

# WEPA Sustainability Brochure 2022





Martin Krengel (left),  
CEO WEPA Group  
Andreas Krengel  
(right), CEO Business  
Unit Professional,  
Member of WEPA Group  
Management Board



We aim to be the most sustainable and agile partner of choice for personal and professional hygiene solutions. To this end, we work every day with our partners on sustainable hygiene solutions to improve the well-being of millions of people across Europe - true to our purpose: **Together for a better life**

Martin Krengel  
WEPA Group CEO

In this brochure, we provide an insight into our sustainability strategy and our ambitious goals and objectives and inform you about our current sustainability measures in 2022.

More detailed information on our sustainability measures and key figures can be found in the appendix.



# An interview with the second and third generation of our family business

## How important is sustainability for the future viability of the company?

### Andreas Krengel:

Sustainability is the foundation of our business model – today and in the future. As a family business, it is our ideal to create a future worth living for the generations to come. We want to actively shape this future by pursuing a clear strategy with a holistic programme of sustainability featuring continuous investment and innovation. The basis for the success of our projects is our highly dedicated WEPA team and a corporate culture in which sustainability is reliably anchored.

As a representative of the entrepreneurial family and a Member of the Management Board, it is a great personal fulfilment for me to orient and further develop our family business in a responsible and future-oriented manner, taking into account ecological, social and economic framework conditions.

## How does the principle of circular economy contribute to more sustainability in the company?

### Martin Krengel:

The topic of sustainability cannot be thought through without the circular economy principle. Conserving valuable resources through long and efficient use and using them as sustainably as possible is what circular economy means to WEPA. This is an essential part of our 4+1 Sustainability Strategy.

In doing so we look at the entire process: from the purchase of fibres and production and packaging of our products to recycling and disposal. We are guided by the idea of the cycle in all process steps and driven to rethink our processes.

It is also particularly important to us to close raw material cycles and to use existing ones in a more environmentally friendly way considering the entire life cycle of the raw materials. As part of this we consistently rely on the cascade use of raw materials. For example we now produce hygiene products from recycled cardboard.

# Our company at a glance

We are a future-oriented European family business specialising in the production and distribution of sustainable hygiene paper. We offer sustainable and innovative hygiene solutions that provide a safe feeling of hygiene and contribute daily to the well-being of millions of people throughout Europe. We are among the three largest European manufacturers and lead the European market in the production of hygiene paper from recycled fibre.



around. **4,000**  
**employees**  
turnover approx. € 1.6 billion



## Locations:

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

## Technical equipment:

22 paper machines  
and approx. 80 processing  
machines for rolled and  
folded hygiene paper

## Products:

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



**25%**  
**market**  
**share** in  
Germany,  
8% in Europe



100%  
**family-owned**  
**company**

## Managing Board:

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

## Supervisory Board:

Dr. Hans-Joachim Körber  
(Chairman)  
Wilken von Hodenberg  
Dr. Hartmut Wurster



Together  
for a better life

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



Respect



Commitment



Sustainability

## OUR BUSINESS UNITS

### WEPA Consumer

In the Consumer Business Unit, we leverage our 75 years of experience to deliver best-in-class products and services to our European retailers, e-commerce partners and consumers. As a leading specialist for private labels in Europe and partner of the customer, WEPA has been producing sustainable and innovative hygiene paper for the European food retail sector for decades. Our commitment to sustainability and innovation is also reflected in our brands – such as mach m!t, Comprami, Feel Good, Perla and Scala.



### WEPA Professional

As a specialist for high-quality, sustainable hygiene solutions in the commercial and public sector, WEPA Professional offers a wide range of fully comprehensive washroom concepts, sustainable hygiene papers and dispenser solutions with its brands Satino by WEPA and BlackSatino. In addition, we also produce hygiene papers for our specialist wholesalers' own brands.



BLACK  
satino



### New Business Areas

In the New Business Areas sector, WEPA creates innovative growth opportunities in line with the vision of the WEPA Group. We create added value through our activities in the areas of innovation, eCommerce, venture capital and circular economy.



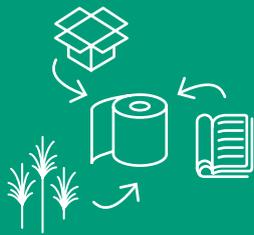
OUR 4+1 SUSTAINABILITY STRATEGY

# Sustainable along our value chain

1.

Future fibres

P. 20



Energy

Fibres

Water

2.

Ecological performance of our production

P. 24



+1.

Our foundation

P. 14

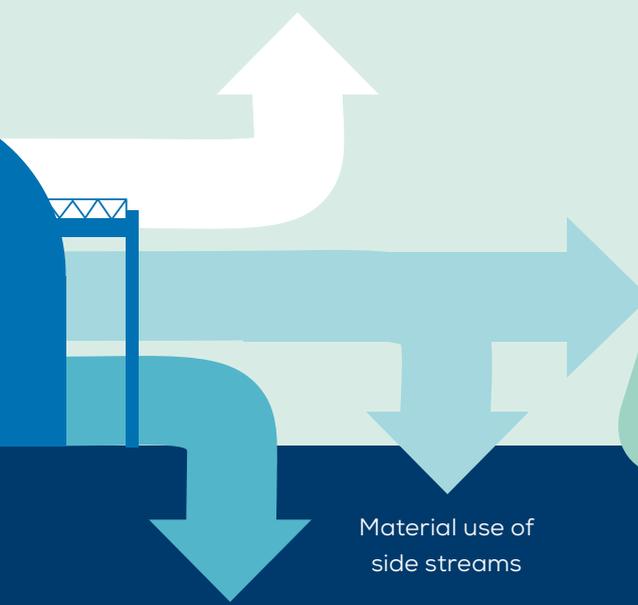


We have consistently aligned our sustainability strategy with our value chain. Our foundation of responsible conduct as an employer, social engagement, compliance and product safety forms the basis for all of our business activities. The four further fields of action – future fibres, ecological performance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



**4.**  
Portfolio  
extension through  
innovation  
P. 32

Reduced energy consumption  
and lower CO<sub>2</sub> emissions



**3.**  
Sustainable  
hygiene paper  
portfolio  
P. 28

value add  
for society

Water risk  
reduction

Material use of  
side streams

AT A GLANCE

# Our goals & progress in the 4+1 fields of action



## + 1. Our foundation

### Occupational safety and health

#### OUR TARGETS & AMBITIONS

We are committed to ensuring the health and safety of our employees without compromise.

- We aim for zero occupational accidents and a 10% annual reduction in LTIR\*

#### To 2024:

- Certification of all sites according to ISO 45001

\*Lost-time Injury Rate (accident frequency rate)

#### WHERE WE ARE TODAY

- ISO 45001 certification of six sites
- Reduction in LTIR\* by 36% (compared to base year)



### Quality standards for safe products

#### OUR TARGETS & AMBITIONS

- We are committed to continuously avoiding, reducing or replacing potentially harmful ingredients beyond the legal limits
- We create transparency about all ingredients used

#### WHERE WE ARE TODAY

- The best possible raw material selection as well as the quality and production standards of our products contribute to the protection of the environment and consumer health

## Best place to work

### OUR TARGETS & AMBITIONS

#### To 2030:

- Employee engagement based on a survey with index > 4 (maximum value 5)\*
- Training and continuing education for 100% of employees and evaluation of the training units with a score > 4 (maximum score 5)\*\*
- Introduction of structured diversity management in accordance with the guiding principles of the "Diversity Charter" and implementation of > 50% of the measures it contains\*\*\*
- Increase of external employer rating in the Kununu rating to > 4 and positive evaluation by another external body

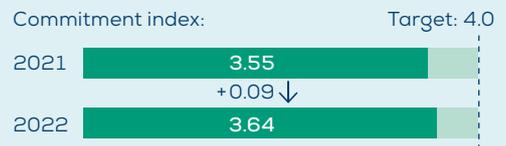
\* based on the assessment of an internationally recognised institute

\*\* internal evaluation process

\*\*\* mapping in our management system and governance structures

### WHERE WE ARE TODAY

- Commitment: employee commitment based on a survey with an index: 3.64
- Training and development for 100% of our employees
- Focus on building up the WEPA Academy
- Diversity: definition of important thematic areas and development of a roadmap based on the Diversity Charter
- Kununu rating: 4.0
- Comprehensive program to strengthen leadership skills



## Responsibility in the supply chain and beyond

### OUR TARGETS & AMBITIONS

- 100% of suppliers comply with the WEPA Code of Conduct and the European Directive on Supply Chain Due Diligence

#### To 2024:

- Risk analysis of 100% of our indirect suppliers for human rights and environmental due diligence obligations
- Our pulp suppliers commit to a deforestation-free supply chain

### WHERE WE ARE TODAY

- Performance of audits at our pulp suppliers' sites
- Establish a roadmap for compliance with the Supply Chain Due Diligence Act

## Social engagement

### OUR TARGETS & AMBITIONS

- Increased cooperation with the WEPA Foundation: focus on hygiene projects and environmental projects
- Also in the future: fulfilment of our responsibility for society and neighbourhood in the fields of action ecology, sport, culture and social affairs

### WHERE WE ARE TODAY

- Development of a strategic sponsoring concept for WEPA Group and locations
- Successful activities in the areas of ecology, sport, culture and social affairs
- Joint projects with the WEPA Foundation



# 1. Future fibres

## OUR TARGETS & AMBITIONS

### To 2030:

- Sales products made from at least 60% recycled fibres and alternative virgin fibres\*
- Reduction of the ecological footprint of our fibre portfolio by 25%\*

### To 2025:

purchase of 100% of our virgin fibres from at least FSC- or PEFC-certified sources

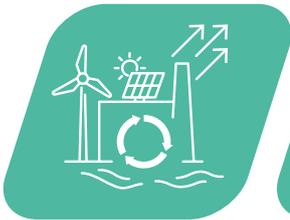
\* reference value: finished goods + semi-finished goods sold + DIP sold

## WHERE WE ARE TODAY

- Use of 32.6% recycled fibres\*
- No significant change in the footprint of our fibre portfolio compared to the base year. Due to the limited availability of recovered paper grades that are suited for hygiene paper production, a significant improvement of the footprint of our fibre portfolio in 2022 was not possible. Technological changes in the field of stock preparation will enable the increased use of other types of recovered paper in the future.

### Certifications of the virgin fibre portfolio:

- 75.22% FSC®-C016151
- 24.53% PEFC/04-32-0775
- 0.25% FSC Controlled Wood



# 2. Ecological performance of our production

## Active for climate protection

## OUR TARGETS & AMBITIONS

**Our ambition:**  
climate neutrality by 2040

### To 2030: SBTi 1.5° C target:

- Reduction of CO<sub>2</sub> emissions:
  - 52.5% CO<sub>2</sub>eq emissions/t\* in Scopes 1 & 2
  - 52.5% CO<sub>2</sub>eq emissions/t\* in Scope 3
- Target achievement is supported by:
  - + 10% energy efficiency\*\*

\* reference value: finished goods + semi-finished goods sold + DIP sold  
 \*\* total energy consumption in MWh/t of semi-finished goods produced + DIP produced

## WHERE WE ARE TODAY

- Reduction of relative Scope 1&2\* emissions by 16.7% (compared to base year)  
 Whereby achieved through measures and market-driven change in electricity emission factors.
- Reduction in relative Scope 3\* emissions (compared to base year)  
 Whereby 4.4% reduction due to measures such as improving our pulp suppliers or using CO<sub>2</sub>-lower materials and 6.9% change due to methodological adjustments in the area of transport data basis, as well as wastewater treatment.
- Maintaining the level of our specific energy consumption\*\* (compared to base year). Whereby individual factories were able to improve their specific energy consumption\* by up to 13%.

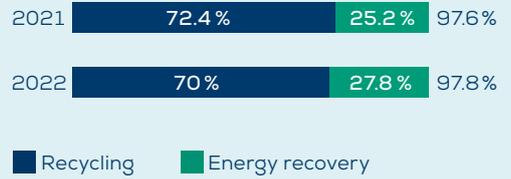
## Future-oriented waste management

### OUR TARGETS & AMBITIONS

- 100% material or energy recovery of production waste by 2025
- Maximising material recycling and minimising energy recycling

### WHERE WE ARE TODAY

97.8% material or energy recovery of production waste



## Sustainable use of water resources

### OUR TARGETS & AMBITIONS

- Contextualised corporate water risk targets by 2030:
  - Reduction of corporate water risks to an average low water risk of < 2.6
  - No WEPA Group site may have a risk category > 3.6
- Water risks in the supply chain and in the river basin:
  - Addressing water risks along our value chain and advocating for the establishment of water stewardship
- Commitment beyond the supply chain:
  - Raise awareness of biodiversity protection with partners and commit to the conservation and restoration of natural habitats in riverine areas

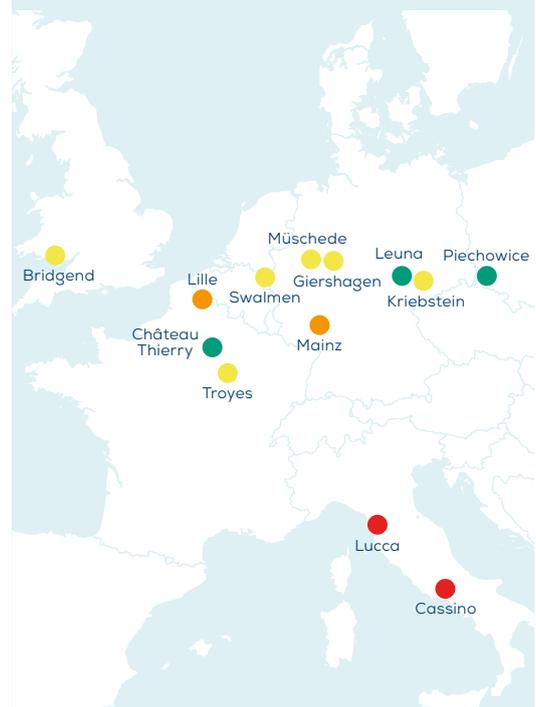
### WHERE WE ARE TODAY

- Contextualised corporate water risk targets:
  - The WEPA Group has an average mean water risk of 2.78. This is a minimal increase of 1% from the 2020 base year, mainly due to a higher risk of water availability
  - Two sites have a risk category > 3.6 in terms of physical water risks. This includes, among other factors, water availability and flood risks
- Water withdrawal\*: 7.8 l/kg (reduction of 8% compared to previous year)

\* weighted average, reference value: semi-finished goods produced + DIP produced

### Corporate water risk

- very high risk (> 4.21)
- high risk (3.41-4.20)
- increased risk (3.01-3.40)
- medium risk (2.61-3.0)
- low risk (1.81-2.60)
- very low risk (1-1.80)





### 3. Sustainable hygiene paper portfolio

Making sustainable product performance measurable

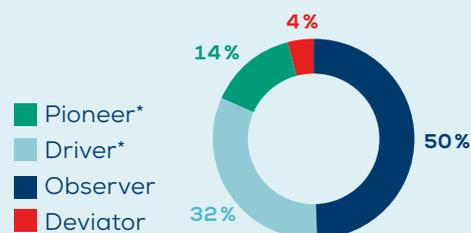
#### OUR TARGETS & AMBITIONS

**To 2025:**

- 60% of our turnover is generated with products in the two leading segments "Driver" and "Pioneer"
- Evaluation of all new products before their market launch according to the Sustainable Portfolio Compass
- Products in the "Deviator" segment are discontinued or further developed

#### WHERE WE ARE TODAY

- Further development of the Sustainable Portfolio Compass for assessing the sustainability performance of our hygiene paper portfolio to include new analysis and management options
- 46% of turnover is generated with products in the two leading segments "Driver" and "Pioneer"
- Targets for the business units developed and set on the basis of the WEPA Group target



\*Requirements for the most sustainable products evolve over time and the standards for our top products become stricter. The reduction in the Driver segment compared to the previous year is mainly due to a tightening of valuation methodology.

Sustainable packaging

#### OUR TARGETS & AMBITIONS

**To 2025:**

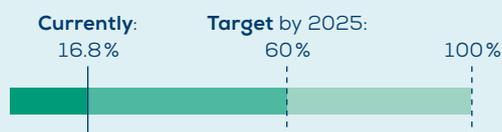
60% of our packaging material is made from recycled material\*

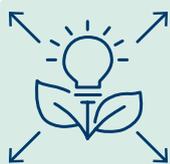
→ Increase in the annual quantity of primary plastics saved in packaging to 8,000 t\*

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

#### WHERE WE ARE TODAY

- Further development of paper packaging to reduce the ecological footprint and increase recyclability
- 16.8% of material\* for plastic packaging has been converted to recycled material
- Savings of over 2,638 t of primary plastic in our packaging\*\*





## 4. Portfolio extension through innovation

### OUR TARGETS & AMBITIONS

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

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

### WHERE WE ARE TODAY

- 100% of WEPA Ventures activities have been evaluated and meet our targets for investment decisions.
- In 2022 the following five investments were made, among others:
  - Sunhat
  - One.five
  - Planet A
  - Revent
  - Vireo Ventures



# Our foundation



We follow our values, care about our stakeholders and the environment beyond legal requirements and pro-actively prevent risks.



## VALUE-ORIENTED ACTION

# Our corporate responsibility

Our values are the foundation on which we build as a family business. We regard each and every person as an important individual whom we treat with respect, appreciation and recognition.

### We summarise our corporate responsibility as:

- Acting according to our values
- Compliance and environmental compliance
- Integral handling of data
- Careful risk management

#### Our values



Respect



Commitment



Sustainability

### Compliance at WEPA

For the WEPA Group, compliance means more than just adhering to legal requirements. We align our corporate actions with our values and ethical standards, as set out in our Code of Conduct for Employees. This was updated in 2021 and includes rules of conduct and scenarios based on everyday work. In addition to the already established compliance reporting channels, we set up a whistleblower system in 2022 with which misconduct against laws and compliance regulations can be reported. Environmental issues are a major focus of sustainability management for the WEPA Group. We have regulated the area of environmental compliance by means of our environmental management system as per DIN EN ISO 14001, established at WEPA in 2000.

### Integral handling of data

The WEPA Group also takes its responsibility very seriously in the area of data protection. We treat personal data and customer data strictly confidentially in accordance with the provisions of the European Data Protection Regulation (GDPR).

### Careful risk management

The WEPA Group is fully aware of the impact of its business processes. In line with the principles of precaution, we determined and evaluated all risks and opportunities of our processes for the first time in 2015 based on a matrix, and have updated them annually since then. The impact of climate change and its possible financial consequences for the organisation are also analysed on an annual basis. Risks such as the costs of CO<sub>2</sub> emissions caused by own energy consumption play a role, as does the occurrence of extreme weather events.



## FOCUS ON OUR EMPLOYEES

# Occupational safety and health promotion

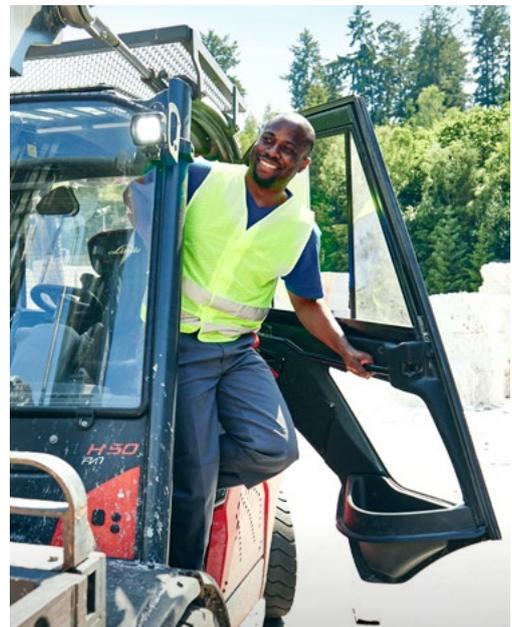
For us, the topics of occupational safety and health promotion have maximum priority. After all, we can only lead our company into the future together if our employees are doing well – in line with our purpose 'Together for a better life'.

### Occupational safety

We adapt our occupational safety strategy to the requirements and measure ourselves against Group-wide occupational safety performance indicators. To strengthen the culture of safety, all managers were trained in 'leading with safety' as part of our Safety is You programme in 2022. In addition, the safety team is supported by safety officers at our sites.

Our commitment in this area has enabled us to **reduce the annual accident rate by 36% since 2019**. As a result, we have even exceeded the target we set ourselves.

In doing so, we go beyond legal and industry-specific requirements with our occupational health and safety management and strive for certification as per DIN ISO 45001 at all our sites: our commitment in this area is verified by an independent certification organisation.



### Health promotion

For the first time since COVID-19, we have once again held Health Days at all WEPA locations in 2022. For one week, all employees were offered various **health promotion activities** such as climbing, hiking and cycling.



#### We also introduced various digital services in 2022:

- Voucher codes for the Komoot Outdoor App to unlock more regions for exploration
- Subsidised wellpass membership for use of more than 6,500 leisure, fitness and wellness facilities



## BEST PLACE TO WORK

# Our value-driven human resources policy

Our employees are the most important success factor in our company, and they also support our sustainability strategy. This is the reason why we consider a long-term, value-driven human resources policy, as bundled in our 'Best Place to Work Strategy', to be essential.

We are developing **concepts for new ways of working** that meet current and future requirements, including up-to-date equipment and hardware, a modern IT structure, employee-oriented IT services, meeting rooms in production adapted to specific work situations, easy access to information, hygienic washrooms and attractive relaxation rooms.

In addition, we constantly invest in **people development**. Using and promoting strengths and skills in an appropriate way ensures committed and qualified employees. In 2022 we focused primarily on further development of the WEPA Academy and launching our ORACLE digital learning platform. As part of our Next Level Leadership training, we trained around 350 managers for constructive leadership between October 2022 and March 2023. In addition to e-learning formats, a two-day live training course was also held.

## Germany's most sought-after employer and training champion

In a study of Germany's most sought-after employers the focus was on employer performance, with aspects such as job security, satisfaction at the workplace, working atmosphere and work-life balance being assessed. In addition, factors such as sustainability and family compatibility were examined, which play an important role for many applicants when selecting an employer. With the highest score of 100 points, WEPA took first place in the paper industry and processing category. We were also awarded the title of training champion.





## FOR A SUSTAINABLE FUTURE

# Responsibility along the supply chain

For us, responsible supply chain management is an essential part of our compliance. This involves the selection and evaluation of as well as cooperation with suppliers, service providers and freight companies.

The basis for an ethical approach in our supply chain is our **Supplier Code of Conduct**. This must be adhered to by our suppliers and partners. In their contracts with us, they agree, among other things, to respect human rights and fair working conditions (the ILO Convention). Furthermore, all pulp purchased by our corporate group is sourced exclusively from FSC and/or PEFC certified suppliers. In 2022, we started implementing the **'German**

### **Due Diligence Act – Transparent Supply Chain'**

Accordingly, we conducted a wide-ranging rating of our 170 top-selling suppliers, which account for 80% of our sales, in terms of their industry and country risk, and also evaluated sustainability questionnaires and social media activities regarding human rights violations and environmental offences. In the future we aim to comprehensively evaluate all our suppliers.

## SYSTEMATIC QUALITY MANAGEMENT

# High quality standards for safe products

For us, product safety and quality have maximum priority. Our products and services meet the highest standards. We thus contribute to the well-being and health of consumers and to protection of the environment along the entire value chain and beyond.

### **In 2022 we**

- started to develop technologies to process recycled cartons, cardboard and corrugated board for tissue production; the main criterion here is the separation of the large quantities of non-paper ingredients
- dispensed with bleach and thus used fewer chemicals by launching new products
- changed our cores from white to grey; here as well, we do without bleaching chemicals



## ACHIEVING MORE TOGETHER

# Our social engagement

Our self-conception as a sustainable and future-oriented family business has always included purposefully assuming responsibility in the regions where our sites are located – through selected commitments in the areas of ecology, sport, culture and social affairs.

We also make an important contribution to society with the non-profit and company-related **WEPA Foundation**. The foundation was established by the Krengel entrepreneurial family and supports initiatives in the fields of hygiene, ecological and social sustainability, lifelong learning and Family entrepreneurship.

### Partnership with WWF Germany

We have maintained a transformative partnership with **WWF Germany** since 2017. For example the Water Risk Filter of the WWF helped us to identify our water risks and define water targets, and we also took part in the development of the One Planet Business Framework as a pilot partner.

We are also helping with the renaturation of a floodplain landscape near Dessau in the 'Middle Elbe' nature conservation project. In 2022 we offered excursions to the project area, thus giving employees and their families the opportunity to gain exciting insights into the WWF's conservation work.



Find out more:  
<https://www.wepa.eu/en/responsibility/sustainability/partners/#WWF>

### European Sustainable Development Week in September 2022

This week strives to contribute to sustainable development through activities and events. The aim is to motivate more people to act sustainably and to raise awareness for the 2030 Agenda of the United Nations. Clean-ups took place in the surroundings at all locations. Afterwards, the **WEPA Foundation** planted one tree per participant and gifted another tree to each person who took part. There were also other activities such as building nesting boxes with the children of WEPA employees and a vegan cooking event.

### New Year's Eve run

After a two-year break, our WEPA 2022 running group held a run from Werl to Soest. We received the trophy for the largest running group with almost 100 registered runners, walkers and hikers. In addition to fitness and fun, the focus is on social and community involvement. As a charitable event, all surpluses go to the '**Gutes Erlaufen**' foundation, which is committed to helping e.g. young people and the elderly. WEPA also supports the Raphael Hospice in Arnsberg with a fixed amount for each participant in its own running group. In this way around 1,100 euros were achieved in 2022.

### WEPA Foundation – the "Rheinkrake", a waste trap for the Rhine

The so-called "Rheinkrake" has been floating on the Rhine since autumn 2022. This waste trap collects rubbish with the help of the current. The **WEPA Foundation** supports this great project and particularly helps with the monitoring of waste quantities in order to get a better understanding of their origin and to raise awareness in the long run.

# Future fibres

We aim for a fibre portfolio with leading environmental performance based on circular economy.



# USING RAW MATERIALS IN AN ECOLOGICALLY SENSIBLE WAY

## Our fibre strategy

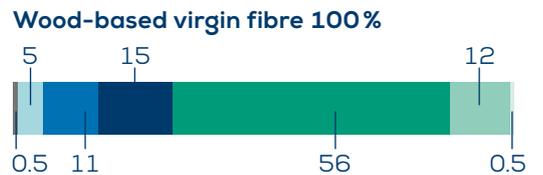
For our future raw materials, we focus on fibres with the best ecological performance. Our efforts to source fibres used from responsible sources are combined in our Fair Fibre Strategy.

### We differentiate between three fibre sources:

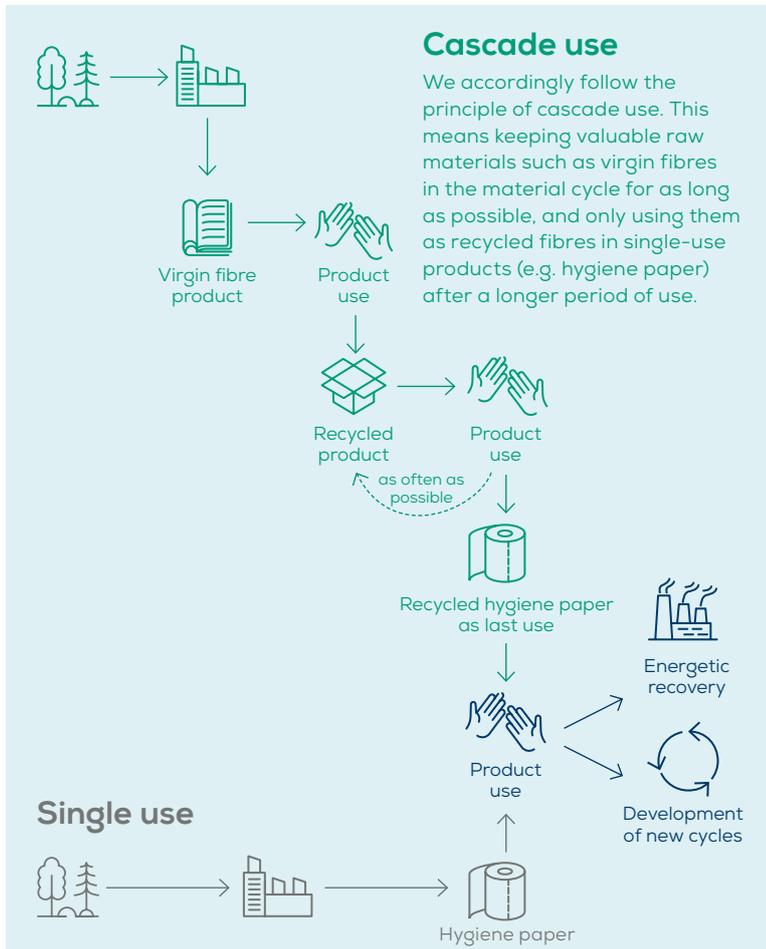
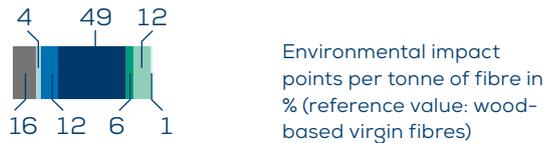
-  **Recycled fibres**  
from recovered paper and recycled cardboard
-  **Alternative virgin fibres**  
e.g. from miscanthus
-  **Wood-based virgin fibres**  
from certified forestry and plantation farming

The selection of fibre raw material has a significant impact on the ecological footprint of our products. This is about 70% lower for recycled fibres compared to wood-based virgin fibres. For this reason the use of recycled fibres for single-use products such as hygiene paper makes sense.

### Comparison of ecological fibre footprints of fibre types through life cycle analysis



### Recycled fibres 28%



-  water resources
-  resource utilisation\*
-  land use and soil quality
-  global warming potential
-  air pollution
-  water pollution
-  waste
-  other (value rounded 0%)

The ecological scarcity method is used to calculate the ecological footprint. This method takes into account a wide range of environmental impacts and aggregates them into a single indicator. The procedure for life cycle analysis is based on the ISO 14040 standard, but goes beyond the standard with the final step of aggregation into a key figure. The result evaluates the pollutant emissions, resource consumption and biodiversity losses associated with land use for the production of fibres (cradle-to-gate).

## OUTLOOK

Our target is to reduce the **ecological footprint** of our fibre raw materials to 2030 by **25%** by, among other things, using **at least 60% recycled fibres** and **alternative virgin fibres**.

\* includes primary energy sources, metallic resources and mineral resources



## FORGING NEW PATHS

# Innovative raw material alternatives

Which fibres make sense in terms of sustainability and are a real alternative to wood-based fibres? The WEPA Group has always been researching different materials and new technologies.

### Fibres from recycled cardboard

Recycled fibres are primarily obtained from recovered paper. A valuable alternative and extension to recovered paper are recycled fibres from cartons, cardboard packaging and corrugated board, the availability of which has been increasing for some years. We have responded to this changed situation by adapting our technology: this means we will be able to use recycled fibres from this fibre raw material in the future in our hygiene papers. We currently use this new raw material for example in our 'mach m!t' PURE brand products, and also in the WEPA Professional range with the Satino by WEPA brand and its new PureSoft product line.

### Miscanthus as alternative fresh fibre

We also research new, innovative virgin fibres as well as using recycled fibre sources. We have

identified an ecological alternative in miscanthus, a type of reed grass, and have already launched products to market in 2022 that have been made from miscanthus.

#### Advantages of miscanthus:

- high cellulose content
- rapid growth
- very efficient (high yield per unit area)
- sustainable local cultivation
- perennial plant
- no use of fertilisers / pesticides

In our BlackSatino GreenGrow product, we combine unbleached miscanthus cellulose fibres with recovered paper from paper cups, office paper and used towel paper.



## FSC AND PEFC CERTIFICATION

# Virgin fibres from sustainable sources

When sourcing wood-based virgin fibres, we make sure that they come from responsible sources. Already, 99.75% of the wood-based virgin fibres we use are certified by the internationally recognised certification systems FSC Forest Stewardship Council or PEFC Programme for the Endorsement of Forest Certification Schemes.

### Certifications of the fresh fibre portfolio

- 75.22% FSC®-C016151
- 24.53% PEFC/04-32-0775
- 0.25% FSC Controlled Wood



### OUTLOOK

Our goal is that **by 2025** our virgin fibres are sourced **100% from certified sources.**



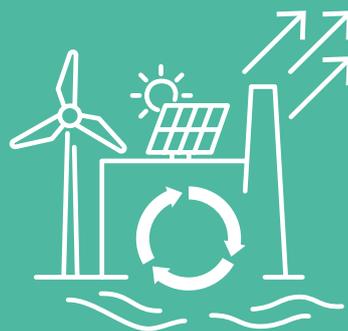
### Engagement with our suppliers for more biodiversity

We work closely with our suppliers to promote sustainable forest management and therefore the preservation of biodiversity. For example, we have initiated a project to restore Finnish peatland in cooperation with our long-standing pulp supplier UPM.

### Protecting peatlands, preserving diversity

By creating new biotopes, we ensure the preservation of native plants and animals. Peatlands make an enormous contribution to climate protection. They store twice as much carbon dioxide as all the forests on earth put together – and on a relatively small area of land. In addition, peatlands support groundwater formation by filtering water and providing protection from flooding.

# Ecological performance of our production



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



# ACTIVE FOR CLIMATE PROTECTION

## Our energy strategy

Our vision is to become climate neutral by 2040. Using an energy management programme for our company group, we are working to reduce our emissions, use energy efficiently, develop renewable energy sources and establish climate-friendly innovations in production.

### WEPA direct and indirect greenhouse gases 2022

Scopes 1 & 2:  
**41%**

491,044 t CO<sub>2</sub>eq  
0.63 t CO<sub>2</sub>eq/t\*



Scope 3:  
**59%**

708,871 t CO<sub>2</sub>eq  
0.91 t CO<sub>2</sub>eq/t\*

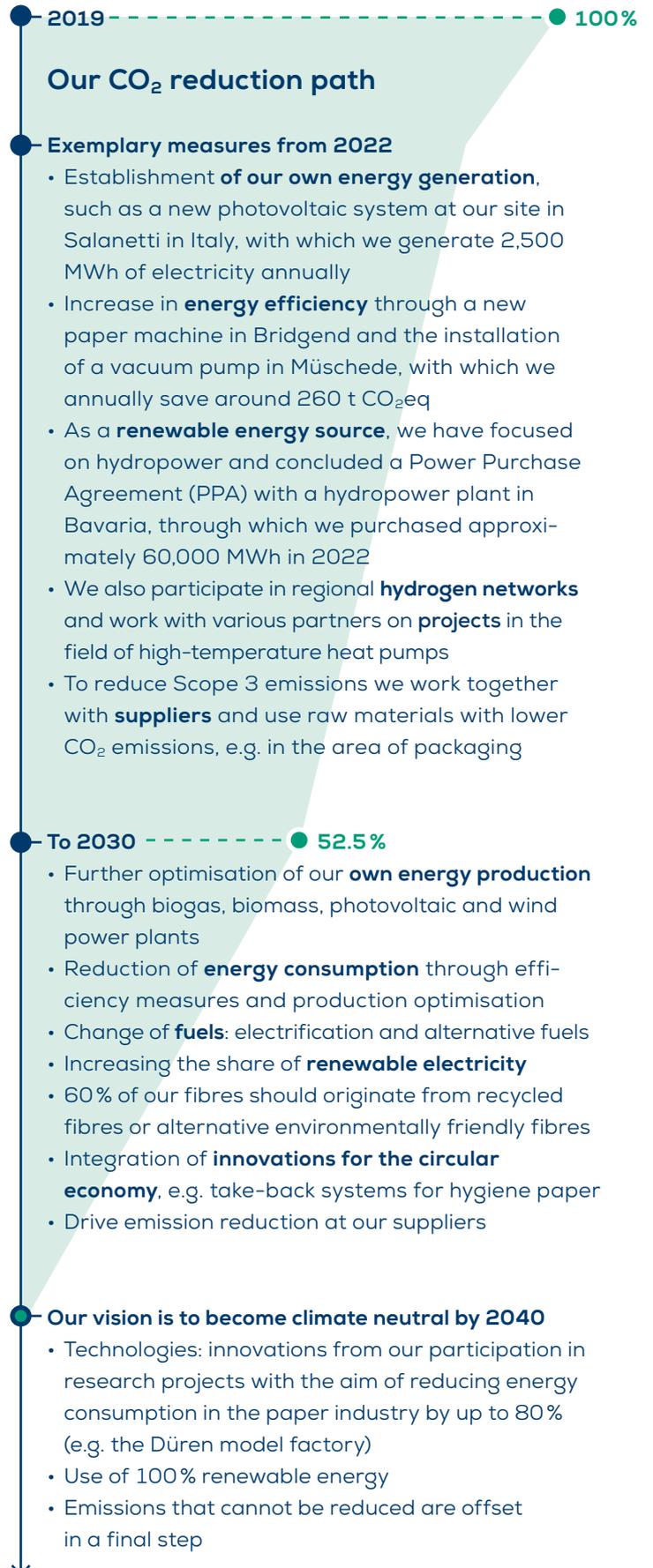
At WEPA, the factors with the greatest impact are our purchased raw materials, fuel and energy-related activities, and upstream and downstream transport and distribution. Our fibre strategy and energy strategy are therefore closely linked to our sustainability strategy. Fluctuations can occur in our holistic reduction approach, as emissions are highly dependent on the specific energy mix. In 2022, the emissions were mainly influenced by financial purchasing decisions arising from political conflicts. We were not able to maintain stable and energy-efficient production in 2022, characterised by a high share of renewable energies as in 2021, which is why we had to report a slight increase in emissions in 2022 compared to the previous year.

We were able to reduce our emissions compared to the base year 2019, and intend to continue on this path with a high level of determination.

## OUTLOOK

In the context of the Science Based Targets Initiative (SBTI), we have set ourselves the goal of **reducing our emissions by a relative 52.5% for Scopes 1, 2 and also Scope 3 by 2030, with reference to the base year.**

Emissions



\* reference value: finished goods + semi-finished goods sold + DIP sold

## FOCUS ON RECYCLING

# Future-oriented waste management

Conserving resources and closing loops – our guiding principle for many years. How we can avoid waste even further and, above all, recycle it as valuable material are central elements for the success of this principle. In 2022 we focused on projects for technologies that can improve the material use of residual materials.



From our waste last year we:

- recycled 70%
- thermally utilised 27.8%
- disposed of 2.2%

However, we are not only committed to reducing or recycling our own waste generated in production, but also support external initiatives dedicated to the proper disposal or recycling of waste.

### Partnership with “Mülltrennung wirkt”

Together with “Mülltrennung wirkt”, an initiative of the dual systems in Germany, we inform our customers about the correct disposal of empty packaging in yellow bins and yellow bags. Our goal is to improve the recycling process of valuable raw materials. After all, our packaging is also 100% recyclable and can in turn be used by us to produce new packaging – provided that consumers correctly separate their packaging waste.

### A cycle for paper towels

In our factories in Swalmen and Arnsberg-Müschede, we manufacture new products from used paper towels. An example from our Müschede factory: with local participation by the town of Marsberg and certain industrial companies near our site in Arnsberg-Müschede, used paper is collected from schools, kindergartens, public institutions and businesses, with the new hygiene paper made from it being offered in exchange. The project reduces waste, cuts emissions and conserves resources. At the participating company TRILUX in Arnsberg for example, **2.9 tonnes of waste were saved in 2022.**



## PROTECTING OUR VALUABLE RESOURCE

# Sustainable water management

Water is one of the most important resources in our production cycle. As a responsible, future-oriented family business, we are aware of the high responsibility to protect this resource and work systematically towards sustainable water management.

As part of our partnership with WWF Germany, we have set ourselves holistic goals for our water management via the Water Stewardship Project. This involves all stakeholders and includes both site- and catchment-based approaches.

In this regard we have assessed all our sites as part of a risk analysis in order to systematically manage and reduce our corporate water risk. In the analysis, we distinguish between physical, regulatory and reputational risk types.

**Out of 21 categories, the following have the highest risk potential for us:**

### Water scarcity:

We close water loops to minimise the use of water.

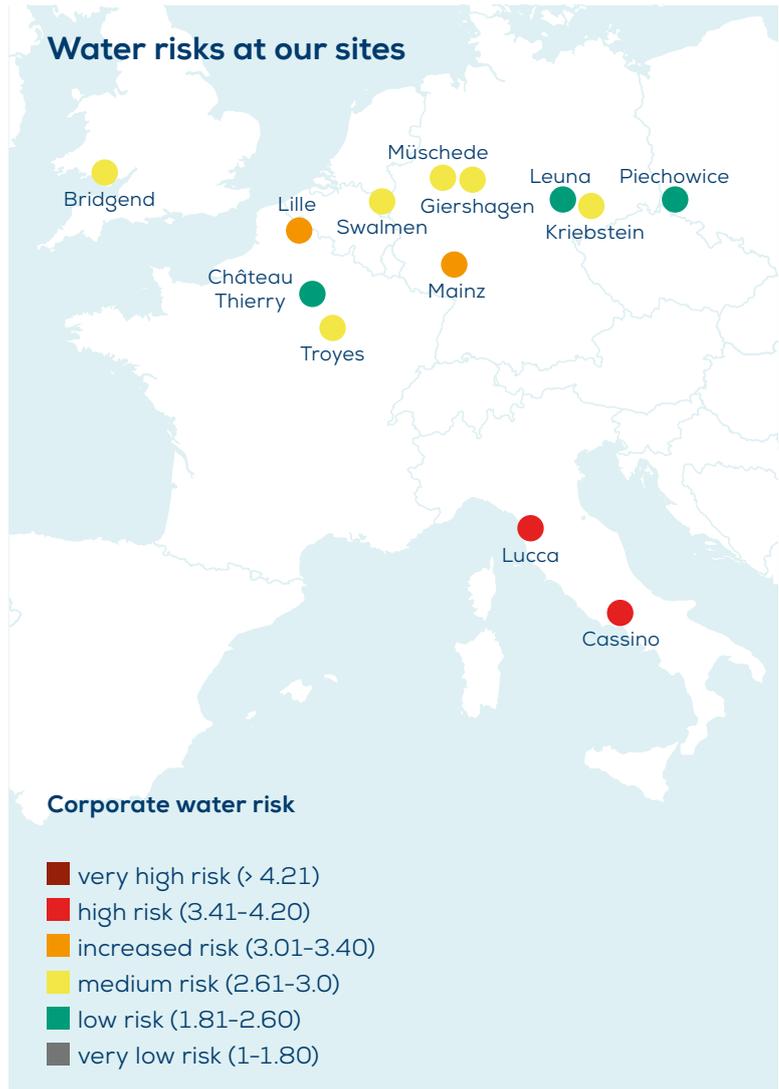
### Water quality:

We ensure good water quality with state-of-the-art treatment and purification of our process water.

### Flooding:

We need to avoid environmental impacts while being prepared to safeguard our operational business.

We plan to further increase water efficiency in the production process via additional initiatives.



# Sustainable hygiene paper portfolio



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



## MEASURING AND OPTIMISING

# Sustainability rating of our products

Our WEPA Consumer and WEPA Professional business units are constantly developing their hygiene paper portfolio. We support customers with our sustainable portfolio, innovative product developments and our expertise in terms of sustainability. This contributes to their market success and helps consumers to integrate sustainability into their everyday lives. With the WEPA brands, we test innovative new products and set new sustainability standards.

### We divide the sustainability performance of the products into four segments:

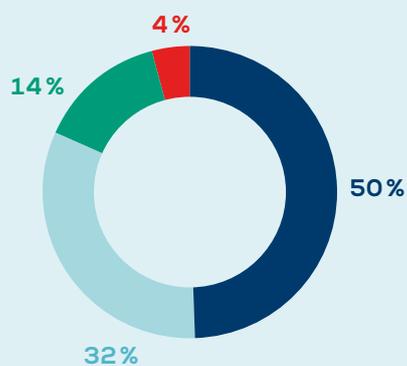
- **Pioneer:** 'top' products that set new sustainability standards in the market
- **Driver:** products with above-average sustainability performance
- **Observer:** products with a solid sustainability standard
- **Deviator:** products with below-average sustainability performance



To assess how our products perform in the area of sustainability, we have developed the **Sustainable Portfolio Compass**. Using this tool, we compare our products based on various criteria along their entire life cycle and evaluate them systematically. This enables us to identify meaningful potential for improvement and develop targeted measures.

### Current evaluation of our product portfolio with the Sustainable Portfolio Compass

(share of turnover in 2022 financial year)



■ Pioneer ■ Driver ■ Observer ■ Deviator

The requirements for the most sustainable products evolve over time and the standards for our top products become stricter. The reduction in the Driver segment compared to the previous year is mainly due to an adaptation of the valuation methodology.

## OUTLOOK

By 2025, we want to generate **60% of our turnover** from products in the **Pioneer and Driver** segments.

## PRODUCTS THAT CAN DO MORE

# Our top sustainability products

We always aim to offer our product innovations and new standards in the market, and utilise our own brands to flexibly pilot these innovations.

Accordingly, we also initially used our new raw materials **miscanthus and recycled cardboard** in our own brands such as Satino PureSoft, BlackSatino GreenGrow and mach m!t PURE. We make such innovations available to our customers through our private labels. In 2022 we focused on projects for technologies that can improve the material use of residual materials.



## SELECTED EXAMPLES:

### WEPA Professional

#### **BlackSatino GreenGrow – hygiene paper made from alternative raw materials**

In BlackSatino, we have been processing alternative raw materials such as office paper, paper cups, beverage cartons, used paper towels and bottle labels for years. We now combine these alternative raw materials with an innovative new virgin fibre: miscanthus, which is one of the most efficient and sustainable virgin fibres (details on page 22).

**The result:** a particularly soft, highly absorbent toilet and towel paper that measurably protects the environment. The ecological footprint of miscanthus fibre is 65% less than that of an average virgin wood fibre. BlackSatino GreenGrow is also manufactured with 100% green electricity and is Cradle to Cradle Silver and FSC® Mix certified.



### WEPA Consumer

#### **mach m!t PURE – environmentally friendly and extra soft**

- from recycled cardboard boxes
- natural and unbleached
- extra soft
- packaging saves 60% virgin plastic through use of recycled plastic
- 70% improved ecological footprint of recycled fibres compared to virgin fibres

#### **Goldeimer – the social toilet paper**

- produced since 2016
- 100% from recycled fibres
- Blue Angel eco-label
- packaging: 60% recycled plastic, 100% recyclable
- supports water, sanitation and hygiene (WASH) projects of Viva con Agua and the World Hunger Aid organisation.
- WEPA supports projects with 35 cents per pack sold



## INNOVATION, PROTECTION & SUSTAINABILITY

# Packaging as a further building block of sustainable products

Sustainable products need sustainable packaging solutions that must also be functional: they primarily protect the product and ensure safe, convenient transport.

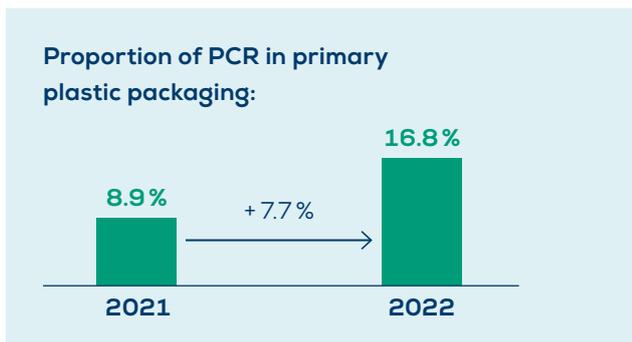
Plastic packaging has proven its worth for hygiene papers. They perfectly protect the paper from moisture and dirt, are light, stable and very recyclable. Another advantage: they can, to a large extent, be made from recycled plastic. We are also simultaneously working on the further development of paper packaging. Their advantage: they are made from a completely renewable raw material.

Their disadvantage: currently, paper packaging cannot yet compete with plastic packaging in terms of important product protection properties, as the material thickness, among other parameters, must be significantly higher than with plastic packaging. A larger quantity of sealant is also needed for gluing the packaging. We are working intensively on these aspects to ensure that paper packaging offers a real ecological advantage.

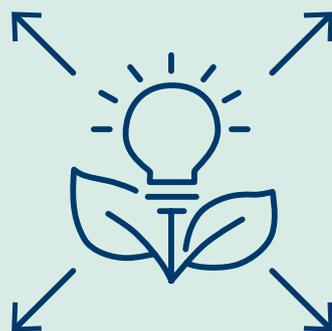
### Exploiting further optimisation potential

For our plastic packaging we rely on the highest possible proportion of recycled plastic (post-consumer recycle or PCR). In 2022 we were able to increase the proportion of PCR in our plastic packaging to 60% with certain products. In total, the share of PCR in our primary packaging has increased to 16.8%. We aim to further increase this, and more and more customers are following us on

this path and are increasingly requesting packaging with recycled content. 100% of our packaging is fully recyclable. We are currently working on reducing material thicknesses while maintaining machine efficiency and product safety, optimising packaging sizes and eliminating dispensable items such as handles, thereby saving additional material.



# Portfolio extension through innovation



We are expanding our existing product portfolio to be the leader in sustainable hygiene solutions in Europe.



## PORTFOLIO EXTENSION THROUGH INNOVATION

# Long-term profitability through sustainability

We are absolutely certain: only ecologically and socially sustainable innovations and business models enable robust economic profitability in the long term. This is why we are fully committed to sustainability in the expansion of our portfolio and in research and development.

### Measuring sustainability – with our ESG Rating Tool

To assess whether the extensions to our portfolio make a positive contribution in the ESG (Environmental, Social, Governance) area and to check them for possible risks, we have developed an evaluation approach – the ESG Rating Tool. This can also be used to derive measures that help to avoid risks or make the best possible use of investment opportunities. The tool was set up in 2022 in relevant business areas such as WEPA Ventures and Group Innovations.

We are committed to creating social value with the extensions to the portfolio. This specifically means:

### OUTLOOK

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



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

## Group Innovation

### Innovative business units set new standards

With the newly created Group Innovation division, WEPA is combining all innovation activities of the entire Group, which previously originated in separate teams, into a single team. Group Innovation is responsible for product, service and business model innovations and develops ideas that expand the existing portfolio and challenge the status quo of the hygiene paper market. An integrated innovation process was launched throughout the Group in 2022, and innovation training (basic and advanced) was established.

#### Our five innovation principles:



Customer centricity



Sustainability



Value orientation



Data-driven



Goal orientation



### WEPA Ventures: Start-up investments support the sustainable transformation process

WEPA Ventures aims to identify innovative and sustainable business ideas from start-ups and invest in their development at an early stage. Synergies between WEPA and the start-ups can thus be simultaneously created. Investments primarily focus on technologies that enable circular economy processes as well as business ideas along the value chain, particularly in the areas of renewable energies and water. In addition to direct start-up investments, WEPA Ventures also participates in venture capital funds that fit these focus areas and invest themselves.

#### In 2022 the following five investments were made, among others:

- Sunhat
- One.five
- Planet A
- Revent
- Vireo Ventures

Cooperation with SNYCE and MYLILY was also intensified.

## 'sunhat

### SUNHAT: automating sustainability requirements

The Cologne-based software start-up Sunhat has developed a software solution to automate the complete process of sustainability requirements for corporate suppliers. This ranges from questionnaire responses to collecting and reviewing certificates and verifications. In the future it will be possible to manage suppliers' compliant certificates within a central database.

This saves time and costs for corporate sustainability teams and enables the improved management of sustainable processes. Sunhat has already acquired well-known large companies as clients. In addition to its financial participation, WEPA is also itself a customer of the start-up.

**Find out more at [www.getsunhat.com](http://www.getsunhat.com)**

# About this brochure

As a future-oriented, European family business with the fundamental values of sustainability, commitment and respect, the WEPA Group has always stood for sustainable corporate management. In this brochure, we provide an insight into our sustainability strategy and our ambitious goals and objectives, and inform you about our current sustainability measures in 2022. More detailed information on our sustainability measures and key figures can be found in the appendix.



For questions and suggestions regarding this brochure, please contact Anja Rohr, Head of Operational Sustainability, and Sarah Dohmen, Sustainability Manager Communication & Engagement, at [sustainability@wepa.eu](mailto:sustainability@wepa.eu).

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