



FIBERTEX NONWOVENS

ESG Report

2022

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INTRODUCTION TO THIS

ESG Report



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We strive to be among the best in creating value, in a proper and trustworthy manner. We are committed to work responsibly and operate sustainably, in a motivating working environment. Responsible business practice is an inherent part of our daily operations and is central to the establishment of our long-term values and ongoing success.

We have developed Corporate Responsibility policies, which lay the foundation for maintaining a high level of business ethics. These policies cover issues such as human rights, social and labour conditions, anti-corruption and business ethics, as well as climate and environment.

Our business is built on integrity and exceptional business ethics. High standards are important in our treatment of company assets and in our dealings with stakeholders. We treat confidential information with care and we protect company valuables. We avoid conflicts of interest and we are always committed to be a fair and respectful business partner.

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MESSAGE FROM THE

CEO



Long-term responsibility

We are dedicated to drive the sustainability agenda within our industry. It is deeply embedded in our DNA and a fundamental part of developing the business. We have a global setup close to our customers, with state-of-the art technologies and modern production facilities making superior high-performance materials and consistently reducing our carbon footprint. We protect the environment by incorporating sustainable practices across our businesses and communities.

We invest significantly in our global manufacturing platforms to increase capabilities and capacities. We offer new and next level sustainable product properties, empowering our customers to create high-performance and sustainable solutions that improve the quality of life for people.

Vision

World leader in advanced nonwovens and high-performance solutions.

Mission

Create superior value for our customers through people excellence and innovative, sustainable, high-performing and cost-efficient solutions.

FIBERTEX NONWOVENS

Our Purpose



At Fibertex Nonwovens, we pioneer and innovate the way industries work with nonwovens and performance materials. We enable our customers to create high-performance and sustainable solutions, that improve the quality of life for people.

“We” – We are nonwovens specialists and enter strong long-term partnerships with our customers.

“Pioneer and innovate” – We commit ourselves to continuously developing and innovating solutions within the industries we serve.

“We enable our customers” – We strive to create value for our customers.

“High-performance solutions” – We manufacture a wide range of high-performance nonwovens, using advanced technologies, the best practices and quality materials, to enable our customers to create high-performance solutions.

“Sustainable solutions” – We protect the environment by incorporating sustainable practices across our businesses and communities. We strive to build a world with sustainable solutions, where we can consume, while taking care of our planet and its resources.

“That improves quality of life for people” – We create innovative nonwovens to simplify people's lives.

FIBERTEX NONWOVENS

Our Values



Clarity and trust

We focus on being clear about our purpose, tasks, empowerment and leadership. We are a trustworthy partner and employer.

Customer-centric

We build long-lasting relationships with our customers. We have the experience, skill and commitment to identify new opportunities and offer on-going support.

Agility and exploration

We work in an agile way and continually adapt our business to changing market conditions. Our scope is to explore the new, while executing the now, in a fast-moving world.

People excellence - results are created by people

Fibertex Nonwovens is our people. We develop the individual and encourage teamwork and openness. We foster diversity and inclusion, dignity and respect.

Integrity and responsibility

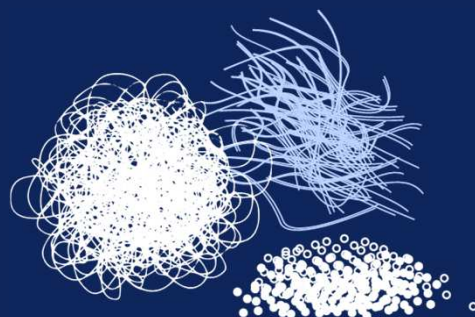
We respect and deal fairly and ethically with our employees, customers, suppliers and communities. We value and embrace our differences.

Sustainability

We protect the environment by incorporating sustainable practices across our businesses and communities. We strive to build a world with sustainable solutions, where we can consume, while taking care of our planet and its resources.

FIBERTEX NONWOVENS

Business Model



PROCUREMENT

Fibertex Nonwovens produces nonwovens from fibres made from various materials, such as polypropylene, viscose, recycled and new polyester and cotton. The company uses additives to give the materials certain unique properties.



PROCESSING

Fibertex Nonwovens applies three main technologies in manufacturing nonwovens for high-tech processing facilities: needlepunch, spunlace and thermal bonding. In the needlepunch process, fibres are carded, intertangled and needled together, while the spunlace technology uses highspeed jets of water to entangle the fibres. Thermal bonding is a process to melt the fibres together. In addition, nonwovens can also be put through various post-processings, including heat, impregnation, coating and lamination.



LOGISTICS

Fibertex Nonwovens uses external partners to transport finished materials to customers.



CUSTOMERS

Fibertex Nonwovens' products can be used for many different applications and are sold to many different customer groups worldwide. Industrial uses include in cars, for filtration, composites, wipes and in construction.

Fibertex Nonwovens manufactures special-purpose nonwovens produced on high-tech processing facilities. Nonwovens have a broad range of applications, for which the material provides unique properties, and it can form part of an end product or be integrated in a customer's manufacturing process.

Materiality assessment

A materiality assessment has been made to map out the most important impacts on the company's business goals and stakeholders. This map contributes to the prioritisation of clearly defined initiatives in relation to the Fibertex Nonwovens ESG agenda. The assessment will be frequently updated in order to ensure that our work with the ESG topics remains focused.



FIBERTEX NONWOVENS

2030 Ambition



Environment

Benchmark in environmental footprint reductions

Energy: Reduce cradle to gate
GHG-emissions by 20%

Raw material: Increase sustainable*
content by 25%

*Recycled, biodegradable, natural fibers



Social

Nurture the well-being of employees in a highly motivating environment

The employees: Support individual
development and growth in our
company, where diversity, team effort
and knowledge sharing are key

Health and Safety: Secure a healthy
and safe environment through
improved knowledge sharing and the
implementation of best practices



Governance and Innovation

Innovate to enable sustainability

Innovation: Develop next level
products, enabling our customers to
create sustainable high-performance
solutions

Circular economy: Establish closed
loop systems with suppliers and
customers through strong partnerships

FIBERTEX NONWOVENS



Milestones in 2022

LTI frequency rate
nearly halved

8% reduction in total
GHG emissions

13% renewable
electricity

ISO 45001
certification of facility
in Turkey

New system for
supplier screening
and risk assessment

Introduction of
disinfectant wipes
from non-synthetic
materials



ENVIRONMENT

Actions and results for 2022

Production of nonwovens is a resource-intensive process, in terms of both raw materials and energy. Accordingly, Fibertex Nonwovens was affected by the rising costs of energy, freight and materials in 2022. The energy crisis, prompted by the war in Ukraine, further escalated the situation.

Energy saving projects

Amid the energy crisis and surging prices, various options have been explored to increase production line capacity without a corresponding rise in energy consumption. One example was the completion of a capacity upgrade project in 2022 concerning a production line at the facility in North America, with an estimated capacity increase of 60-80%. At full utilisation of the production line, this could deliver a reduction in energy consumption of up to 25-35% per unit produced. Fibertex Nonwovens also introduced a large-scale energy-saving project, and all production units were screened for initiatives to achieve a reduction in energy consumption.

One example of an initiative already launched in the production unit in Denmark is a project to ensure more efficient transmission of heat from the heat rollers to the products during production. With this efficiency upgrade, an energy-intensive part of the production process can now be left out without compromising product properties. At the production line concerned, it has resulted in estimated annual savings of 530 MWh, equal to 17% of the total energy consumption of the production line. Fibertex Nonwovens is now assessing what other lines may have a similar savings.



ENVIRONMENT

Actions and results for 2022

While production ran efficiently with high utilisation rates early in the year, demand plunged in the second half, causing lower efficiency and, by extension, lower utilisation of energy in operations. Energy intensity per tonne of nonwovens produced rose slightly from 2.17 to 2.26 MWh per tonne of nonwovens produced.

Fibertex Nonwovens is highly dependent on having as few stoppages as possible and a high level of capacity utilisation to be able to operate with minimum energy consumption in production. As the volumes produced were slightly lower in 2022, absolute energy consumption dropped to 156,766 MWh, from 160,938 MWh in 2021.





ENVIRONMENT

More renewable energy leads to lower GHG emissions

Fibertex Nonwovens has started the transition towards more renewable energy. In Brazil, the company acquired International Renewable Energy Certificates (I-RECs) corresponding to all of the electricity use at the site, resulting in a total share of renewable electricity purchased of 13%.

Combined with the decrease in energy consumption, this change led to a reduction in total GHG emissions for Fibertex Nonwovens from 40,434 to 37,14 tonnes of CO₂e, equivalent to 8%.

To keep up the momentum, preliminary surveys were made in 2022 for the installation of solar panel systems at a number of the European production sites. Clarification will follow in the course of 2023.

Waste and spillage

With continuous production processes, spillage and waste management are important environmental parameters. In 2022, a project was completed that resulted in even better sorting of production waste than previously, allowing the waste to be returned to the supplier for regranulation and used as recycled material in its own production of fibres. Previously, the share of this type of waste sent for regranulation was 4-5%, but thanks to improved waste sorting, this share may be increased to 6-8% going forward.





ENVIRONMENT

Emissions in the value chain

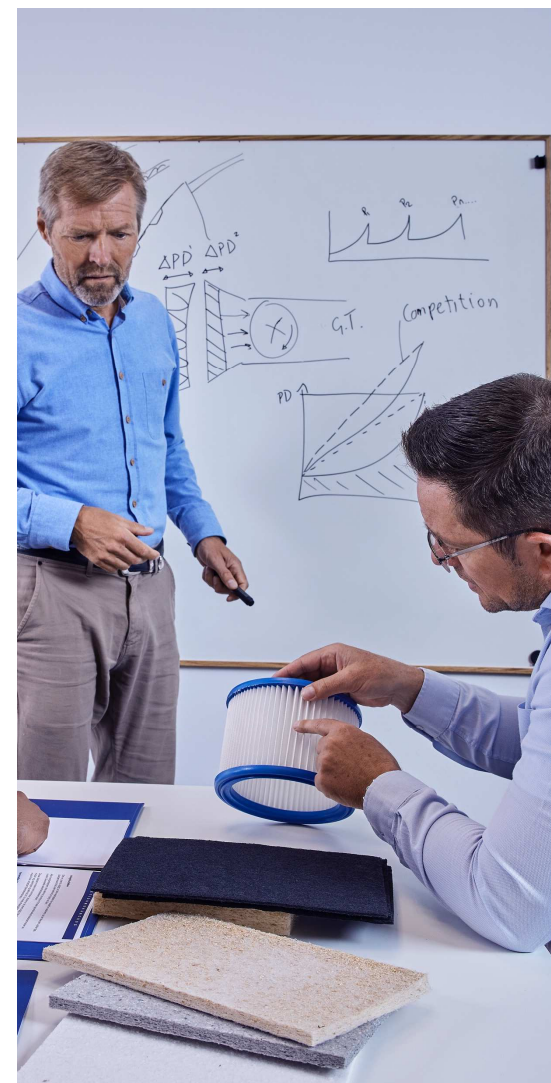
Fibertex Nonwovens's production involves significant emissions related to electricity consumption, but the full picture of both impact and reduction potential only emerges when factoring in the broader value chain; for example, by switching to recycled material or by cutting down the aggregate amount of plastics in the end product.

In 2022, Fibertex Nonwovens launched a project with the Danish Technological Institute intended to produce so-called Environmental Product Declarations (EPD) for a number of product groups. This includes making specific life-cycle assessments, and thus neutral documentation of the products' climate and environmental impacts.

New water treatment plant to reduce water consumption

Fibertex Nonwovens applies three main technologies in manufacturing nonwovens: needlepunch, spunlace and thermal bonding. Spunlacing is a process that employs high-speed jets of water to entangle fibres, so the company's water consumption in relation to this is substantial. It increased in 2022 due to falling demand, because the water tanks are emptied at each production stop and then refilled, which occurred more frequently in 2022 than in previous years.

At the French production site, it was decided in 2022 to install a new water treatment plant, which will improve water treatment and potentially also reduce water consumption going forward. The plant is scheduled to be installed in 2023.





Actions and results for 2022

In 2022, Fibertex Nonwovens focused systematically on reducing the number of occupational injuries in order to deliver on its commitment to strengthen employee health and safety. An effort that has produced results already and which will continue in the coming years.

LTI frequency rate nearly halved

A top priority for Fibertex Nonwovens in 2022 was to bring down the lost-time injury (LTI) frequency rate. The company has worked hard on measures to reduce the number of injuries and associated absence. The sustained focus and hard work are clearly reflected in the LTI frequency rate, which was reduced from 19.0 incidents per million working hours in 2021 to 9.9 incidents in 2022. This is close to a 50% reduction and extremely positive, though efforts to further reduce the frequency rate will continue. Driving this positive trend were several initiatives, including extensive and improved knowledge sharing and the implementation of best practice in the area. Focus has been on corporate culture and mindset, to ensure that safety is embedded in all activities, as well as on preventive work. Moreover, the LTI frequency rate is reviewed for all production units as part of the management evaluation so management is involved and all employees can clearly see it is a high-priority area.

ISO 45001 certification in Turkey

As a further initiative in the field of occupational health and safety, Fibertex Nonwovens obtained certification of its occupational health and safety management system to the ISO 45001 standard for the production unit in Turkey. Working with culture and mindset is an ongoing focus area to ensure that safety is embedded in all activities.



SOCIAL

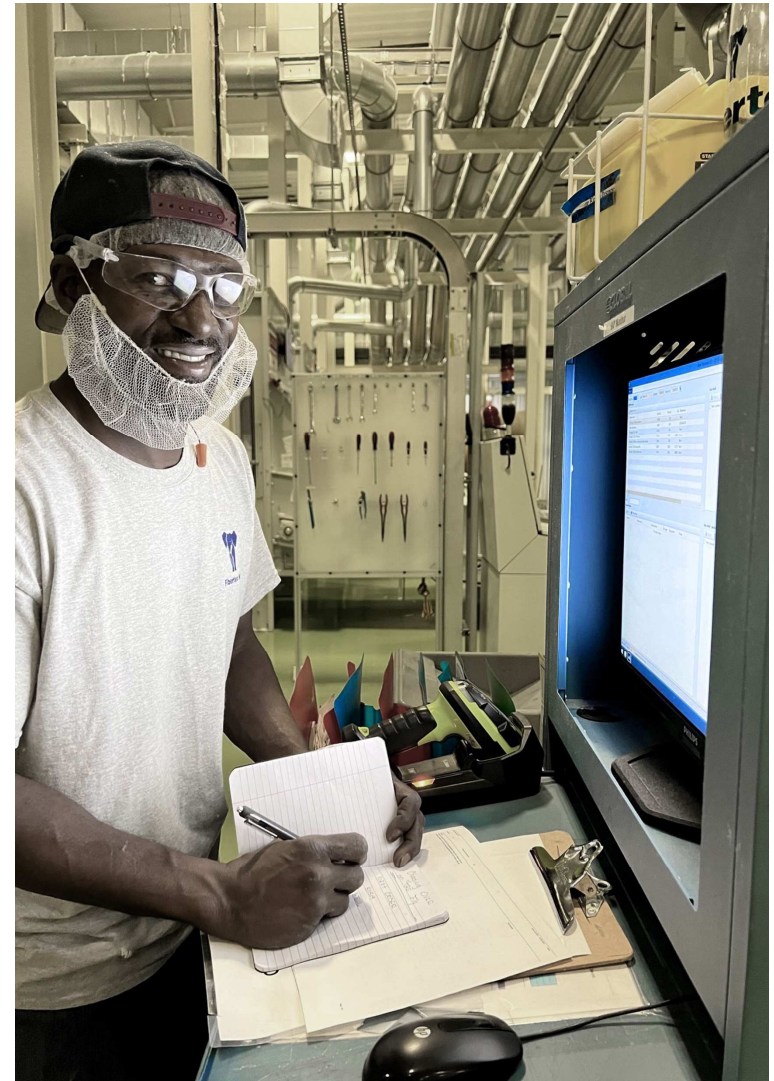
Actions and results for 2022

Human rights

Fibertex Nonwovens supports and respects internationally recognised human rights, including the Ten UN Global Compact principles, which are an important part of the company's commitment to social responsibility and key to its relations with employees, business partners and general society. For this purpose, Fibertex Nonwovens has a Code of Conduct for its employees and a Supplier Code of Conduct addressing external business partners.

Heightened focus on diversity

Fibertex Nonwovens is an international business where diversity activities are ongoing, but in 2022 the company stepped up its efforts to secure equal opportunities for all employees regardless of their background. This resulted in the preparation of a diversity policy, including targets, for implementation in 2023. The share of women in senior management has already been increased to 16% in 2022, from 11% in 2021. The increase was due to a new appointment.





GOVERNANCE and INNOVATION

Actions and results for 2022

A new global system for supplier evaluation and a new common e-learning system were introduced as part of ongoing efforts to ensure a common framework and uniform structures and processes across the organisation.

Anti-corruption guidelines

Fibertex Nonwovens has an internal Code of Conduct applying to employees that covers general business ethics and guidelines for fighting corruption. In 2022, it was decided to update the internal Code of Conduct. This will take place in 2023 and be implemented across the organisation. Also, the company changed its e-learning system, integrating the former separate system into the common system already used across the organisation. Again in 2022, 100% of relevant employees formally confirmed their compliance with the guidelines.





GOVERNANCE and INNOVATION

Actions and results for 2022

Responsible supply chain management

A new global system for supplier evaluation that includes ESG ratings of suppliers was introduced in 2022, thus ensuring a follow-up on the requirements laid down in the Supplier Code of Conduct. The system ensures that all production units apply the same method and provides an overall risk assessment of suppliers based on a common systematic approach. The risk assessment and the associated rating are based on a large number of ESG parameters against which suppliers are screened, and thus also covers general human rights, labour rights, environmental aspects and general governance. This is a central element of general due diligence in the supplier chain.



Environmental reporting

	2022	2021	2020
General production data			
Number of reporting sites	8	8	8
Total production of nonwovens and fibre (tonnes)	69,254	75,254	75,860
Environmental performance data			
Scope 1 (tonnes CO ₂ e)	12,966	13,174	12,839
Scope 2 (tonnes CO ₂ e)	24,177	27,260	27,866
Total greenhouse gas emission (tonnes CO ₂ e)	37,142	40,434	40,704
Total greenhouse gases per produced ton (tCO ₂ e/produced ton)	0.54	0.54	0.54
Direct energy consumption, scope 1 (MWh)	63,494	64,513	62,900
Indirect energy consumption, scope 2 (MWh)	93,271	98,885	98,038
Total energy consumption (MWh)	156,766	163,398	160,938
Total energy consumption per produced ton (MWh/produced ton)	2.26	2.17	2.12
Total water consumption (m ³)	261,126	181,907	210,385
Number of ISO 14001 certified sites	5	5	5
Number of ISO 50001 certified sites	1	1	1

Social and Governance reporting

	2022	2021	2020
Number of employees	1,069	1,055	1,019
Employee turnover rate for FTE	16%	14%	17%
Proportion of female employees	24%	23%	23%
Proportion of female employees in managerial positions	23%	23%	20%
Proportion of female employees in senior management and executive-level positions	16%	11%	11%
Health and Safety			
Fatalities	0	0	0
Lost time injury frequency rate (LTIFR) (no. per million working hours)	9.9	19.0	19.1
Code of conduct			
Proportion of relevant workforce which formally have confirmed their compliance with code of conduct	100%	100%	100%
Proportion of suppliers which formally have confirmed their compliance with supplier code of conduct	92%	90%	80%
Whistleblower system			
Number of cases reported	0	0	0
Policies			
Follows a discrimination and sexual harassment policy	Yes	Yes	Yes
Follows a health and safety policy	Yes	Yes	Yes
Follows a child and forced labour policy	Yes	Yes	Yes
Follows a human rights policy	Yes	Yes	Yes

WE SUPPORT UNITED NATIONS'

Sustainable Development Goals

We at Fibertex Nonwovens believe that the Sustainable Development Goals (SDGs) adopted by the United Nations, are a long-term responsibility to making the world a better place. We are committed to protecting our environment and ensuring the highest standards of working conditions.

Fibertex Nonwovens continuously invests in technological advancements to be able to offer innovative solutions that make a difference in many industries around the world. In particular, our focus is on goals 3, 8, 9, 12 and 16.



SDG No 3 Good health and well-being

We strive to create a safe and healthy working condition and we want everyone to be treated fairly and with respect, always. We value and embrace our differences.



SDG No 8 Decent work and economic growth

We invest significantly in our global manufacturing platforms to extend our production capabilities and capacities. We are committed to creating a stimulating environment to encourage contentment at work.



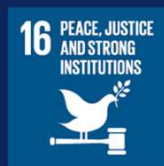
SDG No 9 Industry, innovation and infrastructure

We offer new and next level sustainable product properties, empowering our customers to create high-performance and sustainable solutions that improve the quality of life for people.



SDG No 12 Responsible consumption and production

We protect the environment by incorporating sustainable practices across our businesses and communities. Concern for the environment is critical in every aspect of our global operation.



SDG No 16 Peace, justice and strong institutions

We have carefully developed Corporate Responsibility policies, which are a solid foundation for maintaining impeccable business ethics at Fibertex Nonwovens.



C O R P O R A T E

Responsibility policy

Fibertex Nonwovens acts in socially-responsible manner in the countries in which the Group operates. This entails that, as a minimum, all companies of the Group must comply with local legislation and obtain the permissions required to lawfully operate the business. The individual companies of the Group have therefore set up procedures to ensure compliance with this mandatory requirement.

Moreover, Fibertex Nonwovens generally respects the ten principles on human rights, labour standards, the environment and anti-corruption as expressed in the UN Global Compact. However, Fibertex Nonwovens has not formally joined the compact at present.

It is important to Fibertex Nonwovens that the Group's businesses endeavour to comply with the principles on human rights, labour standards and anti-corruption and that they seek assurance on acceptable standards when appointing business partners and suppliers.

Fibertex Nonwovens maintain high standards when it comes to ensuring environmental conditions and limiting environmental risks. In addition, the group addresses environmental conditions from a business criteria aspect with due consideration for the long-term perspectives and the Groups good reputation.

Fibertex Nonwovens will promote a diverse workplace. We will ensure that our employees can use and develop their skills in the best possible way regardless of gender, ethnicity, religion, political opinion, age, disability, sexual orientation etc. Further, we will work to promote the number of the under-represented gender in our management by creating equal frames and opportunities for all.

The Ten UN Global Compact principles

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights, and
2. Businesses should make sure they are not complicit in human rights abuses.

Labour Standards

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

Environment

7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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

RESPONSIBLE

Business conduct

Integrity is at the core of our identity and reputation at Fibertex Nonwovens. We are all responsible for acting with integrity in everything we do.

To support our employees in conducting business on behalf of Fibertex Nonwovens and to minimise grey areas we have outlined how we expect our employees to act in our Code of Conduct Handbook.

Grievance mechanism:

We are also responsible for raising concerns about any potential risks to the company — ideally, before these risks become actual problems.

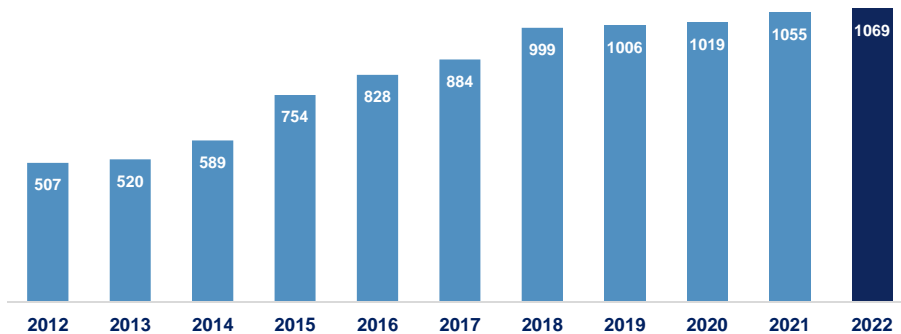
At Fibertex Nonwovens, different options exist for reporting compliance issues. While we hope that employees feel comfortable discussing any matter with his or her manager, there may be times when employees prefer to use another way to address compliance and ethics issues. Therefore several grievance mechanism exist to report an ethical issue internally. In addition to that, we also have a whistle-blower function, where employees or other stakeholders have the option to report potential breaches anonymously.

In 2022 Fibertex Nonwovens received 0 claims on ethical breaches.



FIBERTEX NONWOVENS

Employee facts



1069
full-time
employees



We currently
26 employ
different
nationalities

Male
employees

76%



Female
employees

24%



We are committed to provide good, safe, stable jobs in our local communities, that will support families for generations.

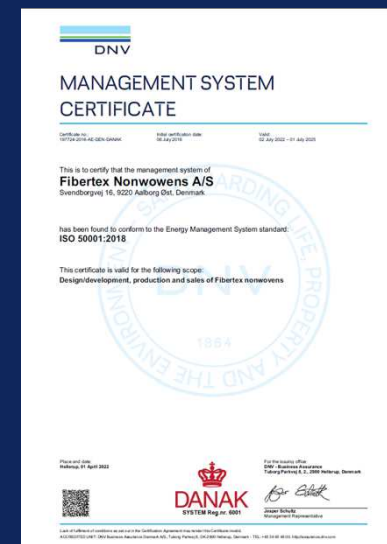
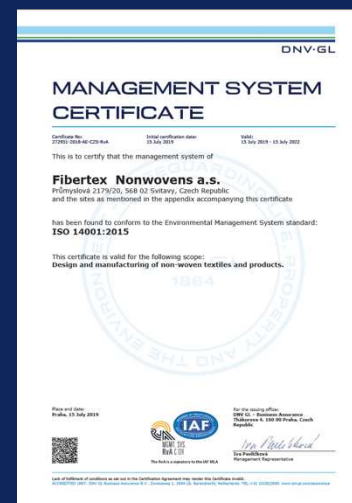
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Environmental and energy certificates

Fibertex Nonwovens continually strives to reduce consumption of resources and minimise the environmental impact arising from our products and processes.

We work proactively to prevent pollution and we design and produce our products with the least possible negative impact on the environment. In order to continuously minimise our environmental footprint, we have made a commitment to continuously improve our environmental efforts, to promote environmental responsibility and to contribute to the development of environmentally-friendly technologies.

In order to dedicate and continuously minimise our environmental footprint, five of our eight production sites are certified according to the Environmental Management System ISO 14001 to date, and moreover the production site in Denmark is certified according to the Energy Management System ISO 50001.



Sustainability rating

To continuously improve and demonstrate our dedicated work within ESG and sustainability Fibertex Nonwovens has been assessed and rated by EcoVadis since 2013 and has been awarded a Bronze medal in 2022.

The Bronze medal is given to companies in the top 25% of all the rated companies within the industry.

The assessment covers four different areas: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.

EcoVadis is the world's largest and most trusted provider of business sustainability ratings with more than 90,000 rated companies.

The EcoVadis methodology is based on international sustainability standards (Global Reporting Initiative, United Nations Global Compact, ISO 26000), and supervised by a scientific committee of sustainability and supply chain experts, to ensure reliable third-party sustainability assessments.



Product safety

Fibertex Nonwovens is fully aware of the importance of product safety and we continuously strive to improve the safety of our products.

For more than 20 years the company has maintained OEKO-TEX® STANDARD 100 certification of our nonwovens for bedding, furniture and flooring applications.

In 2012, we upgraded the certification to product class 1 for baby articles and in 2021 we added products for face masks. In 2022, we added products for medical devices.

STANDARD 100 by OEKO-TEX® is one of the world's best-known labels for textiles tested for harmful substances. This certification represents customer confidence and high product safety.



Product documents environmental performance

An Environmental Product Declaration (EPD in short) documents the environmental performance of a building component and is developed in accordance with recognized European, as well as international, standards.

In other words, an EPD is a standardized method for the communication of information regarding energy- and resource consumption as well as the environmental impacts arising from the manufacture, use, and disposal of a construction product.



Reporting practice

In 2020, Fibertex Nonwovens introduced a new common frame of reference, inspired by Nasdaq's ESG Reporting Guide 2.0 and defined a common set of performance indicators across the E, S and G criteria.

The 2022 ESG Report continues to build on these performance indicators, now presenting figures for a three-year period. Our aim is to apply the same approach, to ensure that figures are comparable over time.

Consolidation of this type of data across the Fibertex Nonwovens Group still presents challenges, but we aim to be transparent and to present data in the best possible manner.

Fibertex Nonwovens ESG Report Rev 1/June 2023

