

# Sustainability Report

---

**2021**

Sustainability performance, targets and actions for  
Rossmann Romania: Ambro and Romcarton

# Table of Contents

Our vision of Sustainability .....	4
Who we are: overview.....	5
Our activity in numbers in 2021 (Romania) .....	5
Supply of raw materials .....	6
Significant organizational and operational changes .....	6
Our engagement in the industry.....	6
Our sustainability standards.....	6
EcoVadis .....	6
Making Sustainability Material .....	7
How we contribute to the UN SDGs .....	9
Delivering our targets.....	10
Our Environmental Approach .....	11
Carbon emissions.....	12
Energy .....	14
Waste .....	16
Water .....	18
Our Social Responsibility .....	20
Employees and workforce .....	21
Employee Well-Being and Development.....	21
Fair Recruitment and Remuneration.....	21
Ethics at work.....	22
Diversity and Inclusion.....	22
Health and Safety.....	23
Health and Safety Policy and culture - .....	23
Our performance and progress.....	23
Responding to Covid-19.....	24
Working conditions.....	24
Local communities .....	25
Voluntary financial support.....	25
Supporting community events .....	26

Impact on local development.....	26
Our Business Impact .....	27
Product impact .....	28
Our processes and products respect standards and certifications .....	28
Circularity in our business .....	28
Use of chemicals and inks.....	29
Paper and cardboard in Europe.....	29
Delivering quality products .....	29
Engaging with customers: the case of IKEA.....	30
Building our sustainability roadmap .....	30
IWAY.....	30
Ethics and Human Rights .....	31
Child and forced labor.....	31
Use of confidential information and anti-competitive behavior .....	31
Anti-corruption and bribery.....	31
Compliance .....	31
Sustainable Procurement.....	32
Zero tolerance for non-responsible or illegal deforestation.....	32
Supplier assessment .....	32
Additional information.....	33
Stakeholder Engagement.....	34
About this Report.....	35
Glossary .....	36
GRI Index.....	40
Data summary (2021).....	42



# Our vision of Sustainability

Paul-Henri KOHLER, General Director –  
AMBRO & ROMCARTON, ROSSMANN GROUP

Unprecedented challenges have impacted the way we live, work, and apprehend the future. Covid 19 pandemic, global warming, resources scarcity, inflation, and Russia-Ukraine war, define the environment in which we must operate and adapt.

Therefore, sustainability should more than ever be integrated into business strategy, not only as a separate department, but above all, as a common determinant for decision-making. At Ambro and Romcarton, we want to put environmental, social and ethical perspectives at the heart of our activity.

The demand for fibre-based packaging is growing every year, making our CO2 emissions target of 3% reduction per year, even more challenging. We need to do more with less. For that, industrial innovations are needed, investments in low-carbon technologies are necessary, and efforts in efficiency are inevitable.

Through this report we want to assess our performance, detect our strengths and weaknesses, and communicate on the targets and actions we want to implement in each area that make the boundaries of sustainability.

Paper and cardboard packaging are 100% recyclable and the most recycled packaging material in Europe. As a large paper waste recycler in Romania, we are proud to play an active role in the circular economy. Through FSC certified purchased paper, we make sure our suppliers do not contribute to illegal deforestation, and respect human rights in their activity.

At the time of writing this report, we are assisting to a skyrocket in commodity prices, and the current macro environment leads to uncertainties. Yet, we are confident that our activity will prosper in the mid and long-term, driven by a strong demand from customers for more environmentally friendly packaging, and by new European regulation on single-use plastics.

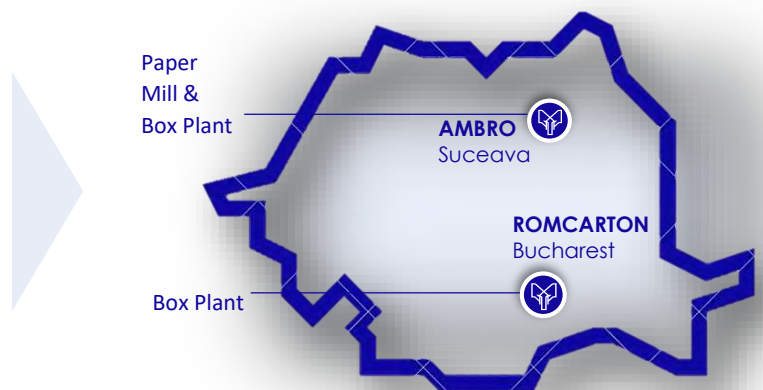
We hope that the following report will bring you useful information.

P.H.K.

# Who we are: overview

The Rossmann Group, a company owned and controlled by the Rossmann family, was founded in 1922 in Strasbourg, France, but its oldest corrugated packaging factory was built in 1888. The group now owns 24 factories in 7 countries across Europe (21 factories in France, Romania, Belgium, and Poland), and Africa (3 factories in Ivory Coast, Burkina Faso, and Ghana). The Group produces paper (in France and Romania), corrugated packaging and related packaging products, to meet the requirements of direct customers in terms of complete packaging solutions. In Romania, Rossmann was the first investor in the field of corrugated cardboard through the acquisition of Romcarton in Bucharest in 1990. In 1996 it also acquires the manufacturer Ambro SA in Suceava. On one side, Romcarton produces and transforms corrugated cardboard, including cutting and printing. On the other side, Ambro hosts both a box plant and a paper mill with a capacity of 175,000 t/year. The total capacity production of corrugated cardboard is 100,000 t/year.

In Romania, our containerboards and corrugated cardboard packaging offer solutions for customers in various industries such as food and beverage, cosmetics, industrial products, tobacco, agricultural products, wooden goods or automotive, across Greece, Bulgaria, Moldova and Romania.



## Our activity in numbers in 2021 (Romania)

Number of employees	Number of operations	Turnover
963	2	155M €
Investments	Paper sold	Corrugated cardboard sold
12.5M€	175,500 t.	88,000 t.



## Supply of raw materials

Our raw material, cardboard and paper wastes, are sourced from local suppliers, which, in some cases, also have a social role in the community using labour represented by vulnerable people. Our virgin cellulose/fibre, on the other hand, is purchased in for the most of it in Europe (Nordic countries). Ambro recycles in its production process, around 35% of total recycled waste papers in Romania, and its paper production unit is a supplier of both its own corrugated cardboard section, and of Romcarton.

## Our engagement in the industry

Romcarton and Ambro are affiliated to Romanian and European organizations together with other companies in the industry of paper, and corrugated packaging:

- ROMPAP (Board of the Pulp and Paper Industry in Romania), represents our interests in the relationship with the relevant international bodies and institutions.
- CEPI (Confederation of European Paper Industries) and FEFCO (European Federation of Corrugated Board Manufacturers), give us the opportunity to keep abreast of all the news in the market.
- CCIR (Chamber of Commerce and Industry of Romania) and CCIFER (Chamber of Commerce and Industry of France in Romania).

## Significant organizational and operational changes

In 2017, the Group invested in a brand-new corrugated cardboard plant, located near Bucharest. This new structure is equipped with state-of-the-art technology, thus increasing efficiency and production capacity, and meeting the highest standards in our industry.



## Our sustainability standards

We use a range of standards and certifications that help us better align with our stakeholders' expectations and with current social, environmental, and ethical challenges. Among them we can list Sedex, an ethical trade organisation (SMETA 4-Pillars audit), BRCGS Packaging Materials- issue 6, ISO 14001 and 45001, international standards for environmental and health and safety management, and FSC® (FSC-C118749 Romcarton, FSC-C119517 AMBRO), dedicated to the promotion of responsible forest management worldwide.

## EcoVadis

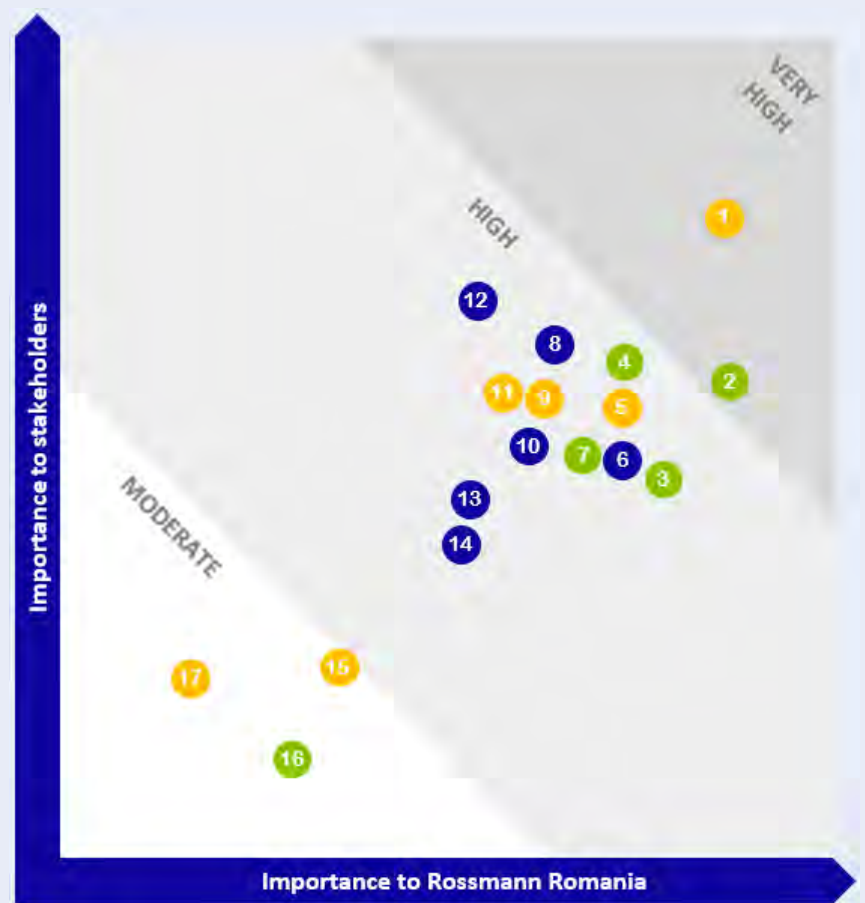
In 2022, the Group decided to assess its sites by EcoVadis, the world's most trusted provider of business sustainability rating. Ambro received a score of **60/100**, and Romcarton a score of **57/100**, to which we have been awarded a Silver EcoVadis Medal. This result places us among the top 25 percent of companies assessed by EcoVadis.



# Making Sustainability Material

According to the Global Reporting Initiative (GRI), a sustainability topic is 'material' when it becomes sufficiently important for the company to be reported. Defining which sustainability topics were material for Rossmann Romania was a process over several months, engaging both our top management and external stakeholders. Internally, a first step was to identify material topics to be included in the report and to evaluate their respective impacts. Then we had to define who our stakeholders were (customers, suppliers, employees etc.). For these steps, discussions and meetings have been organized. Once our stakeholders and material topics were determined, each stakeholder, through a survey, was asked to give a score for each sustainability topic according to their overall importance. The objective of this approach is to prioritize topics and have a better understanding of what our stakeholders expect. Sustainability concerns are constantly evolving, and we want to make sure that our impact and strategy keep following the concerns of the planet and society. Changes in data or in the organization can lead to changes in the report. Looking at the materiality matrix, Health and Safety seems to be the most important sustainability concern both to our stakeholders and to our business, followed by Carbon Emissions. They will require the most attention, ambitious targets and actions.

## Materiality Matrix



### Our Environmental Approach

- 2 Carbon emissions
- 3 Energy
- 4 Waste Management
- 7 Water Management
- 16 Biodiversity and Land Management

### Our Social Responsibility

- 1 Health and Safety
- 5 Employee Well-Being and Development
- 9 Fair recruitment and remuneration
- 11 Ethics at work
- Supporting Local Communities
- 15 Diversity and Inclusion

### Our Business Impact

- 6 Sustainable Product Design and Innovation
- 8 Sustainable Procurement
- 10 Business Ethics
- 12 Respecting Human Rights
- 13 Collaboration with stakeholders for more sustainable solutions
- 14 Product Life Cycle

## Where impacts occur

<b>Carbon emissions</b>	By releasing carbon and other greenhouse gases, Rossmann Romania is aware of its implication in global warming and that it may also be part of changes in resource availability and air quality, if no actions are taken. As a member of the EU Emissions Trading System, emissions may affect financially our business, either positively or negatively. Outside the organization, air emissions might affect local communities if not managed properly. Our strategy to switch from fossil fuels to renewables also requires changes in relationships with our suppliers.
<b>Energy</b>	A reduction in carbon emissions undoubtedly goes along with energy efficiency and a switch to renewable energies. This aspect significantly impacts decisions at a strategic level and strong investments have been made and are planned to increase efficiency and lower our carbon footprint.
<b>Waste</b>	Waste can deteriorate ecosystems if not managed the right way. Rossmann Romania makes sure it complies with regulations and strives to avoid litter and spills from hazardous waste. This aspect provides opportunities in cost saving, through resource efficiency and optimal product design.
<b>Water</b>	A good management of water is essential to preserve the health of people and ecosystems surrounding our production sites. We are subject to strict regulations on water discharges, and we make sure water quality is preserved. Through improved water efficiency, we can significantly save resources.
<b>Employees and workforce</b>	This material topic includes four sub-topics which are employee well-being and development, fair recruitment and remuneration, ethics at work, and diversity and inclusion. Our long-term view of business forces us to consider employees as a vital resource, and to treat them as an element of business sustainability.
<b>Health and Safety</b>	The paper and cardboard industry involves working with machines and substances that can expose workers to physical risks. Beyond legal requirements, protecting our people's health is a top priority for the company, and the arrival of the COVID-19 pandemic reinforced this engagement.
<b>Local Communities</b>	Our social responsibility is strongly driven by the way we impact communities in the area where we work. Through job creation, economic development, and support of NGOs, we strive to have a positive influence on our local environment.
<b>Product impact/life cycle</b>	Managing product life cycle helps us reduce product environmental footprint and meet customer's expectation. Paper and corrugated cardboard largely contribute to the circular economy given the nature of their raw materials.
<b>Ethics and Human Rights</b>	Ethical practices and respect of human rights across the entire supply chain, is increasingly regarded by stakeholders, and can seriously jeopardize our image. Through policies, training, and compliance, we aim to improve transparency and apply our vision of business morale.
<b>Sustainable Procurement</b>	Considering environmental, social, and ethical factors in our purchasing strategy is needful if we want to achieve sustainability long-term objectives. Costs and quality are no longer the only criteria in the operation of procurement, and monitoring closely our suppliers can create significant positive environmental and social impacts.



# How we contribute to the UN SDGs



The pulp, paper and corrugated cardboard industry is resource intensive. Yet, through regular quality controls at our treatment plants and through water recirculating systems, we make sure water is managed sustainably.



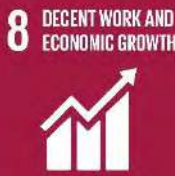
**SDG 6**  
Clean Water and Sanitation

**SDG 7**  
Affordable and Clean Energy



In 2021, **8.2%** of our energy came from renewable sources, and we want to increase this share in the future. Plus, it is in our interest to continuously improve our energy efficiency, through technologies and procedures.

With nearly 1,000 employees in Romania, we strive to deliver jobs that are safe, meaningful, and with good conditions. Our partnerships with NGOs and organizations support social and environmental actions locally.



**SDG 8**  
Decent work and Economic Growth

**SDG 12**  
Responsible Consumption and Production



By innovating in fibre-based and **100% renewable** packaging, our industry offers solutions to the global crisis of plastic pollution. Through our recycled and FSC certified products, we support the target to halve food waste and to reduce food losses in the supply chain.




Responding to global warming requires to align with the objective of keeping the temperature well-below 2°C, above pre-industrial levels. For that, Ambro and Romcarton engage to reduce their carbon emissions by **3% per year** (2020 baseline).



**SDG 13**  
Climate Action

# Delivering our targets

At Rossmann Romania, we recognize global sustainability challenges that emerge, and decide to tackle these trends through our policies, actions, indicators, and targets. For each category, objectives have been set with the help from our stakeholders that give us useful recommendations, and from the results obtained in our materiality assessment.

	CO2 emissions	<i>Reduce emissions by 3% per year (Scope 1 and 2, baseline 2020) (Group)</i>
		<i>Reduce indirect emissions from upstream and downstream freight transport (Scope 3) (Group)</i>
		Reduce specific emissions by 50% by 2030, baseline 2020
	Energy	<i>Reduce specific energy use by 3% per year, baseline 2020 (Group)</i>
		Implement ISO 50001 at both sites by 2025
		Reach 50% renewable energy share by 2030
	Waste	<i>Reduce waste to landfill by minimum 3% per year, baseline 2020 (Group)</i>
		Achieve zero waste to landfill by 2030
		Achieve zero waste eliminated without energy recovery by 2030
	Water	Maintain intake below 3.5 m <sup>3</sup> /t of paper and 0.5 m <sup>3</sup> /t of cardboard
		Assess water-related risks for both AMB and RMC
	Employees and Workforce	Achieve a yearly employee satisfaction of 9/10
	Health and Safety	Zero major/critical accidents and fatalities
		Maximum 6 minor accidents per year at AMB, and 3 at RMC
	Local Communities	Implement a "Community Program" for the year 2023.
	Product impact	Reach 90% recycled content in our packaging solutions by 2025
	Ethics and Human Rights	Train at least 90% of our people on corruption and bribery every year
	Sustainable Procurement	Maintain 100% of purchased paper that is recycled or FSC certified

# Our Environmental Approach

As a producer of paper and corrugated cardboard, we are aware of our environmental impact, and we strive to integrate and mitigate it in every step of our activity. Driven by our Environmental Department, and following the requirements of ISO 14001 standard, environmental challenges are both legal and moral duties for Rossmann Romania.

## Key fact

---



**1.7%**

was the part of virgin fibre used in 2021 at our paper mill, Ambro. The rest was made with recovered papers and boards from external suppliers (supermarkets, factories etc.), on-site offcuts and other on-site fibre-based wastes.

# Carbon emissions

## Our performance

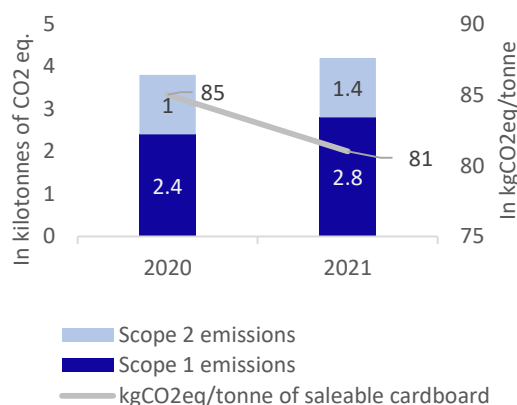
In 2015, the Paris Agreement gathered 193 countries to set common objectives in carbon emissions, with the goal of limiting climate change. Rossmann Romania supports the long-term goal to keep the global temperature rise, well-below 2°C, above pre-industrial levels. Today, the European pulp and paper industry represents 0.7% of total EU greenhouse gas (GHG) emissions and achieved in 2020, a 29% reduction in CO<sub>2</sub> emissions compared to 2005 (source CEPI). The members of the Confederation of European Paper Industries (CEPI), committed to align with the EU objective to achieve a 55% reduction in CO<sub>2</sub> emissions by 2030 compared to 1990, and carbon neutrality by 2050.

Our carbon emissions have been calculated using emission factors from the fourth assessment report (AR4, 2007), delivered by the International Panel on Climate Change (IPCC), and agreed to be the chosen report for calculating corporate GHG emissions. Tools and emission factors have been used from the GHG Protocol. Scope 2 emissions have been determined using 'market-based' emission factors disclosed by our electricity provider.

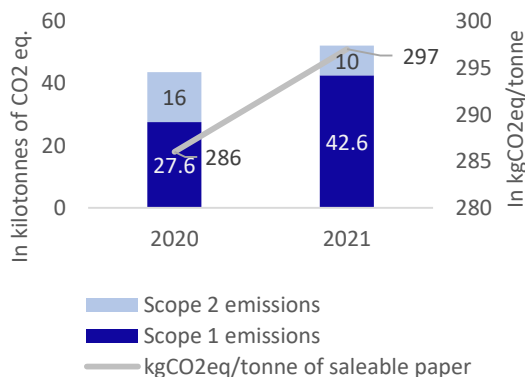
In 2021, Rossmann Romania emitted 58,871 tCO<sub>2</sub>eq., an increase of 18% compared to 2020. Due to the installation of our combined heat and power plant running with natural gas, our direct emissions have raised, but indirect emissions have also dropped.

Both at Romcarton and Ambro cardboard, our total emissions increased by 10%, but specific emissions have declined by 4% for Romcarton and 11% for Ambro cardboard. For these sections, efforts and investments in energy efficient technologies and awareness allowed to decrease our CO<sub>2</sub> emissions per tonne of cardboard. Our paper mill however recorded a raise of 20% in absolute emissions, and 4% in specific emissions. In order to respect the targets we set, we will have to focus on three main areas: **green electricity** (purchased or produced on-site), **phasing out fossil fuels** and **energy efficiency**.

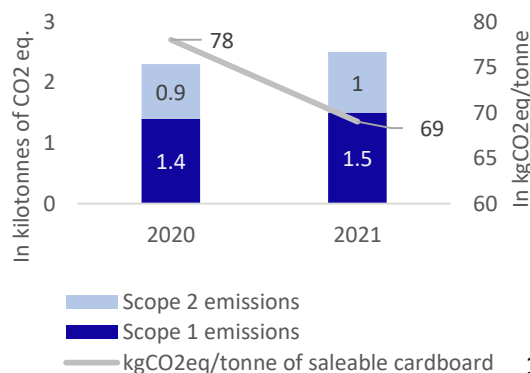
Total and specific Romcarton emissions

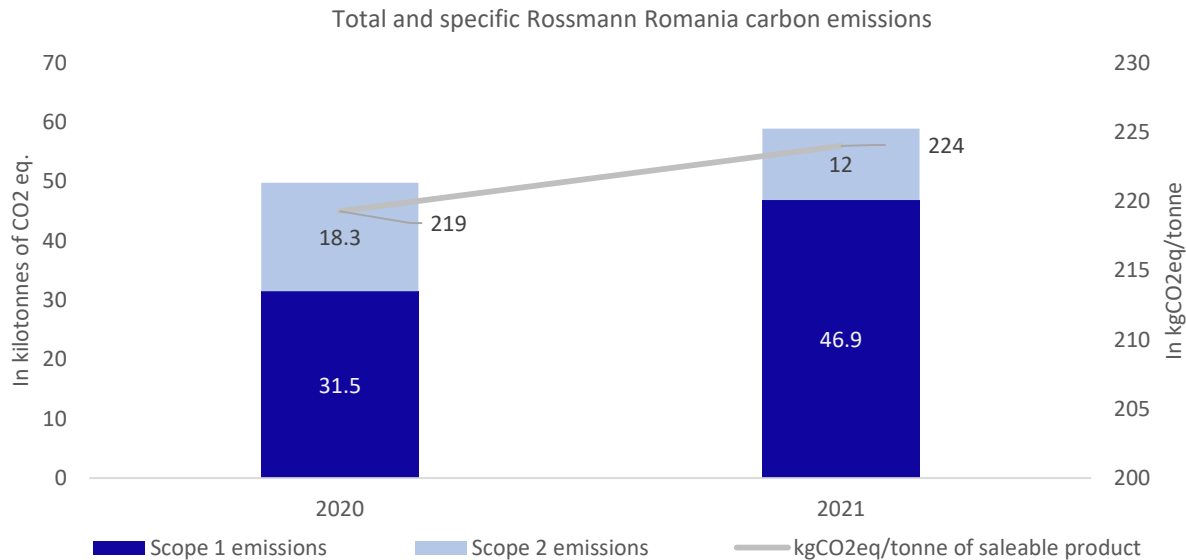


Total and specific Ambro emissions, paper section



Total and specific Ambro emissions, cardboard section





## Case Study: electric internal transportation

In 2020, we have invested in new forklift technologies based with electric motion and Lithium-ion batteries. The idea was to decrease our CO2 impact and avoid drivers to go outside the factory to refill with LPG (issue with BRC accreditation). While an LPG forklift emits 4.25 kgCO2/hour, an electric one emits 1.86 kgCO2/hour, allowing Romcarton to save 43 tonnes of CO2 in 2020, after it has invested in 6 electric forklifts. Although we made savings in energy prices, they did not cover the overall technology cost. By 2021, 64% of Romcarton's fleet was changed by electric forklifts, and 34 % for Rossmann Romania.

## Our targets and actions

By generating on-site renewable energy and working toward a more energy efficient production, we believe that these objectives can be achieved. The first two targets have been implemented at the group level, while the last one has been set by Ambro and Romcarton only.

**Reduce emissions by 3% per year (Scope 1 and 2, baseline 2020) (Group)**

**Reduce indirect emissions from upstream and downstream freight transport (Scope 3, Group)**

**Reduce specific emissions by 50% by 2030 (baseline 2020).**

## Green electricity

Source electricity from suppliers, with a lower carbon footprint.

Install on-site solar panels (2024-2027).

## Phasing out fossil fuels

Produce biogas with wastewater sludge from our paper mill (ongoing study).

Find recycling alternatives to Solid Recovered Fuels to be replaced with 100% biomass (to study).

Go 100% electric for on-site trucks and forklifts (34% done).

## Energy efficiency

See section below.

## Other

Determine Scope 3 emissions (indirect) and set targets (2023)



# Energy

## Our performance

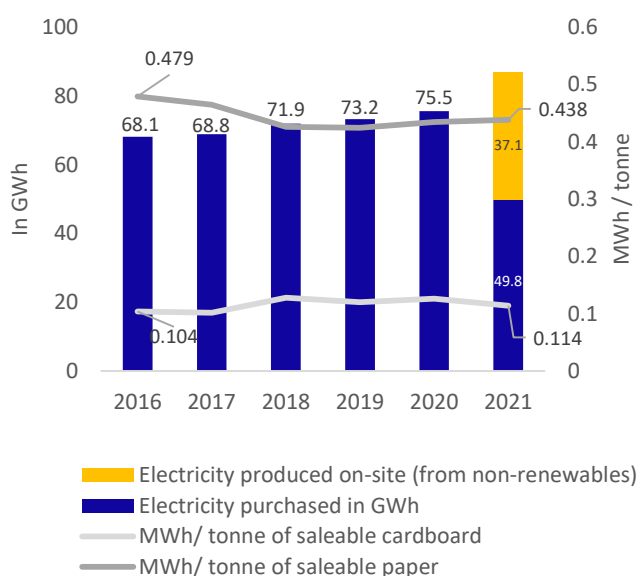
The EU Green Deal plans to become the first continent to be climate neutral by 2050. To achieve this, the EU Commission has recently decided to review legislation in areas such as renewable energy, energy efficiency and energy taxation. Considering this, along with a rise in energy costs and requirements from the Romanian legislation on energy efficiency, it is certain that choices and investments in low-carbon and energy efficient technologies are priorities for the Group.

In 2021, natural gas represented 68% of our energy use, and electricity purchased, 15%. The heat used for production originates from two different sources: gas combustion, and on-site combustion of biomass and Solid Recovered Fuels (SRFs) (plastic residues found in the paper and board bales we purchase as primary raw materials). SRFs represent each year between 8% and 9% of our total carbon emissions. Rossmann Romania continuously works to improve its energy environmental footprint, and the next major steps to take will be to increase the share of renewable energy in our electricity, to produce energy from renewable sources, to pursue efforts in energy efficiency and to train and sensitize our people in more eco-friendly practices.

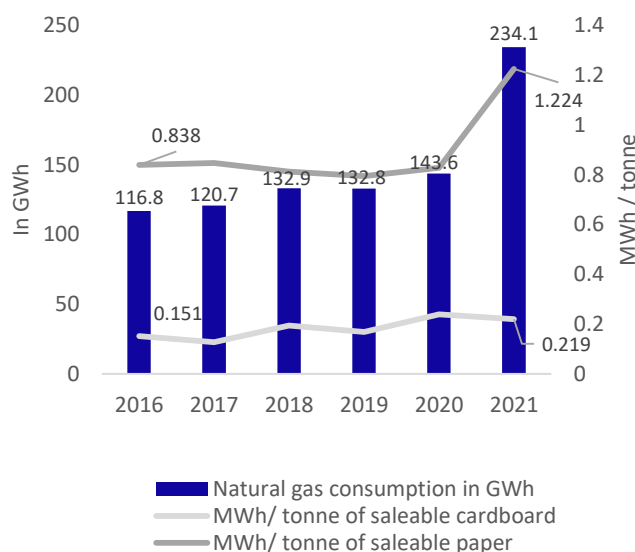
Between 2016 and 2021, both our consumptions of electricity and natural gas have raised. Although consumptions per tonne of cardboard have increased (+10% for electricity and +45% for natural gas), it is not the case for specific electricity consumption at our paper mill (-9%). The significant increase in natural gas consumption is due to the installation of our cogeneration plant functioning with natural gas. With this installation, we are able to produce part of our own electricity, while producing heat (see details below).



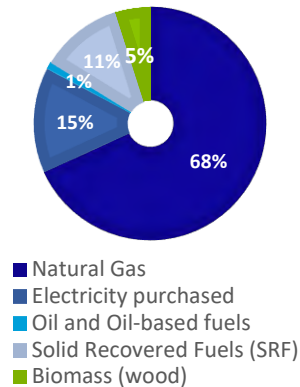
Total and specific electricity consumption



Total and specific consumption of natural gas

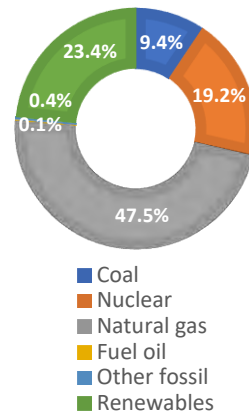


Energy consumption by source in 2021



In 2021, a total of 344 GWh were used, with a large part coming from the combustion of natural gas. If we consider the electricity we purchase, 8.2% of our energy was produced by renewable sources in 2021.

Sources of electricity purchased in 2021



Electricity from our supplier is mostly generated by the combustion of natural gas. Renewables represent a fourth of the production, with hydroelectricity represented at 17%.

## Case Study: Combined Heat and Power

After three years of research, we have decided to install a high-efficiency Combined Heat and Power, or cogeneration plant, at our site Ambro, with an investment of 10.4 million euros, co-financed by the European Regional Development Fund. With the combustion of natural gas, we can produce both heat and electricity, without any additional combustion. This new plant will generate a nominal thermal power of around 11 MWt and an electrical power between 6.4 and 8 MWe (70% of total Ambro consumption). We expect to save 23% in primary energy and around 8,300 tonnes of carbon emissions each year.

### Our targets and actions

The following targets are relevant only if actions for reducing our energy consumption are pursued. The real saving in energy use, with the measures implemented these last years and with future opportunities, is hard to assess. Plus, given the particularly high level in terms of energy efficiency for the industrial platform Romcarton, energy optimization appears to be more challenging every year. However, some actions have been suggested for improvements in energy efficiency.

#### Reach 50% renewable energy share by 2030

In 2021, it was 8.2%

#### Implement ISO 50001 at both sites by 2025

### Green electricity

See recommended actions above.

### Phasing out fossil fuels

Study the feasibility of on-site production of renewable energy (biogas by anaerobic digestion, solar panels, biomass or hydroelectricity at Ambro)

### Energy efficiency

Consider energy efficiency as a criterion before purchasing new equipment/machines (2022-2023).

Organize employee training and raise awareness on eco-friendly practices.

Go 100% LED lights.

Continuously improve maintenance and cleaning of machines for better performance.

Installation of a cogeneration plant (done).

# Waste

## Our Performance

With a recycling rate of 82% in 2019 (Eurostat), paper and cardboard packaging is the most recycled packaging material in Europe, before metal, glass, and plastic, which makes it a large contributor to the circular economy. However, we are aware that our industry creates large quantities of waste, and that is why through our waste management system, and ISO 14001: 2015 standard, we consider that minimizing and recycling our waste are core principles to our sustainability strategy. In 2021, Ambro recycled 190,323 tonnes of papers and board wastes, making it one of the largest paper recyclers in Romania. As a waste generator we have the obligation to keep records of our management, for each type of waste, and to comply with Romanian authorities.

In 2021, 51% of the waste we generated came from plastics and other contaminants found in the paper and board bales we purchase, to which 81% are used as SRFs for energy recovery, and the rest is sent to landfill. The second largest waste source emanates from corrugated cardboard offcuts during the production process,

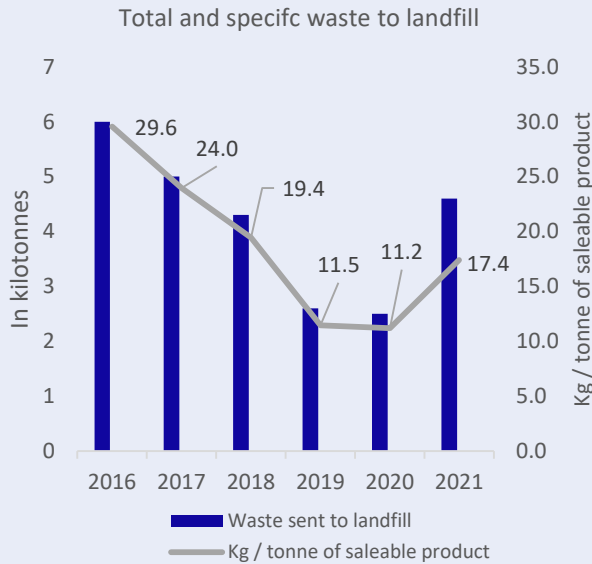
representing 40% of our waste. All offcuts we produce are recycled at our paper pulping machine at Ambro, and then transformed once again into paper. Corrugated cardboard offcuts represent 90% of all the waste we recycled/reused in 2021.

Between 2016 and 2021, our total waste increased by 41%, but we have made progress on the methods of end-of-life treatment. Indeed, we have reduced our absolute waste sent to landfill by 24 % and per tonne of saleable product by 41 %. Landfilling and eliminating without energy recovery are the two least options to choose according to the EU Waste Framework Directive.



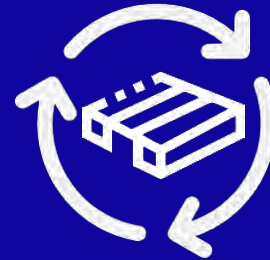
## Hazardous waste

As hazardous waste producers, we are obliged to store the different categories of waste separately, depending on their properties, compatibility, and flammable substances, so a high degree of protection of the environment and people is ensured. We are also required to ensure traceability from the place of generation to the end destination. We make sure that we comply with the Government Decision 1,061 / 2008 on the transport of hazardous and non-hazardous waste on the Romanian territory, and that the contracts we sign are made with authorized operators for recovering or disposing of such waste. In 2021, we generated 185 tonnes of hazardous waste.



## Case Study: Enhanced wood pallets recovery

At Romcarton, we have recently launched a program to improve the recovery and reuse rate of our wooden pallets, with the objective to reach at least 80% of pallets to be recovered. To do so, we have arranged a workshop at our pallet storage area, with the right tools to repair and sanitize them. Additionally to saving trees, we believe that recovering an extra 50 pallets per day would save 6,800 € per month, by reducing the number of pallets purchased on the market.



## Our targets and actions

At Rossmann Romania, in every activity, we strive to follow the 3Rs principle: reduce, reuse, and recycle. All these objectives cited below, only make sense if consistent improvements in waste reduction are made.

### Zero waste to landfill by 2030

In 2021, waste to landfill represented 13% of our waste, a good performance compared to previous years.

### Zero waste incinerated without energy recovery by 2030

## Reduce, reuse, recycle

Repurpose sludges from our paper and board production (biogas, composting...) instead of landfilling it.  
Continually look for alternatives to chemical wastes.  
Reduce hazardous waste.  
Study alternatives for recycling/reusing SRFs (e.g., cement, construction industry).  
Improve selective waste collection where needed (dining room, outdoor etc.).

## Engage

Raise awareness, communicate, and train employees and stakeholders on good practices (waste, circular economy).  
Better collaborate with suppliers of paper and board bales to limit the number of plastics in their waste.

# Water

## Our Performance

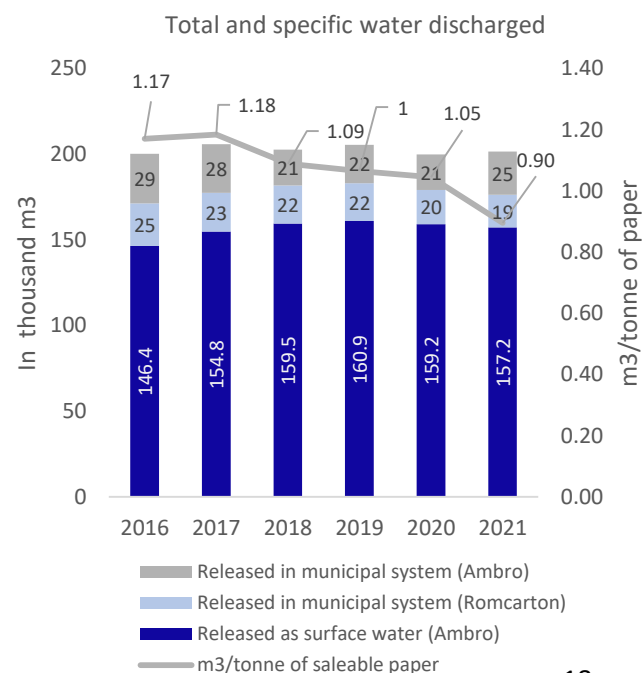
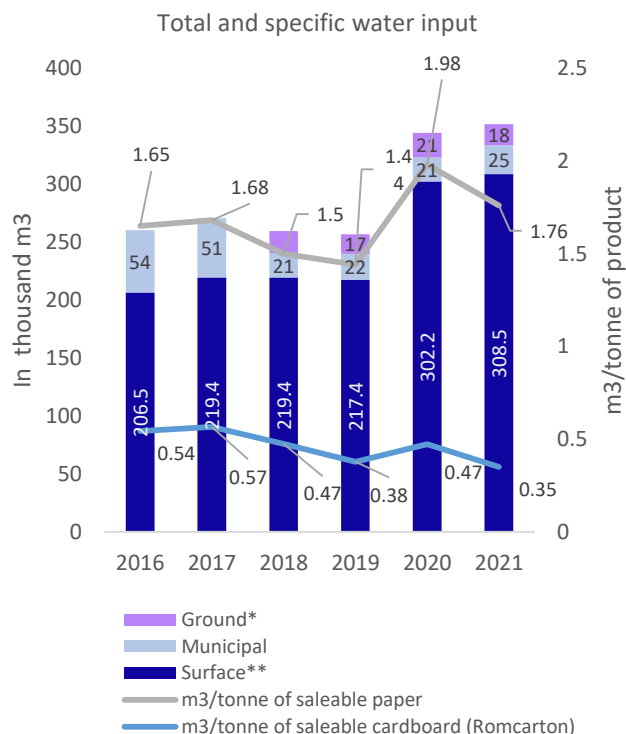
**Water Management-** Water has a very high materiality rating for pulp, paper and board companies (source: ENCORE). To minimize our impact on local water resources, we are currently working on a partially closed water system. Ambro represented 95% of our total water intake in 2021. In fact, while cardboard making mainly uses steam, papermaking requires larger amounts of water. At Ambro, our industrial water is taken from the river Suceava and then treated by our own wastewater treatment plant. Non-industrial water however remains in the municipal system. At Romcarton, since 2018 all our water is ground water that is centralized and drawn from our borehole. After a treatment, it is then sent back in the municipal system. Quality parameters of water discharged into the river, which receive daily controls, are monitored respecting strict regulations and limits imposed by local authorities.

**Ongoing projects** – At Ambro (corrugated cardboard unit), we are testing a new water purification process (reverse osmosis) for wastewaters from printing activities. The objective is to improve the water filtration and to reuse them for manufacturing inks or for cleaning process. In parallel, at our paper mill, the installation of a new anaerobic water station is under study. This new system could increase the amount of fresh water returned to the paper machine, and further close water circuits. At Romcarton, a new automatic cleaning method for printing plates will be tested, saving both water consumption, and time for workers.

**Data** – Between 2016 and 2021, our total water withdrawn increased by 35.2% and per tonne of paper by 7%. Per tonne of cardboard (Romcarton), this amount has however dropped by 35%, and has ever been that low. In the same period, our total water discharged increased by 0.6% and decreased per tonne of paper by 23%.

\* Water found underground in the cracks and spaces in soil, sand and rock.

\*\* Water that collects on the surface of the earth: includes oceans, seas, lakes, rivers, or wetlands. Suceava river in our case.





#### Average yearly quality parameters of the wastewater discharged into the Suceava River (Ambro) in 2021

	mg/l	Limit set by the Water Management Authorizations (AGA 188/12.07.2016)
<i>Chemical Oxygen Demand (COD)</i>	<b>63</b>	125
<i>Biological Oxygen Demand (BOD)</i>	<b>4</b>	25
<i>Total Suspended Solids (TSS)</i>	<b>15</b>	35
<i>Nitrogen (N)</i>	<b>2</b>	10
<i>Phosphorus (P)</i>	<b>0.04</b>	1

**Water emissions** - COD and BOD represent the quantity of oxygen needed to oxidize all organic compounds present in a volume of water. High COD and BOD indicate a high amount of oxidizable substances in a water sample, lowering the quantity of Dissolved Oxygen (DO), which can in turn damage aquatic ecosystems through organic contaminations. In the same way, high levels of TSS which are particulates remaining in wastewater after treatment, can act on turbidity (clarity), can raise water temperatures, and can lower DO, again threatening aquatic life. As observed, the quality parameters of our treated water discharged into the river in 2021, were all well below the values imposed by the water management permits, indicating a good performance of our treatment plant.



### Our targets and actions

The following objectives can be respected, if focus is made in three areas: reducing freshwater consumption, monitoring water emissions, and closing water circuit.

#### Maintain specific water withdrawal

below 3.5 m<sup>3</sup>/ tonne of paper and 0.5 m<sup>3</sup>/ tonne of cardboard.

#### Keep yearly quality parameters for water discharged below required limits

#### Assess water-related risks

With the help of available tools from the World Resource Institute (WRI), assess water-related risks to help review targets, mitigate financial, physical and regulatory risks.

### Reducing and closing the loop

Continuously evaluate water recirculation options.  
Improve separation and reuse of process water.  
Better cleaning of greasy water for better reuse.  
Continuously seek investment opportunities in water efficient technologies.

#### Water emissions

Maintain continuous monitoring and control of process water quality.

#### Engage

Sensitize, communicate, and train employees on responsible water use.

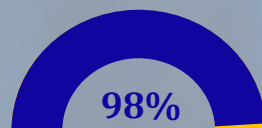
# Our Social Responsibility

Rossmann Romania has a long-term view of its business, and from this point of view, employees are considered as a vital resource and treated as an element of business sustainability. In this sense, we identified three main area of focus: employees and workforce, occupational health and safety and local communities.

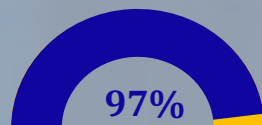
## Key Social Data (2021)

# 963

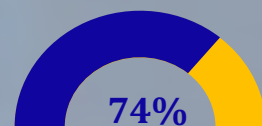
was the number of people working at Rossmann Romania in 2021. Of this number, 65% worked at Ambro, and 35 % worked at Romcarton.



■ Full-time employees  
■ Part-time employees



■ Permanent employees  
■ Temporary employees



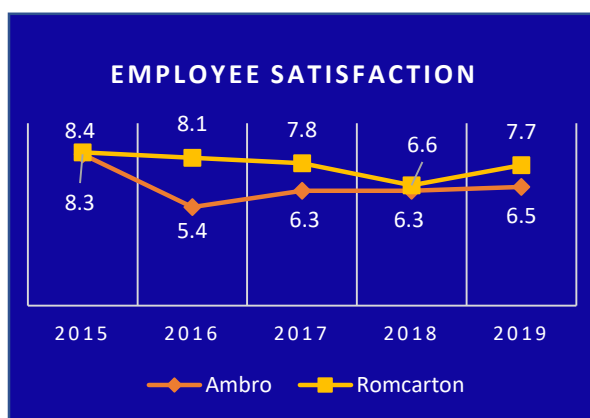
■ Blue-collar workers  
■ White-collar workers

# Employees and workforce

## Employee Well-Being and Development

**Employee Development** – From the first day, new employees are offered a personalised integration plan, helping them become familiar with the challenges of the position and understand the company's objectives, structure, and governance. As part of our Social Responsibility Policy, we “invest” in people by ensuring that they have the right skills and by offering training and education. We encourage the internal mobility of employees, so that they have access to more responsible positions, and to avoid routine. Through our Annual Training Plan, we evaluate and improve people's performance in line with the company's and people's needs. In 2021, employees (white collars) received on average 27h (21h in 2020) of training, whereas blue-collar workers received 24h (17h in 2020). These include training on ETI Base Code (Ethical Trade Initiative) occupational health and safety, ISO standards, policies (FSC, anti-corruption etc.) or other technical subjects.

**Employee Satisfaction** - Employee satisfaction and engagement are important for Rossmann Romania and our future as a company depends on the relationship we develop with our employees. Each year, we conduct a survey, to better understand their motivation, needs and source of engagement.



EMPLOYEE TURNOVER RATE		
	2016	2021
Ambro	14%	12%
Romcarton	17%	15%

While at Ambro the level of employee satisfaction slightly increased, at Romcarton it decreased in 2018, due to the relocation of our activity.

Our global turnover rate has decreased since last year and is still lower than the average turnover in the industry. Keeping people in our industry remains challenging due to the nature of our jobs (work in shifts, noise, physical effort) and the image of manufacturing industry for young generations. Due to the pandemic, anxiety and uncertainty rose globally, and it has been reflected in our organization.

## Fair Recruitment and Remuneration

Ratio	2016	2021
Average salary of women to men	Workers 0.81	0.76
	Employees 0.81	0.76
Our lowest salary compared to the min. Romanian wage	1	1.12

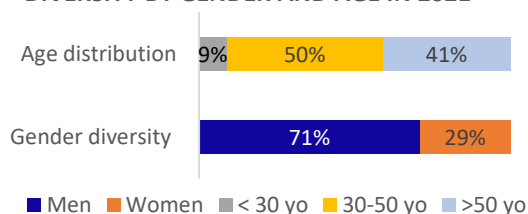
Historically, in our industry, men received better wages than women because they exercised physical tasks with higher responsibilities, usually not occupied by women. In the past years we have invested in new equipment and technology to increase the safety, ergonomics, and productivity. At the same time, we invested in upskilling and reskilling of our employees, both men and women, so that they can access better paid positions. In 2019, we proudly launched our on-the-job training and job rotation program. We make sure our employees are paid in accordance with legal requirements, and that these incomes satisfy the minimum living needs for them and their families. During the recruitment phase, we are careful to offer the same salary for the same job, regardless of the candidate's gender, and that we neither select applicants based on their gender, age, origin, or religion. We offer employees fixed salaries, to which are added bonuses, benefits, and annual increases. Job vacancies are published internally and through our website, to allow everyone to get access to open positions.

## Diversity and Inclusion

Diversity at Rossmann Romania has mainly been driven by non-discriminatory principles during recruitment and at the workplace. We believe that a diverse team can bring added value, and we favour the enrolment of people who can provide a new perspective/view to the company. We strive to guarantee equal opportunities for our employees, and for that, internal trainings and career management plans are implemented. We ensure that no one is left behind, and that everyone's voice can be heard. Complaint boxes have been set up so that employees can raise concerns at anytime.

In 2021, 91% of our workforce was over 30 years old, and almost 3/4 were men. This gender distribution is mostly explained by the nature of our industry. Men are largely represented among workers, with low-level of education, whereas women represent almost half of the employees with higher education. The age distribution is explained by the fact that staff retention improves with age. This result reflects the efforts we made to retain people on the long term.

### DIVERSITY BY GENDER AND AGE IN 2021



**Future target** – Reach an employee satisfaction of **9/10** each year.

### Future actions –

Move forward with upskilling and training programs  
 Develop a career plan/path for employees  
 Train employees on diversity & inclusion  
 Set a unique collective labour agreement for Ambro & Romcarton.

## Ethics at work

Ethics among co-workers is guided by our Code of Ethics which is regularly reviewed by our top management. It contains principles and guidelines in the following areas:

- **Respect and tolerance** are at the heart of the Group's ethics, which considers these values essential for the health of the organisation.
- Employees and members must avoid any **conflict** between the **interests** of the Group and their own interests.
- The Group undertakes to maintain, an attitude of **political and religious neutrality**, based on integrity and mutual respect, and therefore considers that these activities must be practiced outside of the workplace.
- We strive to prevent any form of moral, sexual, or physical **harassment** among employees, and to take the necessary measures to sanction such attitudes and call for exemplary conduct.
- We ensure strict compliance with the principle of **non-discrimination** in employment or in relationships. We operate mainly in 2 areas: professional equality between men and women, and refusal of judgments based on ethnic, national, cultural, religious, or family backgrounds.

### Collective bargaining and freedom of association –

At Rossmann Romania, we allow each employee to inform, participate or organize worker's organizations/trade unions. Employee representatives regularly meet with our top management to discuss about working conditions, security or any other topics that is relevant.





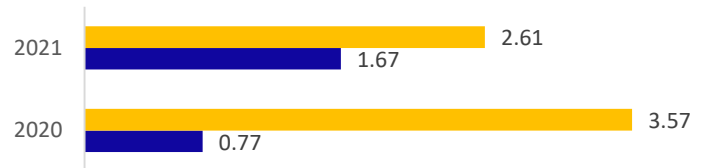
# Health and Safety

**Health and Safety Policy and culture** - In our activity, we ensure a healthy and safe work environment for all our employees, contractors, and visitors. The goal of our OHS policy is to prevent occupational hazards and to continuously improve working conditions. Our OHS management complies with the legislation in force, with ISO 45001 (audits are performed) and SA 8000 standard principles, and with the labour principles of the International Labour Organization (ILO). Through our policy we commit to identify and eliminate hazards, as well as to prevent occupational injuries and illnesses through risk assessments, safety measures, and training. The prevention of risks and accidents is a key objective for the Group, and we therefore support the consultation and active involvement of employees and their representatives to communicate on health and safety issues.

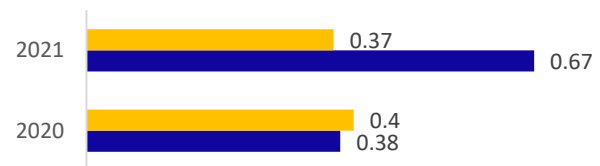
**Our performance and progress** – Overall, for the year 2020 and 2021, Ambro performed better than Romcarton regarding the suggested OHS indicators. The paper mill at Ambro, has a low record of accidents, whereas the cardboard factory seems to be more exposed to injuries. But the number of hours worked at Ambro is more than the double of that of Romcarton, explaining this difference. To avoid any confusions, we can say that in 2021, for 100 employees who worked over a year at Romcarton, between 2 and 3 incidents occurred, whereas between 1 and 2 incidents occurred at Ambro (TRIR). The average TRIR for the pulp, paper, and paperboard industry is 2.2. This rate was the same for the corrugated and solid fibre box manufacturing industry (U.S. Bureau of Labor Statistics). Globally, the number of accidents increased between 2020 and 2021, but the number of hours worked also largely raised (+12.3%). In 2021, Romcarton had 223 lost working days due to incidents at work, resulting of a relatively high LWR. However, its total recordable incident rate decreased between 2020 and 2021. Therefore, Romcarton experienced fewer recordable incidents, but the ones that occurred required more days off than in 2020.



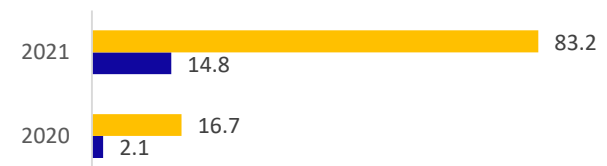
## TOTAL RECORDABLE INCIDENT RATE (TRIR)



## LOST TIME INCIDENT RATE (LTIR)



## LOST WORKDAY RATE (LWR)



■ Romcarton ■ Ambro

\*See Glossary for definitions and methodologies.



**Working conditions** - The paper and board industry is a sector which requires working with machines and materials that can present physical risks to people. Therefore, we provide all protective equipment needed to prevent them, and regular training are delivered to workers to ensure their correct use. Through our policies and instructions, we make sure our workers know how to operate in the safest conditions, including how to manipulate hazardous substances and machines, to work at height, to lift heavy objects, or to protect against noise. Noise and air quality checks are regularly conducted. Working time is cautiously managed, with shifts occurring every 8 hours. Maximum hours per week cannot exceed 48h and compensations for extra hours are allocated. Good psychological and physical conditions of our employees/workers is essential, and regular health check-ups are provided on-site. To support the development of our co-worker's mental health, since 2020, we decided to offer each employee a free subscription to the platform Bookster, with an access to thousands of books and podcasts. In the same way, we provide free psychological services to all employees, on a voluntary basis, and we encourage employees to seek help when needed.

**Responding to Covid-19** – Protecting the health of the people and of their families is a priority for the company. The Covid-19 pandemic has changed our ways of interacting with each other, and unprecedented organizational changes had to be made. In 2020, the access to the factory was limited, and teleworking was requested for most of our employees. As safety instructions became our priority, we tried to limit as much as possible direct contacts between people, we

**Future targets** – Keep number of injuries lower than 6 for Ambro, and lower than 3 for Romcarton per year.

Zero major accident or fatalities.

**Future actions** – Romcarton: install automatic sensors on forklifts in the finished goods area.

Ambro: improve working conditions (new equipment and furniture), implement a bonus scheme to prevent accidents and install equipment and automatic sensors on forklifts.

implemented the supplementary hygiene measures ordered by the authorities and identified people at risk to give them particular attention. Some measures have been implemented to limit the contaminations:

- Addition of disinfectant dispensers
- Supply of two masks per day per employee
- Reinforced disinfection of common areas
- Free COVID-19 tests delivered on-site
- Free access to psychotherapy services
- Support of vaccination campaigns (free transportation to vaccination centres)

	2018	2019	2020	2021
<b>Number of injuries</b>	12	11	12	17
<b>Number of fatalities</b>	0	0	1	0

## Case Study: improving fire protection

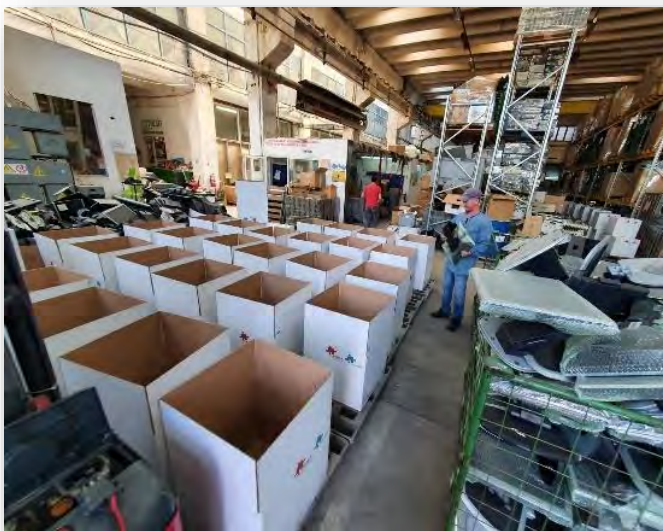
Fire risks at warehouses are taken seriously, especially in the paper and cardboard industry. With the purpose of increasing the safety of the building and its users, we have recently decided to invest in new state of the art fire sprinklers at the cardboard factory in Ambro. This new equipment runs automatically with dedicated water tanks and is equipped of central commands and a signalling station.



# Local communities

**Voluntary financial support** – We strongly believe that the role of a company within a community goes beyond its obligations as a legal entity. Beyond its economic contribution, it has a significant impact on local communities. Rossmann Romania is aware of its social responsibility. The company is concerned not only with current developments, but also with the long-term consequences of its actions on society through active social implication. To this end, we run financial support programs for employees and the community through sponsorships, awards for sport events, seminars and teambuilding that encourage involvement and initiatives in the fields of education, health, environment, and well-being.

In 2021, 64,700 € were allocated to philanthropic activities. Around 48% were dedicated to well-being and employee association, such as sport activities and trade unions. We also develop and maintain strong partnerships with local actors involving universities and other non-profit organizations (i.e., Hope and Homes for Children and Ateliere Fara Frontiere). Our second largest contribution involved education, with 25% of our voluntary financial support. Contributing to the development of local infrastructures including hospitals and schools seems essential to us, to ensure our employees and their families an access to good quality services in health and education.



## 64,700 €

donated in 2021.



**48%** Well-being/employee association



**25%** Education



**24%** Health



**3%** Environment

## Case Study: partnering with Ateliere Fara Frontiere

In 2021, we continued our collaboration started in 2014 with Educlick, one of the projects of Ateliere Fara Frontiere. By refurbishing used computers, this project gives a second life to electronic items, that are then sent for digital education in schools, NGOs and institutions working with disadvantaged communities. With the help of the boxes donated by Romcarton & Ambro, hundreds of computers arrived every month safely at the educational structures. Each item is packed with care to be used in the best conditions by the students of schools located in vulnerable areas in Romania.

**Supporting community events** –Employee and community involvement are key directions for the Group, which is why participating in sport or social events has been part of our culture.

- **Let's Do It Romania:** Rossmann Romania has volunteered several times with this national greening project, through its participation to the World Clean-up Day. In 2021, our team gathered more than 60 bags of litter in public spaces.
- **Corporate Games:** we were part of the 2021 Corporate Games that occurred in the city of Brasov, where several companies compete in running, karting table tennis and other activities.
- **Student programs:** between 2017 and 2020, through the partnership between Ambro and the Technical College "Petru Muşat", Suceava, 18 students obtained the qualification of "operator in the manufacture of pulp and paper", after a 3-year cycle of dual education.
- **Educational activities:** visits are organized regularly for students, in an objective to educate on the industrial processes of making paper and corrugated cardboard, and to sensitize on recycling.

**Impact on local development** – Rossmann Romania contributes directly to the economic development of the regions where it operates and helps improve the well-being of their inhabitants. In 2021, Ambro and Romcarton delivered more than 9 M euros in wages, more than 7 M euros in payroll taxes and social security contributions, and more than 1M euros in direct taxes (income tax, property tax, environmental tax).

**9.2 M€**

**in net salaries**

**7.2 M€**

**in payroll taxes and  
social security  
contributions**

**1.1M €**

**in direct taxes**



**Future target** – Define and implement a "Community Program" with structured actions, partnerships, and events to realise through the year of 2023.



# Our Business Impact

From the respect of human rights across the supply chain, to the responsible procurement of materials, Rossmann Romania can influence society and the environment, through its governance, policies, and practices.

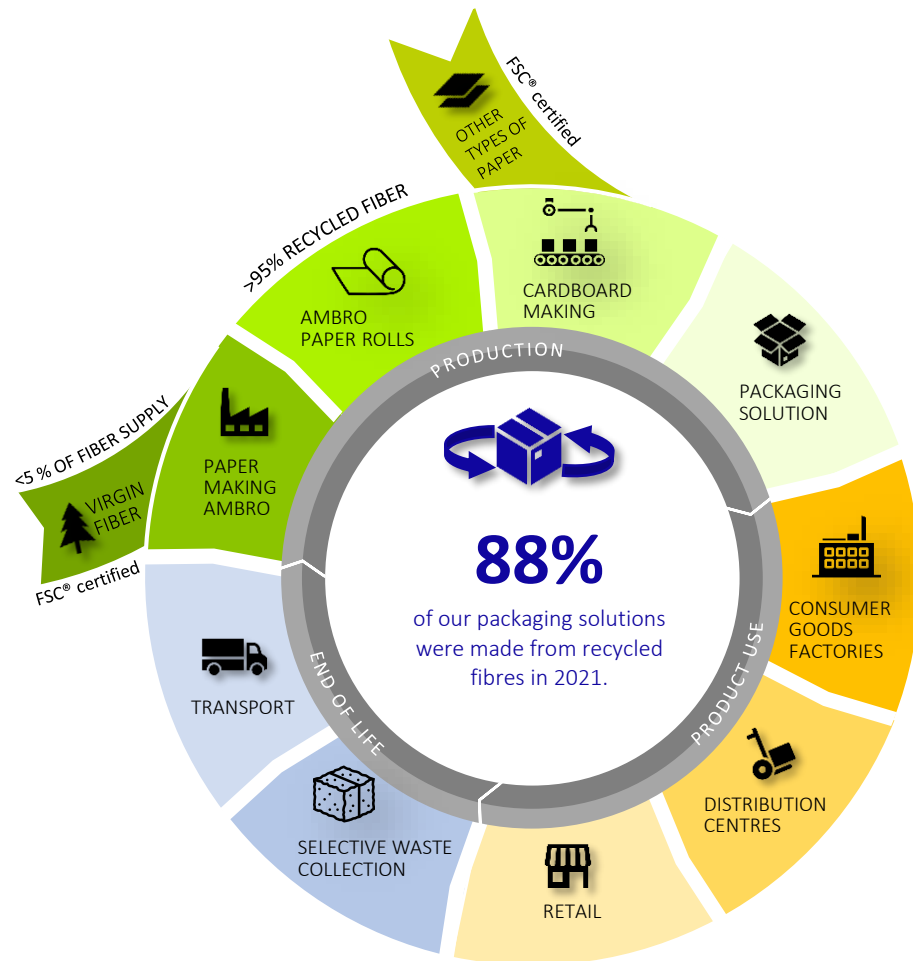
# Product impact

*At Rossmann Romania, we try to embed circularity wherever it is possible. Our model is based on a closed-loop system, in which we both produce and recycle our own industrial waste. A responsible use of materials and product innovations can create added value for our customers, for our business, and for the environment.*

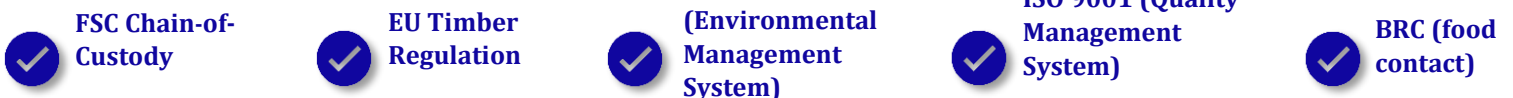
## Circularity in our business –

Because it is made from renewable and biodegradable sources, corrugated cardboard is by nature a circular material. Our final packaging solutions are 100% recyclable which make them a source of inspiration for other packaging materials. A study conducted by the European Federation of Corrugated Board Manufacturers (FEFCO) also shown that corrugated cardboard is biodegradable and compostable.

The pulp and paper industry has long been subject to controversies due to unregulated or illegal deforestation required to produce wood cellulose. However, at Rossmann Romania, virgin pulp represents only a small part of our raw materials for paper making, since paper and board wastes represented over 98% of our raw materials in 2021. Yet, corrugated cardboard is made from at least three layers of paper, which can have different virgin fibre content. Higher virgin fibre content is sometimes needed to increase the resistance of the packaging and ensure a maximum protection of the product. Additionally, our products are FSC certified (see p.32 for more details). On average, in 2021, we have estimated that our final packaging solutions were composed of recycled fibres at **88%**.



## Our processes and products respect standards and certifications





**Paper and cardboard in Europe** – More than 80% of marine litter worldwide is plastics, and to face this global environmental issue, the EU decided to ban single-use plastic items (cutlery, plates, food and beverage containers etc.) in 2021, under the European Green Deal. This incentive gives good forecasts for cardboard packaging, which has the highest recycling rate among other packaging materials in Europe (85%), and that already reached the EU objective of achieving an overall packaging recycling rate of 70% by 2030 (Eurostat).

According to a study conducted by the Food and Agriculture Organization of the United Nations (FAO), European forests grew by 44,000 km<sup>2</sup> between 2005 and 2015. When forests are managed responsibly, supplies in raw materials for paper and cardboard manufacturing do not negatively impact resource availability, and can even contribute to carbon sequestration.



**Use of chemicals and inks** – The use of chemicals and inks are carefully monitored at Rossmann Romania, whether it is regarding their toxicity, efficiency, or costs. Inks are used at our printing machines for corrugated packaging and are water-based. Wherever we can, the reuse of materials is prioritized, and as a good example, all printing machines operate on the principle of recirculation, so that a minimum amount of ink is wasted. At Romcarton we have also recently launched a program for minimizing ink wastes during the cleaning of printing machines.

Chemicals used in our processes respect the European regulation REACH, which enhances the transparency of products, and demands manufacturers to deliver risk identification and safety instructions. Before purchasing chemicals, we ask suppliers details about their product safety, and consider/evaluate this parameter in our final decision.

**311 t. of ink**  
used in 2021



**2,914 t. of chemicals**  
used at the paper mill in 2021



### Future target

Reach **90% recycled content** in our packaging solutions by 2025.

### Future actions

Undertake in-depth product life cycle assessments (LCA).  
Deliver training to our Design Department on circular economy.  
Launch programs on chemicals and inks efficiency.  
Launch programs for seeking more eco-friendly alternatives to current inks and chemicals.

**Delivering quality products** – As part of the Rossmann Group, our main mission is to meet current and potential customers' needs with quality paper and packaging. Corrugated packaging prevents contamination and degradation of products and guarantees a secured supply of food. For that, we respect strict requirements from the BRCGS Packaging Materials, issue 6 standard. Additionally, by following ISO 9001 standard, we assure our customers that our products are delivered under internationally recognized quality policies and procedures.

# Engaging with customers: the case of IKEA

**IWAY** — IKEA's Supplier Code of Conduct defines the scope and requirements mandatory for their suppliers, regarding environmental and social practices. A strong relationship is maintained with our customer, and regular audits are undertaken, to make sure we meet their expectations. More than just an evaluation, this collaboration provides us good tools to develop our social responsibility policy, to meet the highest labour standards, and to align with current environmental challenges. We commit to respect the requirements established by IWAY 6.0, regarding corruption, forced/child labour, working conditions, health and safety, the protection of the environment, freedom of speech and association, and fair wages.

**Building our sustainability roadmap** — Under this approach, results and outcomes are evaluated every year to form a Supplier Sustainability Index (SSI), which we seek to continuously improve. Strong focus is made on energy consumption and carbon emissions, but other area such as water use, waste generation and resource use are also covered. As a significant supplier of corrugated cardboard packaging, we have the power to influence IKEA's footprint, and help them positively impact society and the environment. Our long-term collaboration and the tools they provided, largely guided us in the definition of the KPIs and objectives for this report and for our sustainability roadmap.

---

**65/100**

SSI score of  
Ambro in 2021

**67/100**

SSI score of  
Romcarton in 2021



# Ethics and Human Rights

*Ethics in our business practices and respect of human rights across our supply chain are fundamentals to secure the long-term sustainability of our activity. Rossmann Romania builds its policy, procedures and actions following the principles of international standards such as the ones set by the International Labour Organization (ILO). As members of the Supplier Ethical Data Exchange (Sedex), we receive annual audits (SMETA 4-pillars) on four sectors including business ethics.*

**Anti-corruption and bribery** — Under our anti-corruption policy and our anti-corruption good practice guide, we control corruption through prevention, administrative control, and sanctions at a company level (internal regulations, elimination of favorable factors, training, awareness, risk analysis, monitoring). At all hierarchical levels, the practice or encouragement of any form of corruption such as taking/giving bribes, receiving undue benefits, using influence peddling or creating conflicts of interests, are prohibited. This policy applies both internally with collaborators, and outside the company, in situations of representation of the company abroad for example. Acceptance or offering of gifts / forms of entertainment is not allowed if it may lead to a conflict of interest, if it may influence the objectivity of a professional activity or if they are in contradiction with the objectives of the Group. We encourage our employees to report any act of corruption, or any attempt of pressure exerted on them for the purpose of corruption.

81%

of Romcarton's employees were trained on our anti-corruption policy in 2022 (data for 2021 is not available.)



**Future targets** - Train **at least 90%** of our people on corruption and bribery every year.

## Future actions

Undertake risk assessments for corruption and child labour across the supply chain.  
Set a mechanism to monitor the percentage of people trained on corruption at Ambro.

## Use of confidential information and anti-competitive behavior

Confidential information relate to information detained by the Group, and which can give the organization a competitive advantage, which can harm the organization if disclosed publicly or to a competitor, or which belongs to third parties and that the organisation must keep secret. Their confidentiality is communicated to the top management and to employees. As the property of the company, Rossmann Romania does not allow their use or disclosure.

**Compliance** — Compliance with national laws and international conventions, aside from being an imperative obligation for the Group, is a moral duty. The Group complies with the laws in force in all the countries where it does business, including for Romania. In our activity and that of our subcontractors, we ensure that the most demanding standards of ethical behavior are respected, considering the social context, in which this activity takes place. It is in this context that we ask each employee to behave in accordance with the laws and regulations, with a concern for responsibility, integrity, and professionalism.

**Child and forced labor** — Rossmann Romania does not practice and discourages the use of child and forced labor, both in its own operations, and in the activity of its suppliers and subcontractors. Trainings on ETI Base Code (Ethical Trade Initiative) are delivered, to ensure our employees know how and when to report cases of child or forced labor in the supply chain. Human right issues are addressed in our Internal Regulation and Collective contracts, in ETI Base Code and in our Social Responsibility Policy, and a grievance mechanism is implemented through complaint boxes. We do not employ persons under 18 years old, and young workers cannot work at night or carry out activities presenting risks for their health.



# Sustainable Procurement

## Zero tolerance for non-responsible or illegal deforestation –

In 2021, we have achieved 100% sourcing FSC certified material and eligible material for FSC certified products manufacturing (i.e., reclaimed material - wastepaper). At Romcarton, a total of 57,163 t of paper was purchased, of which 83 % was recycled paper (FSC Recycled Credit and FSC Recycled 100%), and 17% was FSC Mix Credit. At Ambro, 204,012 t of raw materials were sourced, to which around 92% was recycled (wastepaper), and 8% was FSC certified paper (FSC Mix Credit, FSC Recycled Credit and FSC Recycled 100%). As a result, both Romcarton and Ambro commit not to be involved in:

- illegal logging or the trade of illegal wood products
- violation of traditional human rights in forestry operations
- destruction of high conservation values in forestry operations
- significant conversion of forests to plantations or non-forest use
- introduction of genetically modified organisms in forestry operations
- violation of any of the ILO Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work.

**Future targets** – Maintain 100% of purchased paper that is recycled or FSC certified

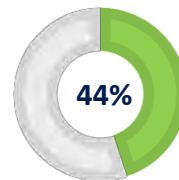
## Future actions

Develop a Supplier Code of Conduct and get our suppliers adhere to it.  
Conduct a supplier sustainability risk analysis/mapping and get high-risk suppliers audited.  
Train our buyers on environmental and social issues within the supply chain.  
Collaborate/discuss with suppliers to improve their CSR approach.

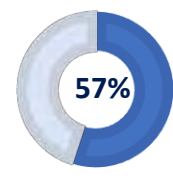


**100% recycled or FSC certified**  
purchased paper in 2021

**Supplier assessment** – Our process of supplier assessment is made through supplier self-evaluation questionnaires. Suppliers are evaluated on several topics including on management systems, quality controls, respect of human rights, and working conditions. Out of 398 suppliers evaluated in 2021, 44% had an Environmental Management System in place (ex: ISO 14001), and 57% had a Social Responsibility Policy/Management System in place. A Supplier Code of Conduct has recently been developed at the Group level and needs to be implemented at our Romanian sites. By doing this, we can clearly define our expectations, get our suppliers involved, and foster supply chain transparency.



of suppliers evaluated in 2021,  
have an Environmental  
Management System (ISO 14001)



of suppliers evaluated in  
2021, have a Social  
Responsibility Policy



# Additional information

<b>Stakeholder engagement</b>	<i>p.34</i>
<b>About this Report</b>	<i>p.35</i>
<b>Glossary</b>	<i>p.36</i>
<b>GRI Index</b>	<i>p.40</i>
<b>Summary of KPIs</b>	<i>p.42</i>



# Stakeholder Engagement

We believe that our stakeholders are key elements for driving and shaping our sustainability strategy. Through our supply chain, we encourage an open dialogue with various actors, and are receptive to their recommendations and feedback.



## Suppliers

They provide goods and services both for our paper mill and our packaging factories. A responsible procurement of materials is fundamental to minimize our environmental footprint. Some of our suppliers regularly organize webinars on topics such as the circular economy.



## Employees

They work at Rossman Romania and are key to the organisation's success. Through our trade union and through employee representatives, they regularly meet with the top management to discuss about working conditions and other related topics.



## Customers

They play an active role in defining our strategy. Managing its impact in the supply chain is now integrated in the whole sustainability approach of businesses, and some of our clients understand it. Their involvement is largely done through sustainability questionnaires/rating and meeting.



## Local authorities

Due to their activities and size, Romcarton and Ambro are subject to strict environmental regulations. Apart from this, according to the Romanian legislation, we have the obligation to publish an annual non-financial statement at the company level (Ambro only).



## Local communities

Dialogue with NGOs and communities is undertaken on a regular basis. Concrete social issues are raised, and we contribute to tackle them through partnerships. Debates and meeting are organised to share ideas on corporate sustainability (i.e., Ateliere Fara Frontiere).



## Shareholders

As a family-owned business, shareholders are represented by the Rossmann Group's headquarter. When significant investments are made, environmental factors are considered.



## Banks/investors

More and more, our investors are asking about our Environmental, Social and Governance (ESG) strategy and performance. By providing questionnaires and discussions, they help us define what corporate sustainability should involve.

# About this Report

## Reporting period

This report concerns the Rossmann Group in Romania and is planned to be updated every year. The report presents data and information for the period CY2016 – CY2021.

## Accuracy of data and transparency

Through this report, we intend to be as transparent as possible on our environmental, social and economic impacts, either positive or negative, and try to represent a true picture of the activity of our business and its consequences. Some indicators and information were taken from already existing reports, such as environmental reports (presented to local authorities) and non-financial reports (Ambro). Any changes in data or calculation methodology must be indicated in future sustainability reports.

## Global Reporting Initiative (GRI)

This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines. The list of Standard and Specific Disclosures can be observed in the GRI Index (p.40).

Contact person:

Aurelien Ramajo - Sustainability Coordinator

[a.ramajo@rossmann.ro](mailto:a.ramajo@rossmann.ro)

+40 7 22 158 049

# Glossary

General	Definition
<b>Containerboard</b>	Type of paperboard used in making containers, such as corrugated paper or corrugated cardboard.
<b>Corrugated cardboard</b>	Combination of two sheets of paper called “cover” glued to a corrugated paper called “core “. These three layers of paper are assembled in a way that gives the overall structure a much better strength than the one in each layer.
<b>Saleable product</b>	Finished good/product, ready to be sold.
<b>Sustainability</b>	Ability to create and maintain conditions under which humans and nature can exist in productive harmony, that permit fulfilling the social, economic, and other requirements of present and future generations.
<b>Virgin fibre</b>	Material used to make paper that has not been recycled from previous paper or other materials.
Certifications and standards	Definition
<b>BRC</b>	Internationally recognized standard for best practice in food safety, quality, and responsibility, developed by the British Retail Consortium, helping the food industry comply with UK and EU food safety laws.
<b>FSC</b>	The Forest Stewardship Council is a non-profit organization promoting responsible forest management and certifying forests around the world to ensure they meet the highest social and environmental standards.
<b>ISO 14001</b>	Standard that companies or organizations can follow to set up an effective environmental management system.
<b>ISO 45001</b>	Standard that specifies requirements for an occupational health and safety management system, and that gives guidance for its use, to enable organizations provide safe and healthy workplaces.
<b>ISO 9001</b>	Standard that sets out the criteria for a quality management system.
<b>SA 8000</b>	Standard that provides a framework (social management system) for organizations to conduct business in a way that is fair and decent for workers.
<b>SEDEX</b>	Membership organization that provides practical tools, services, and a community network to help companies improve their responsible and sustainable business practices, and source responsibly.

<b>Environmental</b>	<b>Definition</b>
<b>Biodegradable</b>	Able to decay naturally and in a way that is not harmful to the environment.
<b>Biomass (energy)</b>	All organic matter that can produce energy when reactions are done with it. These can be wood, leaves, pellets, and other organic matters.
<b>Circular economy</b>	Model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible.
<b>CO2e</b>	CO2e or CO2eq. is the abbreviation for 'carbon dioxide equivalent.' This unit is used to measure and compare emissions from greenhouse gases based on how severely they contribute to global warming. Gases like methane, nitrous oxide, ozone and water vapor have different global warming potentials, and are then put under a common unit. Scientists use CO2e to create a standardized metric that allows us to see how much non-carbon gases contribute to climate change. A tonne on CO2e is expressed "tCO2e".
<b>EU Green Deal</b>	Package of policy initiatives, which aims to set the European Union on the path to a green transition, with the ultimate goal of reaching climate neutrality by 2050.
<b>GHG</b>	A greenhouse gas is an atmospheric gas, such as water vapor, carbon dioxide, methane and nitrous oxide that absorbs and emits radiation produced by solar warming of the Earth's surface.
<b>Hazardous waste</b>	Waste with properties that make it dangerous or capable of having a harmful effect on human health or the environment.
<b>Landfill</b>	Engineered pit, in which layers of solid waste are filled, compacted, and covered for final disposal.
<b>Renewable energy</b>	Energy generated from natural processes that are continuously replenished. This includes sunlight, geothermal heat, wind, tides, water, and different forms of biomass. This energy cannot be exhausted and is constantly renewed.
<b>Scope 1 emissions</b>	Scope 1 covers emissions from sources that an organization owns or controls directly – for example from burning natural gas on-site, or fuel in its fleet of vehicles (if they're not electrically-powered).
<b>Scope 2 emissions</b>	Scope 2 are emissions that a company causes indirectly when the energy it purchases, and uses is produced. For example, for electric fleet vehicles the emissions from the generation of the electricity they're powered by would fall into this category.
<b>Scope 3 emissions</b>	Scope 3 emissions are all indirect emissions – not included in scope 2 – that occur in the value chain of the company, including both upstream and downstream emissions. In other words, emissions that are linked to the company's operations. They can include product transportation and distribution, end of life treatment, waste operations etc.
<b>SRF</b>	Solid Recovered Fuel is a fuel produced by drying, filtering, and shredding solid waste, and usually consists of the combustible components obtained from municipal solid waste. SRF may be derived from food and kitchen waste, paper, green waste, plastic bottles, toys, fabrics and composite waste.

<b>UN SDGs</b>	The United Nations Sustainable Development Goals have been adopted by all United Nations Member States in 2015, to form the 2030 Agenda for Sustainable Development, a shared blueprint for peace and prosperity for people and the planet. A total of 17 SDGs form an urgent call for action by all countries - developed and developing - in a global partnership.
<hr/>	
<b>Social</b>	<b>Definition</b>
<b>Blue-collar</b>	Refers to a type of employment. Blue-collar jobs are typically classified as involving manual labour and compensation by an hourly wage.
<b>ETI Base Code</b>	Founded by the conventions of the International Labour Organisation (ILO), it is an internationally recognized code of labour practice.
<b>ILO</b>	The only tripartite U.N. agency, since 1919, that brings together governments, employers and workers of 187 member States, to set labour standards, develop policies and devise programs promoting decent work for all women and men.
<b>LTIR</b>	Lost Time Incident Rate indicates the number of recordable incidents occurring in a company over a year, per 100 full-time employees, leading to an employee being unable to work for a minimum of one day. Formula: <i>number of lost time injuries x 200,000 / total number of hours worked in a year</i> . The number 200,000 represents the number of hours worked in a year of 50 weeks, for 100 employees working 40h per week.
<b>LWR</b>	Lost Workday Rate indicates the number of working days lost within a workplace over a year, due to occupational injury or illness, per 100 full-time employees. Formula: <i>number of workdays lost x 200,000 / total number of hours worked in a year</i> .
<b>Recordable incident</b>	Work-related illness or injury that results in medical treatment beyond first aid, days taken away from work, restricted activity at work, a necessary transfer to a different role, loss of consciousness, or death. In this report, no distinction is made between “incident”, “recordable incident” or “accident”.
<b>TRIR</b>	Total Recordable Incident Rate indicates the number of recordable incidents occurring in a company over a year, per 100 full-time employees. Formula: <i>number of recordable incidents x 200,000 / total number of hours worked in a year</i> .
<b>White-collar</b>	Class of employees known for earning higher average salaries doing highly skilled work, but not by performing manual labour at their jobs.



<b>Ethics</b>	<b>Definition</b>
<b>Conflict of interest</b>	A conflict of interest occurs when an entity or individual becomes unreliable because of a clash between personal (or self-serving) interests and professional duties or responsibilities.
<b>Corruption</b>	Dishonest behaviour by those in positions of power, such as managers or government officials. Corruption can include giving or accepting bribes or inappropriate gifts, double-dealing, under-the-table transactions, manipulating elections, diverting funds, laundering money, and defrauding investors.
<b>Ethics (business)</b>	The study of appropriate business policies and practices regarding potentially controversial subjects including corporate governance, insider trading, bribery, discrimination, corporate social responsibility, and fiduciary responsibilities.

# GRI Index

GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	Page	Title and Description
STRATEGY AND ANALYSIS		
G4-1	4	Statement from senior-decision maker
ORGANIZATIONAL PROFILE		
G4-3	1	Name of the Organization
G4-4	5	Primary brands, products, and services
G4-5	5	Location of the organization's headquarters.
G4-6	5	Names of the country where the company operates
G4-7	5	Nature of ownership and the legal form
G4-8	5	Markets served
G4-9	5	Scale of the company
G4-10	20	Information on employees and other workers
G4-12	6	Organization's supply chain
G4-13	6	Significant organizational changes or changes in supply chain
G4-15	6	External initiatives
G4-16	6	Membership of associations
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-18	7-8	Process for defining the report content and the Aspect Boundaries
G4-19	7-8	Material Aspects
G4-20	7-8	Aspect Boundaries
G4-21	7-8	Explanation of Material Aspects
G4-22	35	Changes compared to previous reports
STAKEHOLDER ENGAGEMENT		
G4-24	34	List of stakeholders
G4-25	7	Process for defining stakeholders
G4-26	7; 34	Approach to stakeholder engagement
G4-27	34	Stakeholder concerns and requirements
REPORT PROFILE		
G4-28	35	Reporting period
G4-30	35	Reporting Cycle
G4-31	35	Contact point for any questions regarding the report
G4-32	38	GRI Content Index
GOVERNANCE		
G4-34	4	Governance structure of the organization

ETHICS AND INTEGRITY		
G4-56	22; 31	<i>Ethics and Integrity</i>
G4-58	22; 31	<i>Mechanisms for reporting concerns</i>
CATEGORY: ENVIRONMENTAL		
<b>Energy</b>		
G4-EN1	29; 32	<i>Materials used by weight or volume</i>
G4-EN2	11; 28; 32	<i>Part of recycled input material</i>
G4-EN3	14; 15	<i>Energy consumption</i>
G4-EN5	14	<i>Energy intensity</i>
G4-EN7	14	<i>Reductions in energy intensity</i>
<b>Water</b>		
G4-EN8	18	<i>Total water withdrawal by source</i>
<b>Emissions</b>		
G4-EN15	12; 13	<i>Direct Scope 1 emissions</i>
G4-EN16	12; 13	<i>Indirect Scope 2 emissions</i>
G4-EN18	12; 13	<i>GHG emissions intensity</i>
G4-EN19	12	<i>Reduction of GHG emissions</i>
G4-EN21	42; 43	<i>Air emissions</i>
<b>Effluents and Waste</b>		
G4-EN22	18; 19	<i>Total water discharge by quality and destination</i>
G4-EN23	16; 17	<i>Total weight of waste by type and disposal method</i>
CATEGORY: SOCIAL		
<b>Employment</b>		
G4-LA1	21	<i>Employee turnover</i>
G4-LA2	23; 24	<i>Benefits for full-time employees</i>
<b>Health and Safety</b>		
G4-LA6	23; 24	<i>Number of injury and fatalities, and injury rates</i>
G4-LA8	24	<i>Health and safety topics covered in formal agreements with trade unions</i>
<b>Trainings</b>		
G4-LA9	21	<i>Hours of trainings per employee</i>
G4-LA10	21	<i>Programs for skills management</i>
<b>Diversity and Equal opportunity</b>		
G4-LA12	22	<i>Governance bodies and employees by gender and age</i>
<b>Equal Remuneration for Women and Men</b>		
G4-LA13	21	<i>Ratio of basic salary and remuneration of women to men by employee category</i>
<b>Anti-corruption</b>		
G4-SO4	31	<i>Communication and training on anti-corruption policies and procedures</i>

# Data summary (2021)

## Environmental Data

Production	Unit	Ambro	Romcarton
Gross production of paper	tonne	188,840	N/A
Gross production of corrugated cardboard	tonne	39,600	56,337
Net saleable production of paper	tonne	175,519	N/A
Net saleable production of corrugated cardboard	tonne	36,410	51,455

Carbon emissions	Unit	Ambro	Romcarton
Scope 1 (direct emissions)	tCO2e	44,123	2,767
Scope 2 (indirect emissions, market-based)	tCO2e	10,556	1,425

Other air emissions (Ambro natural gas boiler)	Unit	Ambro
NOx	mg/Nm3	47.12
Limit	mg/Nm3	350
SO2	mg/Nm3	4.06
Limit	mg/Nm3	35
Fine particules	mg/Nm3	<1.67
Limit	mg/Nm3	5

Other air emissions (Ambro boiler mix SRF and wood waste)	Unit	Ambro
NOx	kg	21,332
SO2	kg	2,025
CO	kg	1,964
HCl	kg	515
HF	kg	18
TOC	kg	1,405
Fine particules	kg	1,083

<b>Other air emissions (Ambro boiler biomass only)</b>	<b>Unit</b>	<b>Ambro</b>
NOx	kg	364
SO2	kg	17
CO	kg	167
HCl	kg	0.53
HF	kg	0.55
TOC	kg	46
Fine particules	kg	39

<b>Energy</b>	<b>Unit</b>	<b>Ambro</b>	<b>Romcarton</b>
Electricity purchased	MWh	43,839	5,916
Electricity produced on-site	MWh	37,104	N/A
Average CO2 footprint of electricity purchased	kgCO2e/MWh	240.79	240.79
<b>Total electricity used</b>	<b>MWh</b>	<b>80,943</b>	<b>5,916</b>
Natural gas	MWh	221,601	12,451
Oil and oil-based fuels	MWh	3,578	1,211
Solid Recovered Fuels	MWh	39,200	0
Biomass	MWh	16,474	0

<b>Waste</b>	<b>Unit</b>	<b>Ambro</b>	<b>Romcarton</b>
Non-hazardous	tonne	26,972	8,709
Hazardous	tonne	172	13
<b>Total waste generated</b>	<b>tonne</b>	<b>27,145</b>	<b>8,722</b>
Recycled/reused	tonne	7,177	8,664
Landfill	tonne	4,564	32
Recovered with energy	tonne	15,214	0
Eliminated without energy recovery	tonne	0	24
<b>Total waste treated</b>	<b>tonne</b>	<b>26,955*</b>	<b>8,720</b>

*\*a difference between waste generated and waste treated can appear, as stocks can vary.*

<b>Water intake</b>	<b>Unit</b>	<b>Ambro</b>	<b>Romcarton</b>
Surface	m3	308,548	0
Ground	m3	0	18,014
Municipal	m3	25,168	0

<b>Water discharges</b>	<b>Unit</b>	<b>Ambro</b>	<b>Romcarton</b>
Surface (with treatment)	m3	157,157	0
Municipal (with treatment)	m3	25,166	19,000



## Social Data

General	Unit	Ambro	Romcarton
Permanent employees	Number	619	316
Temporary employees	Number	5	23
Full-time employees	Number	610	306
Part-time employees	Number	9	10
Blue-collar workers	Number	494	217
Number of recruitments	Number	95	61
Employees leaving the company	Number	76	43
Employees taking parental leave	Number	11	8
<b>Total workforce</b>	<b>Number</b>	<b>624</b>	<b>339</b>

Employee well-being and development	Unit	Ambro	Romcarton
Hours of training/white-collar employees	hour/employee	16	39
Hours of training/blue-collar employees	hour/employee	26	19
Employee satisfaction	Score	Data unavailable*	Data unavailable
Employee turnover	%	12.1%	14.5%

\*due to the Covid-19 pandemic, employee satisfaction has not been assessed in 2021

Diversity and inclusion	Unit	Ambro	Romcarton
<30 years old	%	9%	9.6%
30-50 years old	%	44%	61.4%
>50 years old	%	47%	29%
Part of women	%	29%	29%

Health and Safety	Unit	Ambro	Romcarton
Total Recordable Incident Rate	Ratio	1.67	2.61
Lost Time Incident Rate	Ratio	0.67	0.37
Lost Workday Rate	Ratio	14.8	83.2
Injuries	Number	10	7
Fatalities	Number	0	0

Local Communities	Unit	Ambro	Romcarton
Total donations	Euro	43,981	20,742
Direct Taxes	Euro	253,092	813,921
Salaries	Euro	5,498,741	3,730,018
Payroll taxes and social security contributions	Euro	4,290,570	2,926,414

## Business Impact Data

Product impact	Unit	Ambro	Romcarton
Recycled content in final products (corrugated cardboard)	%	88%	88%
Ink	tonne	69	242
Chemicals (for paper production)	tonne	2,914*	N/A

\* without starch (5,765 tonnes used for paper production).

Ethics	Unit	Ambro	Romcarton
Employees that have received training on ETI Base Code/Code of Ethics and or anti-corruption	%	Data unavailable	81% (2022)

Sustainable procurement	Unit	Ambro	Romcarton
Suppliers evaluated by our questionnaire	Number	306	92
Suppliers evaluated that have an EMS (ISO 14001)	Number	131	44
Suppliers evaluated that have a Social Resp. Policy	Number	209	18