's point of sale.

Since its foundation in 1879, STI Group has grown into a globally active group of companies with over 2,000 employees. Today, we produce packaging and displays for brands and retailers at seven specialised locations in Europe. We also support our customers with sales and design offices throughout Europe, our own sourcing office in Asia and a worldwide network of partner organisations.



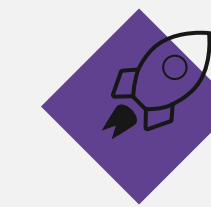
2020s

Circular Innovation: Leading sustainable material, product and technology developments



2010s

Connecting value chains: Customers <-> STI Group
Climate protection: Partnering with ClimatePartner



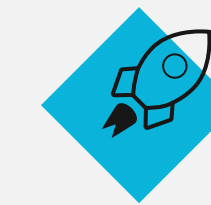
2000s

Digitisation: Implemented DAM database & digital printing
Sustainable forestry: First in industry to be FSC® certified



1990s

Sustainable solutions:
First corporate environmental policy on sustainability



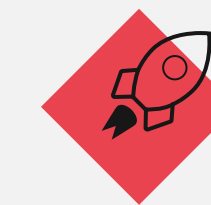
1980s

Growing expertise:
Cooperation with European Retail Institute



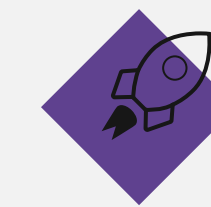
1970s

Driving creativity: Winning new industry packaging and display design awards



1960s

Pioneering production: First manufacturer and marketer of corrugated cardboard displays in Europe



1950s

Groundbreaking invention:
Developed corrugated board laminated with offset print

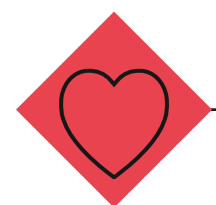
VISION AND VALUES

As pioneers in the packaging industry, we stand out with our innovative, sustainable and creative approach that shapes markets and makes us a strong partner for strong brands.

We see ourselves as drivers of our customers' success – both in store and online. With excellent consulting skills, outstanding customer service and optimally efficient processes, we aim to be a holistic problem solver, reducing complexity and creating a unique shopping experience.

Sustainability is at the heart of our actions. Whether designing a product, delivering a service or making a corporate decision, we are guided by the values of environmental and climate protection and supporting the circular economy.

A management system based on international standards, which we are continuously developing, supports us in reaching our goals.



WE ARE PIONEERS WITH PASSION

We are courageous, driven by a desire to forge new and successful paths.



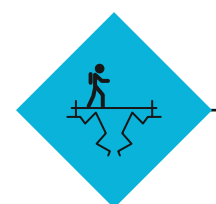
WE ARE FAMILY ENTREPRENEURS

All of us are entrepreneurs within the company, actively helping to shape STI Group. Our individual personalities work together in a team-oriented and appreciative way.



WE ARE A DRIVING FORCE

We shape behaviour: sustainability, environmental and climate protection and the circular economy drive our value creation.



WE ARE TRUE PARTNERS

Skilled at managing complex requirements and processes for our customers, our partnership offers an in-depth understanding of the market, outstanding development expertise and exceptional quality, process-optimised products.



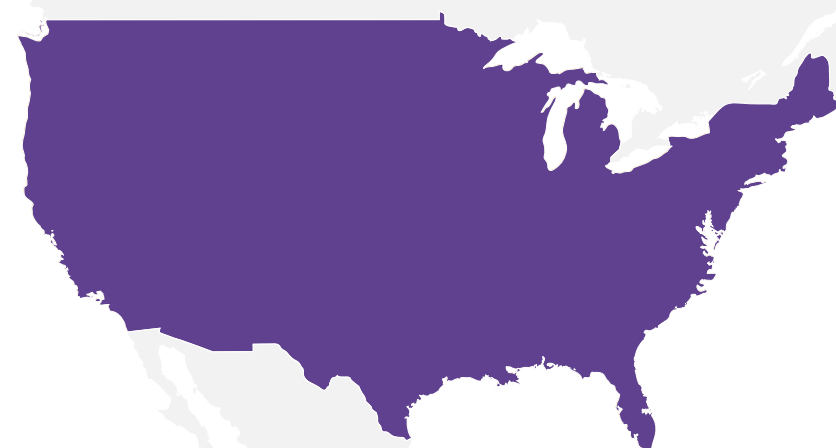
LOCATIONS

STI Group has seven specialised production locations in Europe that offer offset, flexo and digital printing.

The company group also has its own corrugated cardboard production facilities. With the right equipment to efficiently deliver small or large production runs in small or large formats, high-quality inline finishing and extensive certifications, STI Group's portfolio of plants can offer a wide range of packaging and display solutions.

We support customers through our sales and design offices throughout Europe. Our Sourcing Offices in Hong Kong and Shenzhen offer specialist customer support, designing local packaging and display solutions for brands that manufacture and package products in Asia.

Through our collaboration with long-standing cooperation partners, we blend local insight and understanding with an international network to successfully implement global brand campaigns.



MANUFACTURING

SALES & DESIGN

COOPERATION PARTNERS

GREVEN

Packaging

Year founded: 1950
Total area: approx. 3,700 m²
Employees: approx. 70

RUMBURK

Finishing

Year founded: 1996
Total area: approx. 15,000 m²
Employees: approx. 120

KECSKEMÉT

Packaging & Labels

Year founded: 1840
Total area: 75,000 m²
Employees: approx. 750

GILLINGHAM

Display

Year founded: 1979
Total area: approx. 4,400 m²
Employees: approx. 60

ALSFELD

Corrugated board

Year founded: 2002
Total area: 70,000 m²
Employees: approx. 190

LAUTERBACH

Holding Co + Packaging & Display

Year founded: 1951
Total area: 110,000 m²
Employees: approx. 620

NEUTRAUBLING

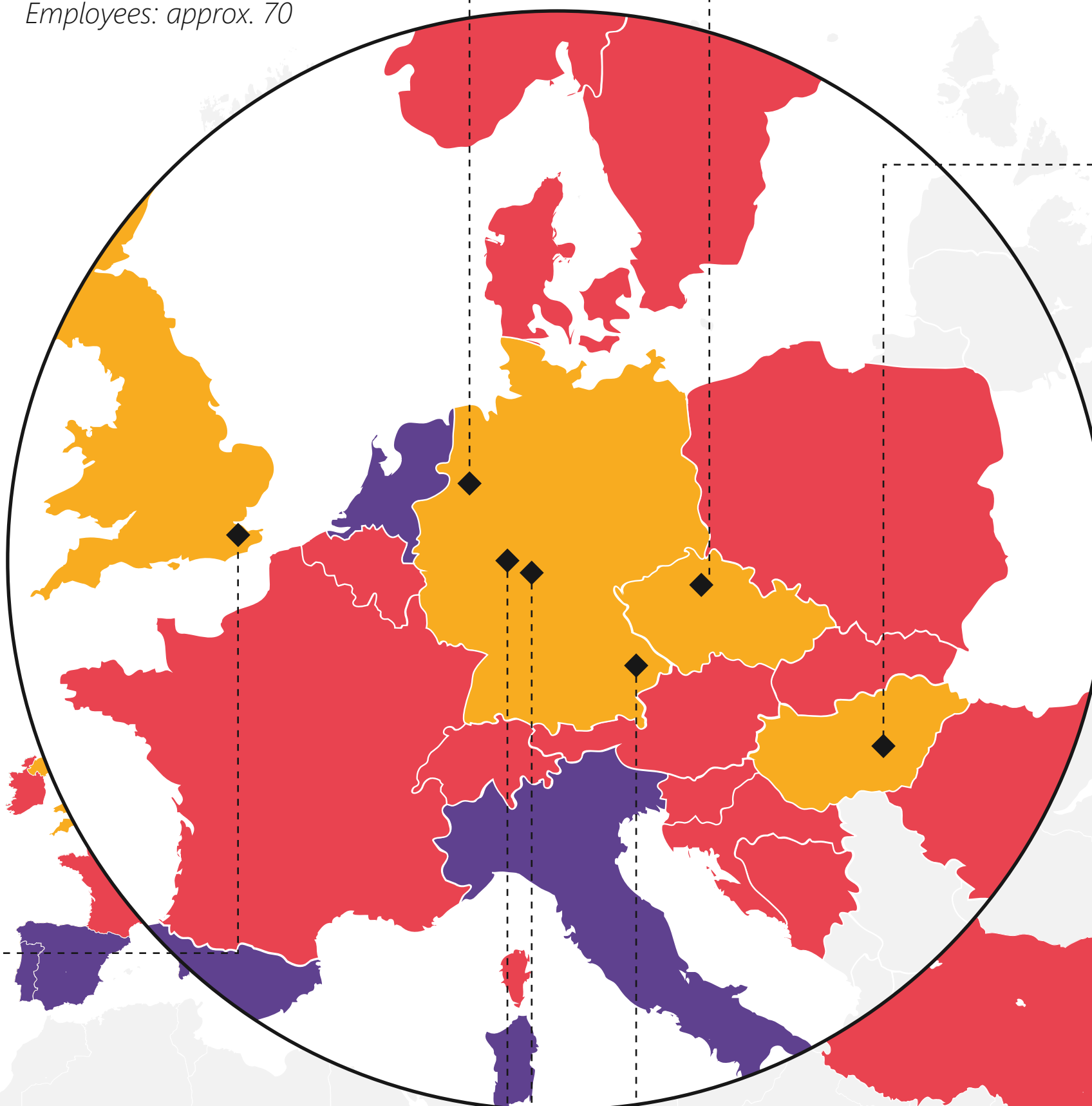
Packaging & Display

Year founded: 1949
Total area: > 30,000 m²
Employees: approx. 230

HONG KONG/SHENZHEN

Sourcing & Project Planning

Year founded: 2011
Employees: approx. 10



CERTIFICATIONS

LAUTERBACH

STI - Gustav Stabernack GmbH (Holding Co)

STI Lauterbach Verpackung GmbH

STI CAD Laser Form GmbH

STI Pro Grafik GmbH

- DIN EN ISO 9001
- DIN EN ISO 50001 (Holding Co, STI Lauterbach Verpackung GmbH)
- Forest Stewardship Council-certified (FSC®-certified)
- PSO certified (Pro Grafik)

ALSFELD

STI Corrugated GmbH

STI Logistics Centre VB GmbH

- DIN EN ISO 9001 (STI Corrugated GmbH)
- DIN EN ISO 50001
- Hygiene guidelines based on HACCP/ DIN EN 15593
- FSC® -certified

GREVEN

STI Schröder Verpackungen GmbH

- DIN EN ISO 9001
- FSC®-certified

NEUTRAUBLING

STI d+v Display + Verpackung GmbH & Co KG

- DIN EN ISO 9001
- DIN EN ISO 50001
- FSC®-certified

KECSKEMÉT

STI Petöfi Nyomda Kft.

- DIN EN ISO 9001
- DIN EN ISO 50001
- DIN EN ISO 22000 and BRC IOP
- DIN EN ISO 140001
- FSC®-certified
- PEFC-certified

GILLINGHAM

InContrast (STI Line Ltd)

- DIN EN ISO 9001
- DIN EN ISO 14001
- FSC®-certified

RUMBURK

STI Česko s.r.o.

- DIN EN ISO 9001
- FSC®-certified

HONG KONG/SHENZHEN

STI Asia Pacific Ltd

STI POS Solutions (Shenzhen) Co Ltd

PARIS

STI - Display Emballage Création S.A.R.L.

- FSC®-certified

CSR-ROADMAP



ACTION AREAS

Our action areas reflect STI Group's holistic approach to CSR. We have categorised them into four strands: corporate, people, social commitment and ecology, which form the framework for our CSR strategy and activities.

#1 CORPORATE

We focus on the responsible development of STI Group and its products.

#2 PEOPLE

People are at the centre of our family business. The values that guide us are fairness, safety and health as well as professional development and education.

#3 SOCIAL COMMITMENT

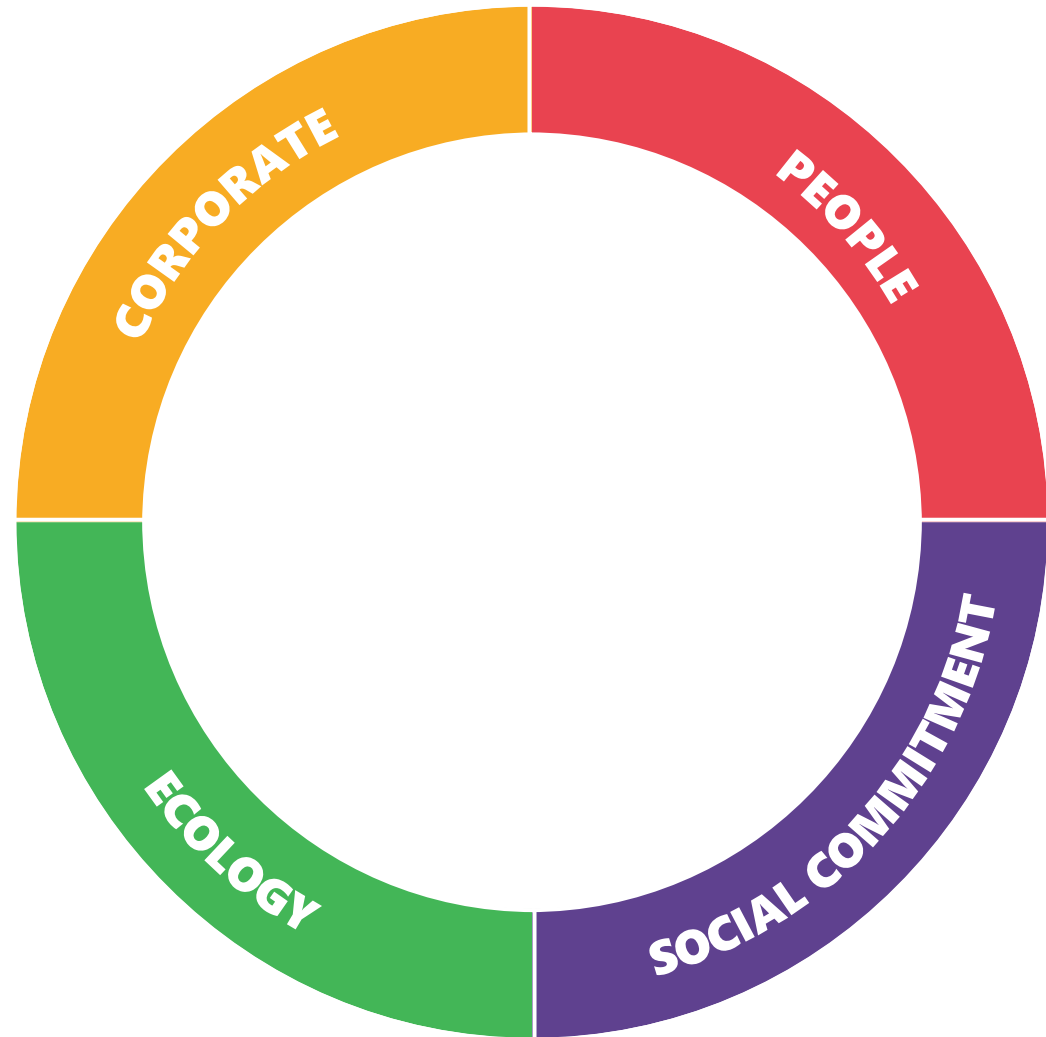
STI Group plays an active role in the community and is committed to sustainable values.

#4 ECOLOGY

A circular economy, climate protection and the careful use of resources are all crucial for the development of a sustainable economy.

- Quality and product safety
- Product and process innovations
- Standards in the value chain
- Sustainability and risk awareness in corporate management
- Integrity and compliance

- Environmental protection and standards
- Climate protection and CO₂ compensation
- Recycling
- Sustainability in the supply chain
- Waste prevention and recycling



- Occupational health and safety and prevention
- Fair working conditions, diversity, equality and inclusion
- Employer attractiveness and personnel development
- Complaint management and whistleblower system
- Decision-making participation and communication

- Regional commitment
- Support for charitable organisations and projects
- Promoting children's education and development
- Support for those in need
- Consumer and sustainability education



MATERIALITY ANALYSIS

Based on a stakeholder survey in 2021, we prioritised the crucial CSR action areas for STI Group up to the year 2030.



#1 CORPORATE



#2 PEOPLE



#3 SOCIAL COMMITMENT



#4 ECOLOGY

This materiality matrix (figure on the right) reflects the relevance of our CSR action areas for stakeholders and the company. The x-axis represents the relevance to STI Group and the y-axis, the relevance to our stakeholders on a scale of 1-7, with 7 being the highest and 1 the lowest relevance. The scales on the axes start at 4 and 3 as these were the lowest ratings given.

The analysis on which this materiality matrix is based is reviewed by STI Group's CSR and management committee every three years and revised as necessary. It serves as the basis on which our sustainability goals and measures are derived and encompasses the development of our business, changes in legislation, stakeholder priorities and market requirements.

For areas of high relevance, we set goals that we measure using key performance indicators (KPIs) and report on annually. We map other action areas by sharing relevant initiatives.



CSR ROADMAP UNTIL 2030

Quality and product safety

Goal: Hygiene certification of a further STI Group site by 2024

Goal: Reduce complaint costs by 5% by 2024, 2027 and 2030 respectively

Product and process innovations

KPI: Number of patents/applications, Number of design awards

Standards in the value chain

Corporate Compliance for business partners, Ecovadis and SEDEX, FSC® and PEFC, SDG, UN Global Compact

Sustainability and risk awareness in corporate management

Goal: Group-wide CSR reporting based on GRI standard by 2024

Integrity and compliance

Goal: Reduce compliance violations in STI Group



#1 CORPORATE

Environmental protection and standards

KPI: Water consumption per tonne of paper/cardboard, Proportion of waste that is: Hazardous/Non-hazardous (incl. waste paper), Total spending on CO₂ compensation

Climate protection and CO₂ compensation

Goal: Continuously improve STI Group's energy performance

Recycling

Goal: Produce 100% recyclable packaging by 2030

Sustainability in the supply chain

KPI: Proportion of recycled fibre-based material used, Total volume of waste generated, Proportion of FSC® and PEFC material used

Waste prevention and recycling

Goal: Reduce waste volumes by 1.5% by 2024, 2027 and 2030 respectively

#4 ECOLOGY



#2 PEOPLE

Occupational health and safety and prevention

Goal: Reduce occupational accidents by 10% by 2024, 2027 and 2030 respectively

Fair working conditions, diversity, equality and inclusion

KPI: Employees with disabilities, Women in Management, Employee working area: operations/administration, Employee gender: female/male/non binary/not stated, Employee average age, Employees on permanent/temporary contracts, Employee nationalities, Number of trainees, Employee average years of service

Employer attractiveness and personnel development

KPI: Training rate, Employees doing hybrid working, Average time spent training each year

Complaint management and whistleblower system

Corporate Compliance, Introduction of digital whistleblowing system

Decision-making participation and communication

KPI: Employees represented by works council

#3 SOCIAL COMMITMENT



Support for charitable organisations and projects & regional commitment

Support for social initiatives in the regions of our production sites

Promoting children's education and development

Perspectives for children and young people, Home for Kids e. V.

Support for those in need

Wilhelm Stabernack Foundation

Consumer and sustainability education

KPI: Number of client workshops held



#1 CORPORATE



PRODUCT RANGE

Action area: Quality and product safety

STI Group is a full-service provider for packaging and displays. As a strong partner of strong brands, we support our customers to engage and inspire shoppers in store.

Our customised packaging is made of cardboard and corrugated board – from folding boxes and gift packaging to transport packaging – for customers in all sectors, e.g. food, confectionery, beverages, pharmaceuticals, cosmetics, toys, non-food and e-commerce. The design and development process is shaped by retailer requirements and logistical efficiencies.

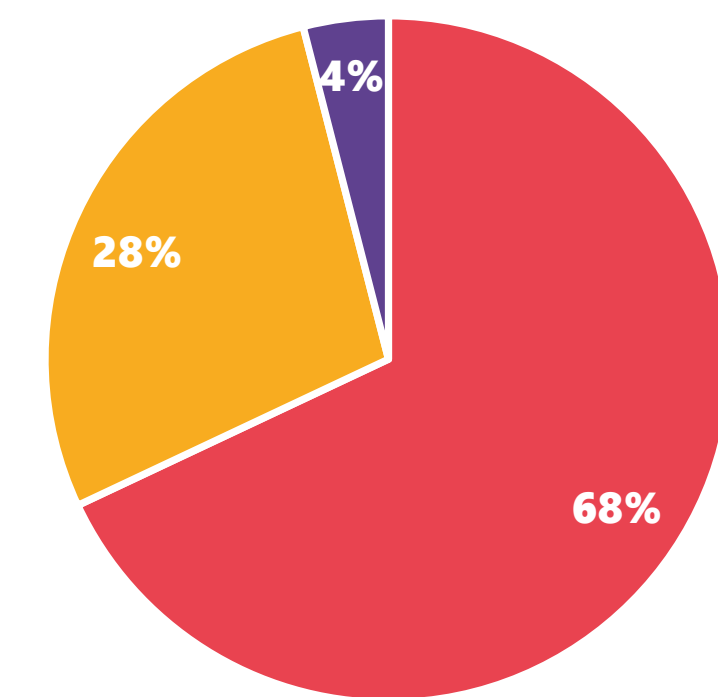
Our displays make effective sales drivers, and

are logistically optimised and sustainable. Our temporary solutions are produced from cardboard and corrugated board while wood, metal or sometimes plastic may be employed for longer-term product presentation.

With numerous modular POS solutions, we offer customers tailored yet efficient implementation of their promotional campaigns and new product launches. Our individual displays and decorations make

important brand touchpoints for consumers.

We offer holistic solutions, from consulting to campaign planning and execution to co-packing and logistics services. We aim to minimise complexity for customers in all process stages and add measurable value.



PACKAGING

POS SOLUTIONS

SERVICES

PACKAGING

- Cardboard folding boxes
- Corrugated packaging
- Labels

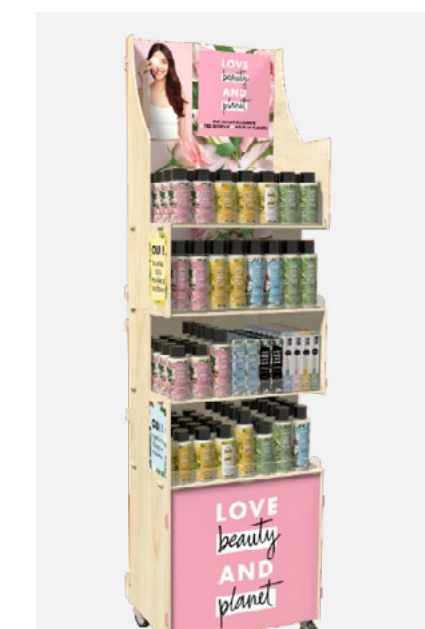
POS SOLUTIONS

- Promotional displays (custom & modular)
- Permanent displays

SERVICES

- Graphic design, 3D visualisation, artworking
- Structural design
- Print management

- Prepress & tooling
- In-house materials lab
- Picking and co-packing





PRODUCTS

Action area: Quality and product safety

STI Group represents outstanding product and service quality. We achieve this by continuously striving for operational excellence in our processes and using modern, innovative manufacturing methods.

QUALITY

We pursue an ethos of operational excellence, based on learning and continuous improvement. This enables us to meet customer requirements effectively and efficiently. KPIs are visualised in real time in our production areas to create the necessary transparency. Our management system, based on DIN EN ISO 9001, supports us in achieving our goals.

Shopfloor management is a central element of our production ethos. We help our employees develop their professional qualifications through continuous training, based on process standards. Initiatives such as worker self-inspection – independent quality inspection by each employee – contributes effectively to error prevention.

Our aim is to eliminate product defects of any kind and so prevent complaints; or to detect defects as early as possible and eliminate them sustainably.

Goal 5 - Reduce reclamation costs by 5% each by 2024, 2027 and 2030.

Using this focused measure of quality will make our progress more transparent.

PRODUCT SAFETY

During the product development phase, we attach great importance to communicating with customers so their product safety requirements are taken into account. Such requirements can be many and varied: from food safety (e.g. substance migration) to requirements for child-safe toy packaging and CE labelling. This area also encompasses compliance with overarching legal requirements (e.g. REACH).

The hygiene management systems for STI Group production sites are based on DIN EN ISO 15593 and BRC/IoP. Hygiene certifications are currently available at two locations and we wish to achieve certification for another location, based on FSSC 22000, in the near future to meet the increasing hygiene requirements of our customers.

Goal 4 - Hygiene certification of a further STI Group site by 2024.

In 2011 we were one of the first companies in the industry to start moving away from conventional printing inks, varnishes, oils and lubricants in production to products that are migration harmless. The proportion of printing inks containing mineral oil that are used at STI Group is already well below 1%. Targeted food safety tests by accredited institutes have evaluated the interactions that our various packaging materials have with each other and their contents, and have confirmed that they are harmless to health.

In the laboratories at our Lauterbach and Kecskemét sites, we also test packaging and displays to ensure they meet legal and customer-specific requirements. Focused networking and proactive work with industry associations helps us to respond to emerging legal and regulatory requirements. All these early learnings are incorporated into our processes and customer communications.





INNOVATION

Action area: Product and process innovations

STI Group's mission is to lead the way to a more sustainable packaging landscape. When designing our products and services, we are guided by environmental and climate protection values as well as the concept of a circular economy.

Our Circular Innovation programme pursues a holistic strategy of sustainable innovation. A multi-disciplinary team evaluates multiple sustainable ideas in the context of a circular economy, then helps the most effective product and process innovations to reach market maturity. We work closely with universities and technology partners to develop and realise these innovative approaches.

Our **innovations** are primarily aimed at maximising recyclability. We are also looking to expand the range of applications for fibre-based packaging, focusing our business efforts on using these to replace plastic-based forms of packaging. We want our products to be recycled as easily and efficiently as possible via existing recycling schemes. Resource efficiency is a further focus: we aim to use as little material as necessary and reduce waste.

We are always evaluating the potential of new materials, processes and technologies.

Some of the new approaches we have tested, for example, include innovative fibre-based papers, sustainable barrier coatings and plastic-free finishes.

AWARDS

Our products have won many **awards** in national and international industry competitions and are recognised for their strong impact on sales, creativity of design and sustainability.





BEST PRACTICE

Circular Innovation: Current product and process innovations

STI Group has brought numerous innovative solutions to market maturity. Primarily we replaced plastic-based packaging with fibre-based solutions, while also improving recyclability, conserving resources and using alternative raw materials.

INNOVATIVE SUSTAINABLE MATERIALS

In 2021, through our development partnership with OutNature, we became the first manufacturer to produce packaging and displays made from silphie paper on an industrial scale.

The use of the fast-growing silphie plant for paper production has increased the value of this plant, hitherto used exclusively for biogas production, and the residues produced during fibre processing are still utilised to create energy. Locally cultivated, the silphie plant places low demands on soil quality and nutrient content, making it a productive alternative to wood-based fibre.



BARRIER COATINGS INSTEAD OF PE FILM

Packaging that comes into direct contact with food is often created from polyethylene-coated (PE-coated) cardboard that is hard to recycle with waste paper. We can now create the necessary moisture or grease barrier properties using innovative varnishes, making PE coatings superfluous. Our new alternative is fully recyclable via existing recycling routes.



CREPE PAPER INSTEAD OF PLASTIC STRETCH FILM

Plastic film has historically been the standard way to secure products inside transit packaging. A more sustainable alternative

is to fix products with fully recyclable crepe paper from STI Group.



CHILD-PROOF CORRUGATED CARDBOARD INSTEAD OF PLASTIC PACKAGING

Today, products like detergent pods are generally sold in plastic containers. Our fibre-based alternative is the Click-to-Lock packaging. Child-proof and resealable, thanks to clever closures, it consists entirely of corrugated cardboard and is therefore fully recyclable with waste paper.



PLASTIC-FREE GLOSSY EFFECTS

High gloss effects previously achieved using plastic films can now be realised in similar quality without using any plastic. This improves recyclability and saves resources.



MONOMATERIAL DISPLAYS

Our standard corrugated cardboard displays are modular, to reduce waste and save material. Applications that previously needed plastic clips, hooks or SEL strips can now use the alternatives we offer, which are made from fibre-based materials or bio-based plastics.





STANDARDS

Action area: Standards in the value chain

Factors influencing STI Group's value chain range from raw material production to packaging and display manufacture to disposal and recycling. We also want to take responsibility for areas outside our direct control in terms of sustainable development.

CORPORATE COMPLIANCE FOR BUSINESS PARTNERS

STI Group is a responsible company that complies with all relevant legislation and is guided by regulatory standards and ethical principles that go beyond this. We expect the same from all our business partners.

Corporate Compliance for Business Partners incorporates our suppliers and service providers in a framework of fair, open and trust-based cooperation.

ECOVADIS AND SEDEX

Through our membership of Sedex and Ecovadis, we create the highest possible transparency for customers and are committed to continuously improving ethical, social and environmentally responsible behaviour throughout our supply chain. We confirm this by conducting regular external audits at our sites.

With Ecovadis, our customers can proactively link themselves to STI Group

(here we are listed as: STI - Gustav Stabernack GmbH).

With Sedex, customers can link to us via our registration number: ZC1014447.

FSC® AND PEFC

Our goal is to promote the use of wood from sustainable forestry. As one of the first companies in Europe to adopt these relevant certifications, our German production plants and European sales companies were FSC® certified as early as 2008, while our Hungarian production plant in Kecskemét was also PEFC certified. Today, more than 90.5% of the materials used by STI Group are **FSC®- or PEFC-certified**.





STANDARDS

Action area: Standards in the value chain (SDG and UNGC)

STI Group supports the vision of a more inclusive and sustainable economy alongside over 19,000 companies and organisations worldwide, based on the UN Global Compact and Sustainable Development Goals. We also expect our partners to support international human rights, labour standards, environmental protection and the prevention of corruption.

SUSTAINABLE DEVELOPMENT GOALS (SDG)

The UN 2030 Agenda has 17 Sustainable Development Goals that form a comprehensive framework for achieving a global sustainable society. STI Group is committed to the UN Sustainable Development Goals (SDGs) and has included them as a strategic component of its **CSR Roadmap**.

UN GLOBAL COMPACT

STI Group has been a member of the UN Global Compact since 2011. Our commitment to this emphasises our obligation to always act conscientiously. We are committed to the ten principles for responsible corporate governance across the areas of human rights, labour standards, environmental protection and anti-corruption.

This CSR report documents our company's progress in actioning these ten principles as a 'Communication on Progress':

Human rights

1. Businesses should support and respect the protection of international human rights.
2. Businesses should ensure that they are not complicit in human rights abuses.

Labour standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should work for the elimination of all forms of forced labour.
5. Businesses should work for the abolition of child labour.
6. Businesses should work to eliminate discrimination in employment and occupation.

Environmental protection

7. Businesses should follow the precautionary principle in dealing with environmental problems.
8. Businesses should take initiatives to promote greater environmental awareness.

9. Businesses should accelerate the development and adoption of environmentally friendly technologies.

Fighting corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.

WE SUPPORT





RESPONSIBILITY

Action area: Sustainability and risk awareness in corporate management

As a responsible family business, with a management system based on international standards, STI Group focuses on sustainable management combined with the ongoing monitoring of potential risks within the scope of its business activities.

CORPORATE POLICY AND STRATEGIC GOALS

Our corporate policy, revised in 2021, defines our corporate strategy and anchors sustainability even more firmly in our entrepreneurial activities. We act according to this **corporate policy**. The goals set out within this policy form the basis of our strategy.

SUSTAINABILITY STRATEGY

As pioneers in the packaging industry, we are leading the way to a more sustainable packaging landscape. We are guided by environmental and climate protection values and the concept of a circular economy, when designing our products and services and when making key corporate decisions.

Our CSR Council, a multidisciplinary team that includes management, continues to develop our sustainability strategy and ensure its delivery through effective operational measures.

Corporate policy and strategy incorporates

sustainability into our core business. To help us anchor sustainability even more firmly in our corporate management, we are aiming to achieve:

Goal 8: Group-wide CSR reporting based on GRI standard by 2024.

DIGITISATION

Digitising our work and business processes is an important cornerstone for the strategic development of STI Group and forms the basis for numerous process innovations. Responsible information management is our highest priority. New digital forms of product development and collaboration can also save resources, for example through virtual product development with a reduced number of journeys or business trips.

VALUE CHAIN

In view of the German Supply Chain Sourcing Obligations Act (LkSG), which becomes mandatory for STI Group on 01.01.2024, and the legislative proposal for a European

Supply Chain Act, we wish to create even greater transparency in our value chain. An internal committee is examining how, within our supply chains, human rights can be supported and environmental risks reduced in sustainable and effective ways.

MANAGEMENT SYSTEMS

STI Group's management system bundles the group's activities in the areas of quality, hygiene and sustainability. Regular certifications and internal audits support the high internal standards that we strive for.

All STI Group plants are certified according to DIN EN ISO 9001. This certification is flanked by the implementation of a DIN EN ISO 50001 energy management system at our Lauterbach, Alsfeld, Neutraubling and Kecskemét sites. Our Gillingham and Kecskemét plants also have an environmental management system that is DIN EN ISO 14001 certified.





CORPORATE COMPLIANCE

Action area: Integrity and compliance

STI Group is committed to acting with integrity: the group not only complies with legal requirements, it is also guided by wider regulatory and ethical business standards.

INTEGRITY

We stand up for our principles and communicate openly – both within the company and with our partners. STI Group stands for integrity, transparency and reliability.

COMPLIANCE

STI Group's Corporate Compliance provides all employees with legally binding conduct rules. This takes the form of a Code of Conduct, which covers all dealings with colleagues, customers and business partners.

Goal 7: Reduce compliance violations in STI Group

This target underlines our strict requirement for effective compliance management. For us, compliance means acting in accordance with our corporate values and combining profitable business activities with the highest ethics.

The core elements of our compliance approach are:

- Risk identification and assessment
- Compliance organisation
- Code of Conduct and guidelines
- Business partner checks
- Compliance communication and training
- Monitoring and control measures
- Leadership and corporate culture

We want to eliminate or reduce as far as possible the risk of compliance violations against applicable laws; at our own sites and throughout our supply chain. This is the only way to ensure that we maintain our good reputation as an employer and business partner.

Therefore we are increasingly integrating due diligence requirements for compliance objectives into relevant business processes, to create a 'due diligence approach'.

Structural obligations in corporate social responsibility (CSR) laws coincide with the approach of a compliance management

system (CMS). Our due diligence approach to compliance requirements and objectives is supported by our internal compliance structures and a digital **whistleblower system**.

A process of risk analysis, delineation of responsibilities, documentation, training, reviews and assessments takes effect whenever new regulations are implemented in the company. In addition, the focus is on building our employees' knowledge of compliance and lawful conduct.

Employees can take advantage of regular training on the Code of Conduct, the digital whistleblowing system and other relevant compliance topics, such as supply chain, anti-corruption, money laundering, competition/ antitrust and data protection (GDPR) laws.

Corporate rules and regulations such as group-wide organisational instructions or site-specific company agreements also form part of the guidelines for employees and

the company, supplementing the legal and higher-level requirements.





#2 PEOPLE



HEALTH AND SAFETY

Action area: Occupational health and safety and prevention

Employee Health & Safety in the workplace is a top priority for STI Group

OCCUPATIONAL HEALTH AND SAFETY

Our safety management identifies workplace health hazards and the risk of occupational accidents, minimising them in such a way that we can largely eliminate the occurrence of such accidents. For ensuring occupational safety, STI Group utilises international and country-specific standards.

When designing workplaces, we take into account appropriate and preventative occupational safety, fire protection and environmental measures. Regular training by safety officers at all our sites increases the safety awareness and knowledge of our employees, with the focus on accident prevention, first-aid training and fire protection.

Goal 6: Reduce occupational accidents by 10% by 2024, 2027 and 2030 respectively

This goal enables us to measure our progress against the world's most-recognised

occupational safety indicator, the Lost Time Injury Rate (LTIR), while offering the highest possible transparency. Using LTIR, we will develop further accident prevention measures in a targeted manner to avoid accidents and lost time.

HEALTH PROTECTION

Our sites have either their own company medical service or a connection with a local medical care centre. In addition to acute care for employees, services such as preventative check-ups, flu vaccinations and other services are offered.

Since the start of the Covid 19 pandemic STI Group has also been firmly committed to the Covid vaccination programme, with the support of its company doctors. Our internal vaccination campaign includes offering vaccination and booster appointments to all employees.

PREVENTION

To identify potential mental stress for employees in the workplace at an early stage, we regularly conduct mental health risk assessments. This enables improvements to be made at departmental level in a targeted way. We also help employees with individual challenges, arranging services such as addiction counselling or psychosocial support.

Online training is becoming increasingly important, especially for prevention. We work closely with health insurance companies, through which our employees can individually and flexibly access courses on topics that are important for them. We also support sporting activities and coaching.





FAIRNESS

Action area: Fair working conditions, diversity, equality and inclusion

STI Group stands for equality, diversity and inclusion. We create a fair and inclusive work environment that promotes equality and diversity. We respect labour and human rights.

FAIR WORKING CONDITIONS

We are proud of the above-average **length of service** of our employees. This reflects our approach to good working relationships, fair treatment and appropriate remuneration. In Hungary, the UK and the Czech Republic, at least the statutory minimum wage is paid. All German locations are bound by union-negotiated agreements that include pay.

We want to create a framework within our company that enables our **employees** to contribute to the company's success in the best possible way. An open, goal-oriented dialogue between employees and managers creates the freedom for individuals to make responsible decisions autonomously. Easy-to-understand descriptions of organisational and process responsibilities provide the framework for success in achieving all tasks and continuously optimising processes.

Regular **Smeta Sedex audits** make our commitment transparent.

DIVERSITY AND EQUALITY

Diversity, equal opportunities and personal cooperation are a matter of course for our international family business, helping to make us even more competitive in a global context. STI Group has branches in six European countries, Hong Kong and Shenzhen, and employs people from **31 nations**.

INCLUSION

Creating an inclusive working environment is a fundamental part of our corporate culture. In particular, STI Group offers adaptations to people with disabilities to help integrate them in the workplace. We have invested more in ergonomically adapted workplaces and those suitable for people with disabilities in recent years. 6% of our employees are **people with disabilities**.





DEVELOPMENT

Action area: Employer attractiveness and personnel development

Every one of our 2,000 plus employees is invaluable to us and contributes to STI Group's success. Long-term professional development opportunities, training and career management, and sustainable qualifications help to increase the level of responsibility that each employee is able to take on within our business, while also making us a more attractive employer.

FAMILY BUSINESS

As a family business, entrepreneurial action always goes hand in hand with social responsibility.

We support employees in balancing their family and work commitments and act responsibly towards our community. For example, we offer family and carer leave in challenging times – such as the school and nursery closures during the Covid 19 pandemic – in addition to special parental leave. We also offer sabbaticals as an opportunity for longer personal leave.

Our employees can take advantage of the company's pension scheme partners and the occupational disability insurance that we offer.

EDUCATION AND TRAINING

STI Group promotes a knowledge- and performance-based corporate culture. We encourage employee autonomy and see everyone as 'an entrepreneur within the company'.

Strengthening and building individual expertise in areas such as quality, energy efficiency, the environment and costs are further building blocks for our personnel development concept.

Our Human Resources Development approach combines training and further education. We train at all German locations and we are proud of our competent junior staff. **Training and qualification** are important foundations of our corporate culture.

HYBRID FORMS OF WORK

Our **mobile office** offer enables hybrid working for all employees with mobile workstations. To support this, we have equipped our employees with laptops that they can use in the office or when working from home. All our sites are networked with modern communication channels, enabling a flexible style of working that is independent of location.





TRANSPARENCY

Action area: Complaints management and Whistleblower system

STI Group stands for integrity and transparency. We encourage the disclosure of any actions or activities that could contradict our compliance systems or Code of Conduct. To support this, our compliance structure includes a digital whistleblower system, which allows any employee to report a potential issue anonymously and confidentially.

COMPLAINTS MANAGEMENT

STI Group's compliance structure guarantees confidentiality and, through the digital whistleblower system, anonymity. STI Group employees are expressly asked to immediately pass on any suspected legal compliance violation to their line manager, local or Chief Compliance Officer, union representative or HR department.

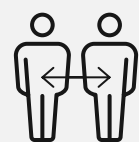
DIGITAL WHISTLEBLOWER SYSTEM

In December 2021, STI Group established a digital **whistleblower system**. Potential grievances can be reported on this protected digital platform.

Encouraging irregularities to be reported promptly, unbureaucratically and anonymously helps us to implement our corporate rules and regulations, combat violations of the law or internal rules and meet statutory requirements.

The whistleblower system serves as a central instrument for discovering possible irregularities anywhere within STI Group operations. It is available to all employees and also our business and cooperation partners and other stakeholders. The Chief Compliance Officer and the Data Protection Officer examine, in several stages, all information that is uploaded to the system.





PARTICIPATION

Action area: Decision-making participation and communication

Cooperation at STI Group is characterised by participative decision-making and open communication. We respect our employees' rights to freedom of association and strive for constructive dialogue with employee representatives.

WORKPLACE CO-DETERMINATION

Employee representation at STI Group is organised at site level. In Germany, **63% of employees are represented by a works council**. The representation of interests includes those of severely disabled employees and young people and trainees (JAV).

COMMUNICATION

An open and appreciative exchange of views is part of our corporate culture. We support diversity of opinion and constructive feedback.

Using modern communication media ensures a fast, secure and transparent flow of information. Implementing MS Teams group-wide helped us to further strengthen cooperation during the pandemic, especially while working remotely.

Although we exploit digital channels, we continue to place great value on personal communication within our family business. Regular exchange between managers and

teams is implemented in everyday working life through defined communication cascades and meeting structures. Dialogue events with the management team provide an additional forum for discussing current topics.

EU GENERAL DATA PROTECTION REGULATION (GDPR)

As early as 2020 we informed employees about GDPR, as part of our legal duty to do so, which came into force on 25 May 2018. In 2021, the topics 'data breaches' and 'data subject rights' were on the agenda; the processing directory of personal data required by Article 32 of the GDPR was also established in the corporate group.





#3 SOCIAL COMMITMENT



ENGAGEMENT AND PROJECTS

Action area: Support for charitable organisations and projects & regional commitment

STI Group's community commitments include supporting numerous social associations and campaigns in regions where our production sites are located. Together with our employees, we support many local projects and institutions.

UK CHAPEL TOWN COUGARS

Exercise and sport are essential for the healthy development of children. In 2021, our UK team supported local school children in purchasing much-needed sportswear so that they could actively participate in sports clubs.



10 MILLION TREES

Since 2019 our Hungarian team has also been participating in the 10 Million Trees movement. 30 trees were planted in front of the company premises in Kecskemét as part of this initiative.



UK MACMILLAN CANCER SUPPORT

All over the UK people hold 'Coffee Mornings' where the proceeds from cake sales and any donations collected go to Macmillan Cancer Support. Staff at our Gillingham site regularly get involved, donating the proceeds of their Coffee Mornings - and more - to this excellent cause.



„APRÁNKÉNT AZ APRÓKÉRT“

Children with special needs require special support to realise their individual potential. To this end, the Kecskemét team regularly supports the Apránként-az-Aprókért or

'Step-by-Step for the Little Ones' initiative, which helps children with autism and Down's Syndrome.



HELP FOR FLOOD VICTIMS

When severe flooding hit North Rhine-Westphalia and Rhineland-Palatinate in the summer of 2021, thousands of families lost their homes and needed emergency relief supplies. Boxes donated by STI Group were used to transport these supplies.



HOHHAUS MUSEUM LAUTERBACH

The printing industry has a long history in Lauterbach, where STI Group is headquartered. In addition to the museum's collection, the Lauterbach Museum Society also maintains a historic print shop in the baroque „Hohhaus“ castle. The Museum Society's 2021 scientific publication entitled Paper – Print – Cardboard: A contribution to the industrial history of Lauterbach was gladly supported by STI Group.





CHILDREN

Action area: Promoting children's education and development

As a family business, supporting the healthy and free development of children and young people is especially important to STI Group. We aim to give perspectives, provide assistance and create appropriate offers for this.

EDUCATION

We wholeheartedly welcome all school students on the nationwide 'Girls' Day' and 'Boys' Day' at all our German locations. Pupils with a particular interest in mathematics, information technology, science or technology can access technical apprenticeships at STI Group through cooperation with local MINT networks. We also offer internships for school children and longer internships for technical college students. Our activities enable young people to gain their first experience in an industrial company and to develop a career perspective.

STI Group also has links with several universities to offer internships and practical semesters in the company.

HOME FOR KIDS E. V.

We support the non-profit association **HOME for Kids**, founded by STI Group owner Dr. Kristina Stabernack, which provides psychotherapeutic care for traumatised

children and young people. By delivering professional support in crisis situations, HOME for Kids helps children go on to lead a balanced and responsible life despite the trauma they have experienced.

As care in a familiar environment is particularly important for the long-term success of therapy, in 2014 HOME for Kids founded the 'Home Treatment' project in partnership with the Hamburg-Eppendorf University Medical Centre. Since then, traumatised children have also been able to be cared for by experts in their home environment. The Home Treatment program proved so effective that health insurance companies now offer these services themselves, thus benefiting even more children. HOME for Kids currently supports various other social projects, all working to improve the wellbeing of children.

HOME *for kids*
Home for mental emergency – Deutsche Kindertraumhilfe e. V.



HOME FOR KIDS E. V. DONATION ACCOUNT:

HypoVereinsbank Hamburg
IBAN: DE50200300000603144155
BIC: HYVEDEMM300 (Hamburg)





FOUNDATIONS

Action area: Support for those in need

Social commitment has always been important to our company. We also support the Wilhelm Stabernack Foundation, a permanent institution in the Vogelsberg region that cares for people in need.

WILHELM STABERNACK FOUNDATION

The third generation to run the family business, entrepreneur **Wilhelm Stabernack** (1923-1999) was not just commercially successful; he also led by example when it came to taking social responsibility for his employees and the people in the Vogelsberg region of Hesse, where STI Group is headquartered. He made it his personal mission to firmly anchor in the company a sense of social responsibility and a commitment to supporting people in need. To this end, Wilhelm and his wife Ingrid established the Wilhelm Stabernack Foundation in 1983.

The foundation has been committed to the Vogelsberg region ever since. With financial contributions from STI Group over 400,000 euros have been made available to support people during social emergencies and charitable institutions.

In 2021 the Wilhelm Stabernack Foundation

supported a private individual, the Lauterbach Protestant Day Care Centre, the Vitos Day Clinic Alsfeld, the German Red Cross Alsfeld and the Protestant Church Parish in Lauterbach.

WILHELM-STABERNACK-STIFTUNG



WILHELM STABERNACK FOUNDATION DONATION ACCOUNT:

Sparkasse Oberhessen
IBAN: DE85 5185 0079 0360 1250 09
BIC: HELADEF1FRI





INFORMATION AND EDUCATION

Action area: Consumer and Sustainability education

Sustainability shapes STI Group's core business and products. We are firmly committed to maintaining transparency for all our stakeholders, keeping them informed about sustainable developments in the packaging industry and imparting relevant knowledge.

CONSUMER EDUCATION

Recognised logos are useful for informing end consumers about the sustainability of packaging. For example, consumers can see whether packaging is made from FSC® or PEFC-certified material or has been CO₂-compensated.

Separation labelling also makes it easier to separate waste and support correct packaging disposal. It is easiest of all for consumers to recycle packaging that is completely plastic-free; a view shared by the Folding Carton Industry Association (FFI), of which STI Group is a member.

SUSTAINABILITY EDUCATION

- How can I make my POS presence more sustainable?
- What alternative finishing options are there?
- How can I reduce the CO₂ footprint of packaging?

These and many other questions were the content of **51 digital workshops** that we

held for customers and stakeholders during 2021.

Just as in 2020, STI Group only offered digital workshop formats in 2021 due to the Covid-19 pandemic, with a focus on sustainability. With workshops such as 'Shopping goes green', 'Fibres and barriers' and 'Sustainability at the POS', we reached more than 600 customers and stakeholders, exchanging ideas with them on sustainable trends, technologies and their implementation for packaging and displays.

We are also building sustainability expertise among our employees, who can attend training courses on sustainable topics, check the status of all **Circular Innovation projects** and are encouraged to contribute their own ideas.





#4 ECOLOGY



ENVIRONMENT

Action area: Environmental protection and standards

STI Group continuously strives to minimise the impact of its business activities on the environment. Our environmental standards are the basis for our responsible use of energy and resources.

ENVIRONMENTAL PROTECTION

Since the 1990s, STI Group's environmental policy has set the bar for our sustainable business and today we are still expanding on the areas of environmental protection and standards.

Our environmental protection activities are centred on production methods that conserve resources as far as possible and exclude environmental hazards. We work as resource-efficiently as possible and save energy, materials and water. We train our employees accordingly.

ENVIRONMENTAL STANDARDS

These standards are the basis for environmental protection in our company and shape its continued development.

DIN EN ISO 50001

Our sites in Alsfeld, Lauterbach (including the holding company), Kecskemét and Neutraubling are DIN EN ISO 50001 certified. This systematic management approach helps us to continuously improve our energy efficiency and energy management systems.

DIN EN ISO 14001

STI Group's Gillingham and Kecskemét sites are environmental standard DIN EN ISO 14001 certified. Our aim is to improve our environmental performance, meet legal and other obligations and achieve set environmental targets.

FSC® and PEFC

All STI Group sites are FSC® certified and our Kecskemét site is also PEFC certified. Across the company, STI Group uses more than 90 % **FSC® - and PEFC-certified materials.**

GREVEN

FSC®-certified
DIN EN ISO 9001

GILLINGHAM

DIN EN ISO 14001
DIN EN ISO 9001
FSC®-certified

LAUTERBACH

DIN EN ISO 50001
DIN EN ISO 9001
FSC®-certified

ALSFELD

DIN EN ISO 50001
DIN EN ISO 9001
FSC®-certified

RUMBURK

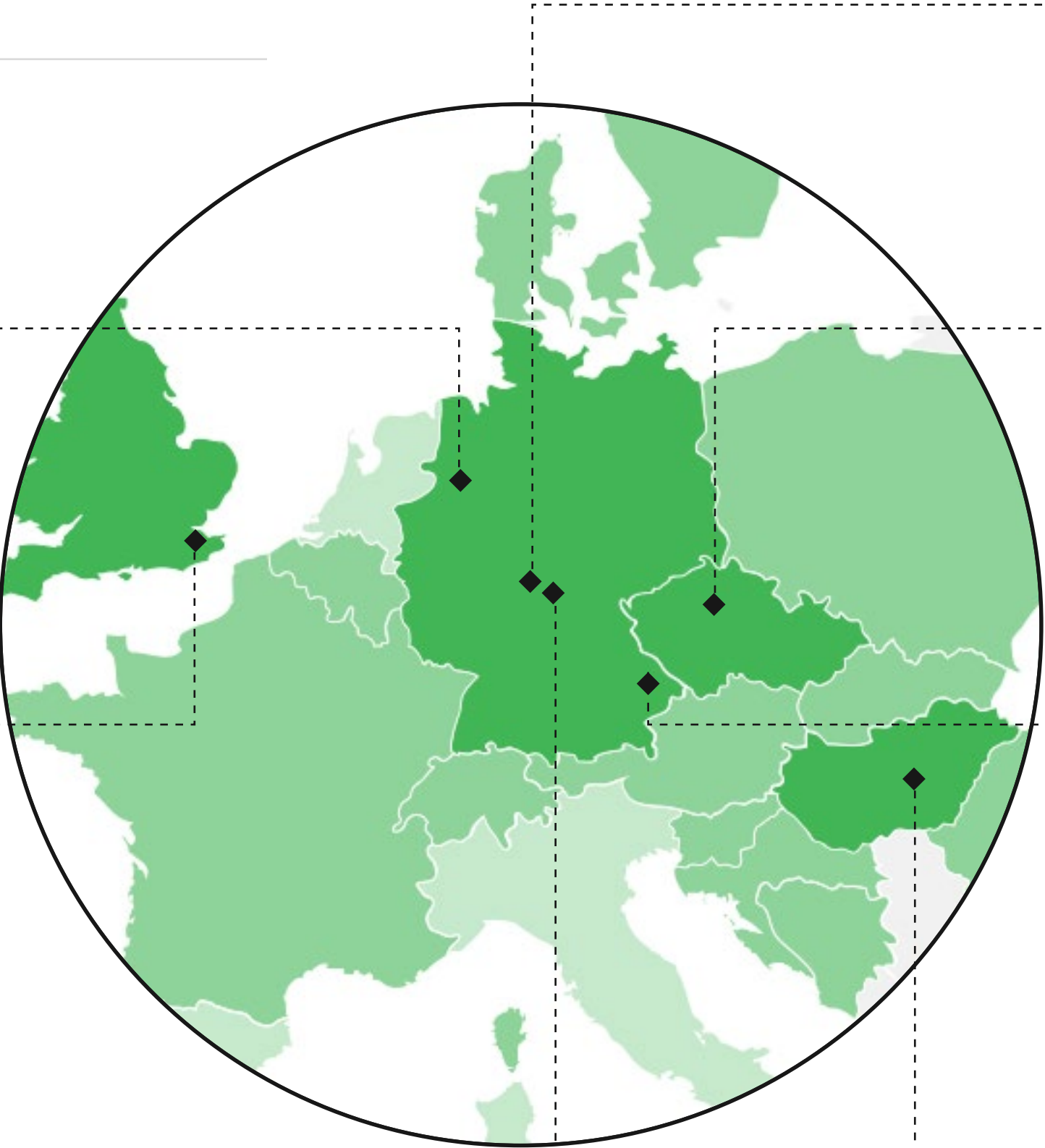
DIN EN ISO 9001

NEUTRAUBLING

DIN EN ISO 50001
DIN EN ISO 9001
FSC®-certified

KECSKEMÉT

DIN EN ISO 50001
DIN EN ISO 22000
DIN EN ISO 14001
DIN EN ISO 9001
FSC®-certified
PEFC-certified





CLIMATE PROTECTION

Action area: Climate protection and CO₂ compensation

Climate protection values guide the design of STI Group products and services and shape our key corporate decisions. We always strive to minimise our CO₂ emissions.

CLIMATE PROTECTION

CO₂-efficient production methods and transport logistics, and professional energy management, are used to optimise the energy efficiency of our operations. The DIN EN ISO 50001 standard offers a structured way for us to develop our business further along these lines.

Goal 2: Continuous improvement of STI Group's energy performance with an initial target of 3% improvement by 2024. This value refers to the full scope of DIN EN ISO 50001 and includes the consumption of all types of energy as well as paper and cardboard use.

When it comes to investments and acquisitions, we examine environmental compatibility and are also strongly oriented towards resource-saving production. Accordingly, energy assessments form an important part of our decision-making process.

CORPORATE CARBON FOOTPRINT

Determining our corporate carbon footprint (CCF) with an external partner enables us to identify suitable reduction measures for each action area so we can optimise our CCF. This sets us on track to meet our own requirements, our customers's requirements and also EU climate targets.

CO₂-SAVING SOLUTION DEVELOPMENT

So that we can advise our customers in the best way, early in the product development phase, a cross-divisional project team is currently working on an evaluation tool – the Sustainability Scorecard. The scorecard assesses and optimises aspects of sustainability such as CO₂ footprint or recyclability, throughout the value chain of a given packaging or display solution. The tool operates like a multi-level traffic light system, giving an overall rating as well as showing potential areas for improvement.

CO₂ COMPENSATION

With **CO₂ compensated packaging and displays**, STI Group actively helps customers achieve their sustainability goals. We enable compensation via a certified partner by determining the CO₂ value per order.





RECYCLING

Action area: Recycling

STI Group is driving the development of forward-looking products made from renewable materials and supports the transition to a sustainable circular economy.

RECYCLABILITY

Our **Circular Innovation** programme takes a holistic strategic approach to sustainable innovation in packaging and display development. By producing fibre-based packaging and displays we are already supporting the principles of a circular economy. Complete and efficient recycling has a positive impact on the environment.

Our products are predominantly made from renewable and recycled raw materials. Using a zero-waste approach, we strive to completely recycle all paper and cardboard waste. We eliminate non-recyclable rejects wherever possible. Our recyclability target is therefore increasing to the maximum, as our top priority is recovering high-quality material. Non-paper components should be replaced with alternatives or their use avoided.

Goal 1: We aim to produce 100% recyclable packaging by 2030

We are also expanding the range of applications for fibre-based packaging by using, for example, modern barrier coatings that make effective replacements for conventional plastic or plastic-lined packaging.





SUPPLY CHAINS

Action area: Sustainability in the supply chain

To produce packaging and displays responsibly, STI Group relies on sustainable procurement and supplier conformity.

FSC® AND PEFC STANDARDS

We carefully investigate the working conditions under which our raw materials are obtained as well as their impact on the environment. We control the manufacturing of intermediate products in the same way. Through FSC® and PEFC certification, we aim to prevent illegal logging and interference with local communities or ecosystems.

90.5 % of the fresh and recycled fibre materials used at our sites come from **responsibly managed forests**. Through the FSC® Controlled Wood Standard, we avoid sourcing:

- Illegally harvested wood
- Timber from areas where traditional and fundamental civil rights are violated
- Wood from forests whose special protection rights are endangered by forest management
- Wood from the conversion of natural forest into plantations or non-forestry uses

- Wood from forests planted with genetically modified tree species

Our DIN EN ISO 50001 and DIN EN ISO 14001 standards also influence our procurement framework, which goes beyond sourcing paper and cardboard. When purchasing new machinery and equipment, environmental compatibility and energy efficiency are crucial considerations in the investment decision.

Within STI Group we use products from well-known European suppliers for cardboard, paper, glue components, printing inks and varnishes. We deliberately do not add substances considered to be conflict minerals under the Dodd-Frank Act.





WASTE

Action area: Waste prevention and recycling

Our chosen zero-waste approach means that STI Group strives for the complete recycling of paper and cardboard waste, with non-recyclable rejects to be avoided wherever possible.

WASTE PREVENTION

Sustainability begins with product development. For each product, we carefully select the material grammage so it achieves the desired function with the least use of resources. We rely on sustainable, fibre-based materials and work closely with our suppliers to identify further potential for waste avoidance.

Goal 3: To reduce waste volumes by 1.5% by 2024, 2027 and 2030 respectively.

To achieve this goal, targeted projects help us optimise processes to save resources. For example, maximising print sheet utilisation when producing packaging and displays reduces waste.

As part of a project launched in 2021 to reduce waste at our Lauterbach site, we regularly measure and evaluate aggregate-related target quantities and derive optimisation measures from the results. If this project is successful and the relevant measures are

implemented, this will be rolled out to other locations as appropriate.

WASTE RECYCLING

We feed paper and cardboard waste directly to the paper mills, enabling complete recycling. Other types of waste, such as scrap metal, plastics or wood, are also fed into the recycling loop.



22/05/23 | TARGET AND KEY FIGURE COCKPIT

TARGET AND KEY FIGURE COCKPIT UPDATE 2022



OUR GOALS AND KEY PERFORMANCE INDICATORS (KPI)

Our CSR report shows how important sustainable values are for STI Group: they are essential for our product and service design and for all major corporate decision-making.

We have identified 20 action areas in the four categories of corporate, people, social commitment and ecology. A materiality analysis has determined the importance of each action area and defined our CSR roadmap until 2030.

This reflects STI Group's holistic approach to CSR and provides the framework for our CSR strategy and activities.

GOALS

We will report in detail annually on our progress against the eight defined goals. These include classic measurable goals and development goals, the achievement of which we encourage through targeted measures.

KPI

We have defined Key Performance Indicators (KPI) for strategic action areas, to ensure the greatest possible transparency.

ACTIVITIES

Our CSR commitment is reflected through a range of activities, which we report on if no dedicated CSR or KPI target has been defined for them.

SUSTAINABLE DEVELOPMENT GOALS

We are also committed to the United Nations Sustainable Development Goals and have integrated them as a guiding principle in our CSR roadmap.

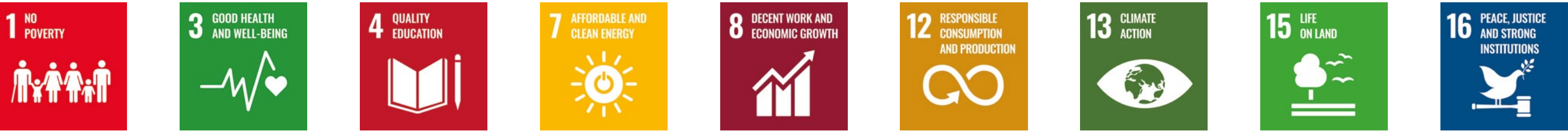
UN GLOBAL COMPACT

Our commitment to the UN Global Compact is underlined in our decision to make conscientious action the main maxim for our daily business. We support the ten principles for responsible corporate governance in the areas of human rights, labour standards, environmental protection and anti-corruption.

Progress reporting for the UN Global Compact will be done through the network's new standardised process from 2023 onwards, and will continue to be publicly available.



SUSTAINABLE DEVELOPMENT GOALS



#1 CORPORATE

Quality and product safety						◆			
Product and process innovations					◆	◆	◆		
Standards in the value chain									
Sustainability and risk awareness in corporate management				◆			◆		
Integrity and compliance									

#2 PEOPLE

Occupational health and safety and prevention		◆							
Fair working conditions, diversity, equality and inclusion					◆				
Employer attractiveness and personnel development					◆				
Complaint management and whistleblower system									◆
Decision-making participation and communication									◆

#3 SOCIAL COMMITMENT

Support for charitable organisations and projects & regional commitment									
Promoting children’s education and development			◆						
Support for those in need	◆								
Consumer and sustainability education									

#4 ECOLOGY

Environmental protection and standards				◆			◆	◆	
Climate protection and CO ₂ compensation						◆	◆	◆	
Recycling						◆			
Sustainability in the supply chain						◆		◆	
Waste prevention and recycling						◆			

CLIMATE PROTECTION

Climate protection is one of our central action areas. We rely on transparent, externally validated reporting to be able to continue developing effective measures.

SBTI (SCIENCE BASED TARGET INITIATIVE)

We support the 1.5 degree target of the Paris Climate Agreement. Our teams are working with an external partner, as part of an SBTi action plan, to achieve net zero emissions by 2050.

CORPORATE CARBON FOOTPRINT (CCF)

Measuring our CCF in 2022, with external partner Nature Office, created the baseline against which we can identify suitable steps to minimise our future CO2 emissions.

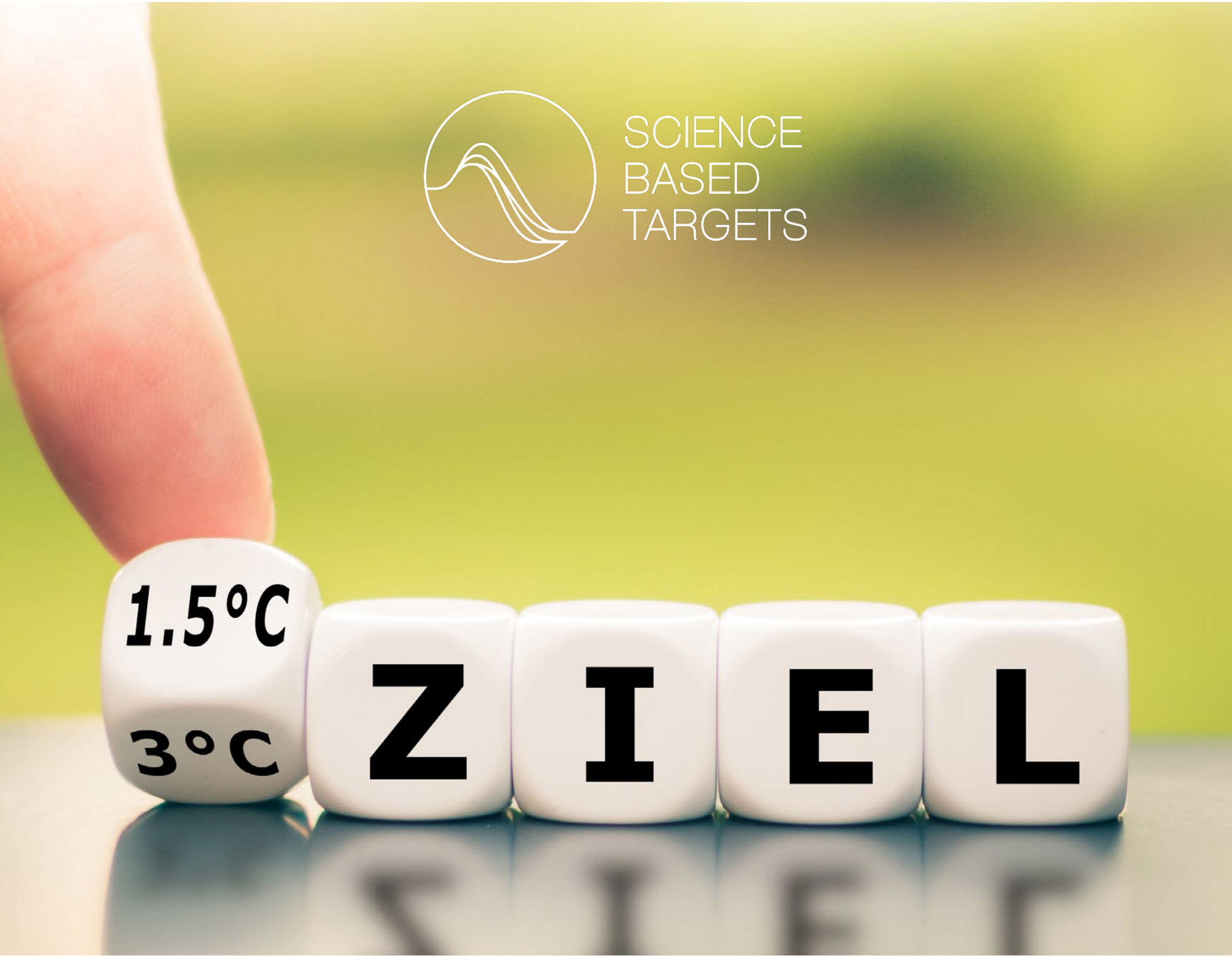
In accordance with the Accounting and Reporting Standards of the Greenhouse Gas Protocol (GHG), we now measure our CCF annually, and report all Scope 1 and Scope 2 emissions. Our Scope 3 emissions are calculated using the Corporate Value Chain Standard.

Our CCF Report identifies the largest sources of emissions at each stage of our value chain. It helps us to review set targets, measure our progress by sector, and prioritise our CO₂ reduction actions. You can request our current CCF Report here:



PRODUCT CARBON FOOTPRINT (PCF)

We can determine the PCF of any packaging and displays that we produce, using a CO₂ calculation tool from ClimatePartner.



TARGET COCKPIT

Target description
and status



Goal 1: Produce 100% recyclable packaging by 2030



Goal 2: Continuously improve STI Group's energy performance



Goal 3: Reduce waste volumes by 1.5% by 2024, 2027 and 2030 respectively



Goal 4: Hygiene certification of a further STI Group site by 2024



Goal 5: Reduce complaint costs by 5% by 2024, 2027 and 2030 respectively



Goal 6: Reduce occupational accidents by 10% by 2024, 2027 and 2030 respectively



Goal 7: Reduce compliance violations in STI Group



Goal 8: Group-wide CSR reporting based on GRI standard by 2024



GOAL 1: PRODUCE 100% RECYCLABLE PACKAGING BY 2030

Our aim is to maximise the recyclability of the product packaging we produce and in doing so, to eliminate or find alternatives for non-paper components. Our top priority is to support high-quality material recycling.

We evaluate our performance against this goal using legal and industry standards, such as the Minimum Standard for the Assessment of Recyclability of Packaging from the Stiftung Zentrale Stelle Verpackungsregister (Central Packaging Register Foundation), subject to system participation in accordance with § 21 Para. 3 of the Packaging Act.



STATUS, MEASURES & TARGET DEVELOPMENT

Since 2020, our Circular Innovation Programme has been dedicated to this goal. We have implemented numerous solutions for increasing packaging recyclability, including developing our ‘Sustainability Scorecard’.

When Packaging & Packaging Waste Regulation (PPWR) draft was published in November 2022, we decided to develop a Group-wide assessment system for measuring recyclability and determine our baseline for 2024. We will finalise this once the final, legally binding regulation is published, but we are already aligning ourselves with the PPWR’s likely track. An important indicator for recyclability assessment will be the new CEPI/4evergreen method.

Our aim is to achieve this goal on time through targeted optimisation measures.



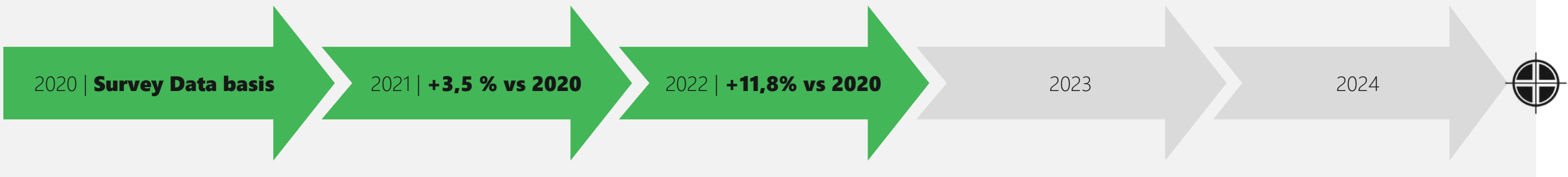


GOAL 2: CONTINUOUS IMPROVEMENT OF STI GROUP'S ENERGY PERFORMANCE

The baseline is our 2020 performance and this goal includes all Group companies that are DIN EN ISO 50001 certified. All types of energy consumed in creating our products are captured in kWh and set against the weight of paper/cardboard material used.

STATUS, MEASURES & TARGET DEVELOPMENT

Our ratio of energy use to material (kWh/kg) was improved by 3.5 % in the period 2021 to 2020.
In 2022, a further improvement of 7.5% YOY was achieved, making 11.8% overall vs 2020.
This means we are already using energy 11.8% more efficiently per kilogram of material used than in 2020.
The particularly positive 2022 result is due to numerous efficiency programs such as gas reduction measures being successfully implemented at our sites.





GOAL 3: REDUCE WASTE VOLUMES BY 1.5% BY 2024, 2027 AND 2030 RESPECTIVELY

This goal involves optimising resource efficiency to reduce the amount of waste we create by 1.5 % in each three-year cycle.

Our definition of waste does not just cover our main waste stream – paper – but our total waste, including all non-hazardous and hazardous waste.

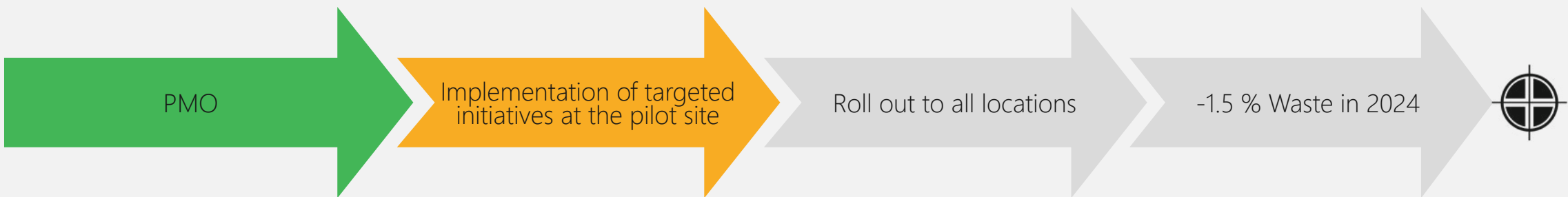
For our waste measurement to be meaningful, we measure it as a percentage of the total amount of material processed.



STATUS, MEASURES & TARGET DEVELOPMENT

2021 is our baseline waste volume for this target. Focused waste reduction projects have been developed in close collaboration with all our production facilities. A project management office, consisting of production managers from each site, centrally coordinates all waste reduction projects.

A pilot project successfully implemented in Lauterbach is due to be rolled out at our Alsfeld, Kecskemét, Greven, Neutraubling and Gillingham sites from 2023. This Group-wide implementation is critical to achieving our goal, alongside further waste reduction initiatives.





GOAL 4: HYGIENE CERTIFICATION OF A FURTHER STI GROUP SITE BY 2024

To assure product safety and meet the increasing demands of customers, we constantly look to improve our hygiene standards. This goal involves certifying another of our locations to the internationally recognised GFSI hygiene management standard.

The current DIN 15593 hygiene standard at our sites will be merged or supplemented in the medium term with the GFSI standard FSSC 22000, and DIN EN ISO/TS 22002-4.

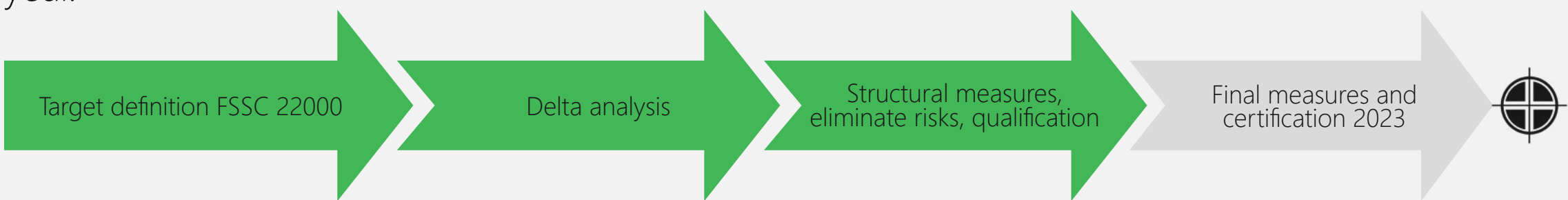
STATUS, MEASURES & TARGET DEVELOPMENT

FSSC 22000 was determined to be the relevant standard and in February 2022, an external inventory and a delta analysis were carried out.

Corrective actions identified by this analysis were carried out as far as possible under the supervision of our hygiene and compliance officer. The whole production environment and facilities were checked against the existing hygiene standard; structural changes to the interior and exterior have already improved our performance.

Further hygiene risks have been identified and action to minimise and eliminate them has been initiated; we are currently preparing to renovate communal/social areas.

We are focused on implementing all the steps needed to achieve a certifiable standard by the end of this year.





GOAL 5: REDUCE COMPLAINT COSTS BY 5% BY 2024, 2027 AND 2030 RESPECTIVELY

We aim to reduce the number of internal and external complaints and the costs associated with them. Possible causes of complaints should be identified early and eliminated sustainably.

Having fewer complaints not only reduces costs but also eliminates the additional raw materials, energy and transport required for remanufacturing or correcting products. This has a direct and positive effect on the CO₂ balance of our products.

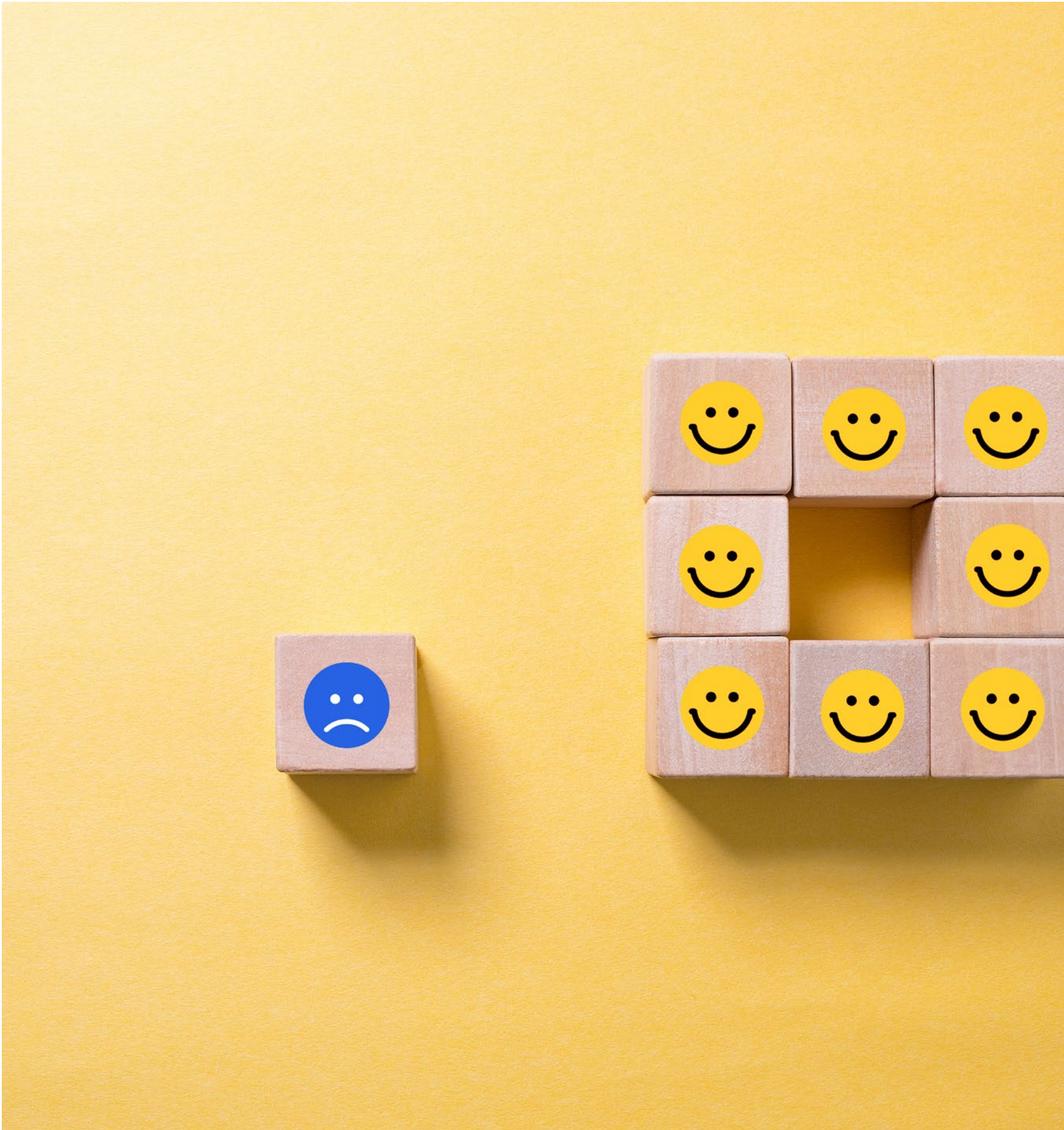
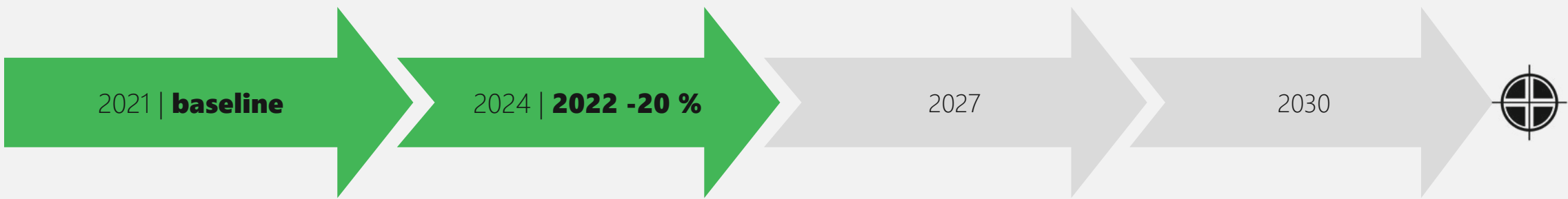


STATUS, MEASURES & TARGET DEVELOPMENT

2021 data is our benchmark for future performance. Based on complaints recorded in our SAP system each year, a central annual target is determined. Internal targets and monthly reviews make it easy to identify our progress as well as any issues; immediate countermeasures can be taken where necessary.

Our continuous complaints reporting system and the actions derived from it have resulted in measurable efficiency gains in 2022, as well as a significantly reduced number of complaints and associated costs.

Group-wide in 2022, complaint costs were reduced by 20% YOY. Our 2023 focus is on targeting focal points to reduce the key sources of error and continue this positive trend.





GOAL 6: REDUCE OCCUPATIONAL ACCIDENTS BY 10% BY 2024, 2027 AND 2030 RESPECTIVELY

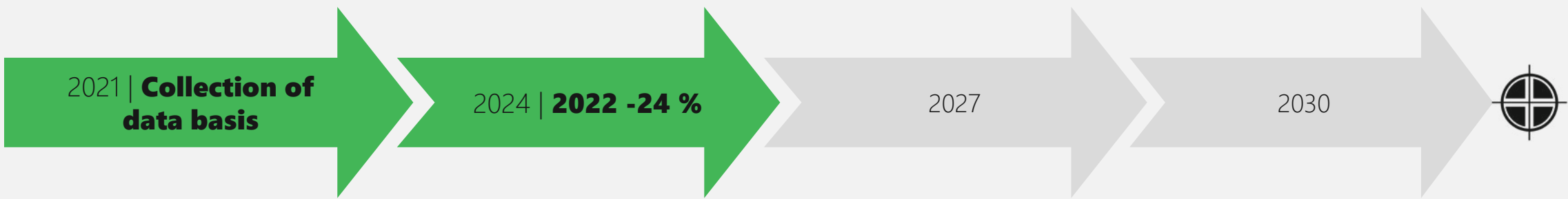
To measure our progress against this goal we use the widely recognised Lost Time Injury Rate (LTIR), which also allows us to compare our different locations.



STATUS, MEASURES & TARGET DEVELOPMENT

2021 is our baseline for LTIR improvement. Every occupational accident that results in at least one complete day of absence, and is directly related to the workplace, is included in the LTIR measure.

In 2022 the focus on occupational safety was increased more than ever before. Harmonising standards and implementing initial measures already enabled us to reduce the number of occupational accidents by 24% vs 2021.





GOAL 7: REDUCE COMPLIANCE VIOLATIONS IN STI GROUP

Wherever reasonably possible, STI Group aims to minimise the number of compliance cases. Violations of applicable laws and regulations by STI Group – or its executive bodies, managers and employees – are to be avoided.



STATUS, MEASURES & TARGET DEVELOPMENT

2021 serves as the baseline year for monitoring compliance violations at STI Group. Compliance training to raise employee awareness has supported this action area. In addition, we review all developments in compliance legislation and regulation for their potential impact on the company and recommend appropriate action.

STI Group Compliance was adapted to the EU Whistleblower Directive in 2022 with the addition of the digital whistleblower system to protect whistleblowers’ anonymity and confidentiality.

Like 2021, the baseline year, there were no corporate group compliance cases in 2022.





GOAL 8: GROUP-WIDE CSR REPORTING BASED ON GRI STANDARD BY 2024

This goal anchors the topic of sustainability even more firmly in STI Group’s core business. of sustainability reporting based on GRI standards allows STI Group’s CSR activities to be standardised and made comparable and transparent.



STATUS, MEASURES & TARGET DEVELOPMENT

Our 2022 CSR Report, supplemented by yearly updates on our targets and our key performance indicator cockpit, has created a solid foundation for our future reporting.

Against the background of the EU CSR Directive, published in January 2023, we are currently re-evaluating this goal. Now that revised drafts of the European Sustainability Reporting Standards (ESRS) have been published, future requirements for companies are becoming clearer. CSRD reporting will become mandatory for the STI Group by 2026.

We are duly considering whether to start reporting in accordance with CSRD from 2024 already, instead of pursuing our original goal of achieving the GRI standard from 2024, as this would only be possible for a maximum of two years.



KPI COCKPIT

ACTION AREA	KPI	UNIT	KEY FIGURE 2022
Product and process innovation	Number of patents/applications	Number	24
	Number of design awards	Number	16
Employer attractiveness and personnel development	Training rate	%	1,1
	Employees doing hybrid working (Workplaces with the option of mobile working related to administrative activities)	%	90
	Average time spent training each year	Days	1,6
Decision-making participation and communication	Employees represented by works council	%	62
	Percentage of workforce covered by formal collective bargaining agreements	%	88
Fair working conditions, diversity, equality and inclusion	Employees with disabilities	%	6
	Women in Management	%	10
	Employee working area: operations/administration	%	71 29
	Employee gender: female/male/non binary/not stated	%	♀ 35 ♂ 65 d 0 x 0
	Employee average age	Years	43,9
	Employees on permanent/temporary contracts	%	95 5
	Employee nationalities	Number	32
	Number of trainees	Number	22
	Employee average years of service	Years	14
	Occupational injury severity rate (number of days absent due to injuries) x 1,000 / total hours worked	%	0,27
Consumer and sustainability education	Number of client workshops held	Number	49
Environmental protection and standards	Water consumption per tonne of paper/cardboard	m³/t	0,36
	Proportion of waste that is: Hazardous/Non-hazardous (incl. waste paper)	%	0,29 99,71
	Total spending on CO₂ compensation	€	7.207
	Greenhouse gas emissions	t CO₂e	151.689,23 (2020)
Sustainability in the supply chain	Proportion of recycled fibre-based material used	%	61
	Total volume of waste generated	t	39.425,22
	Proportion of FSC® and PEFC material used	%	87,6



#1 CORPORATE



#2 PEOPLE



#3 SOCIAL COMMITMENT



#4 ECOLOGY

YOUR FEEDBACK IS IMPORTANT TO US

We welcome all questions, suggestions and constructive criticism.
Your feedback helps us to further improve our CSR communication.

Thank you for your support!

Christoph Aha

Head of Management Systems

Meike Dihstelhoff

Head of Communications

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LET'S
GREEN UP
THE FUTURE
TOGETHER!