

Sustainability

Report

Fiscal Year 2022



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1. Statement

Dear readers,

Long-term thinking and acting responsibly are part of our corporate culture. The business activities of PreZero aim to conserve resources, avoid waste and close material loops. In a future in which we reduce waste in a resource-efficient way, we all benefit.

We, at PreZero, focus on reducing climate-damaging emissions as well as environmentally harmful substances, on increasing transparency in our supply chains and on sourcing new potentials, exemplarily offered by an increased use of renewable energies. Given this focus, I am delighted to present an important milestone to you that paves the way to a holistic sustainability management: the first sustainability report of PreZero Group. This report transparently illustrates our business activities and their social, ecological, and economic impact and demonstrates how we are tackling the manifold challenges of tomorrow.

As part of our rapid, international growth in recent years, our social responsibility towards people and the environment has increased as well. We are living up to this responsibility by driving the development of a comprehensive sustainability management for the entire PreZero Group and by integrating it into all future business processes. In many areas, we are already pursuing first, ambitious targets, which you can read about in this report.

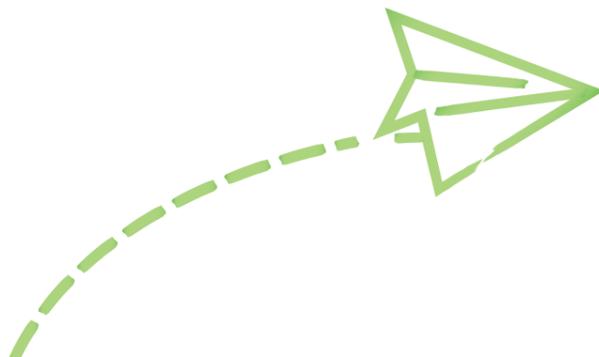
To us, assuming responsibility means shaping the future beyond economic standards - in accordance with the environment and societal demands. Our Corporate Social Responsibility (CSR) is not only of great importance to me, personally, but it is also an integral part of our corporate management. Therefore, the members of the Executive Board and the CEOs of our national companies align closely on sustainability issues and drive them actively.

The report displays the status of our sustainability strategy and demonstrates that we take this subject very seriously and are eager to develop it further in the future. To identify key sustainability themes of PreZero, we carried out a comprehensive materiality analysis that takes our stakeholder groups into account. This enabled us to identify the most important CSR key topics for us: Circular Economy, Climate Protection, Employees, and Partnerships & Innovation. On the following pages, you can read about all activities we were able to forward in the context of our key topics in the fiscal year 2022.

We wish you an enjoyable read

Wolf Tiedemann
CEO PreZero International

GRI 2-22



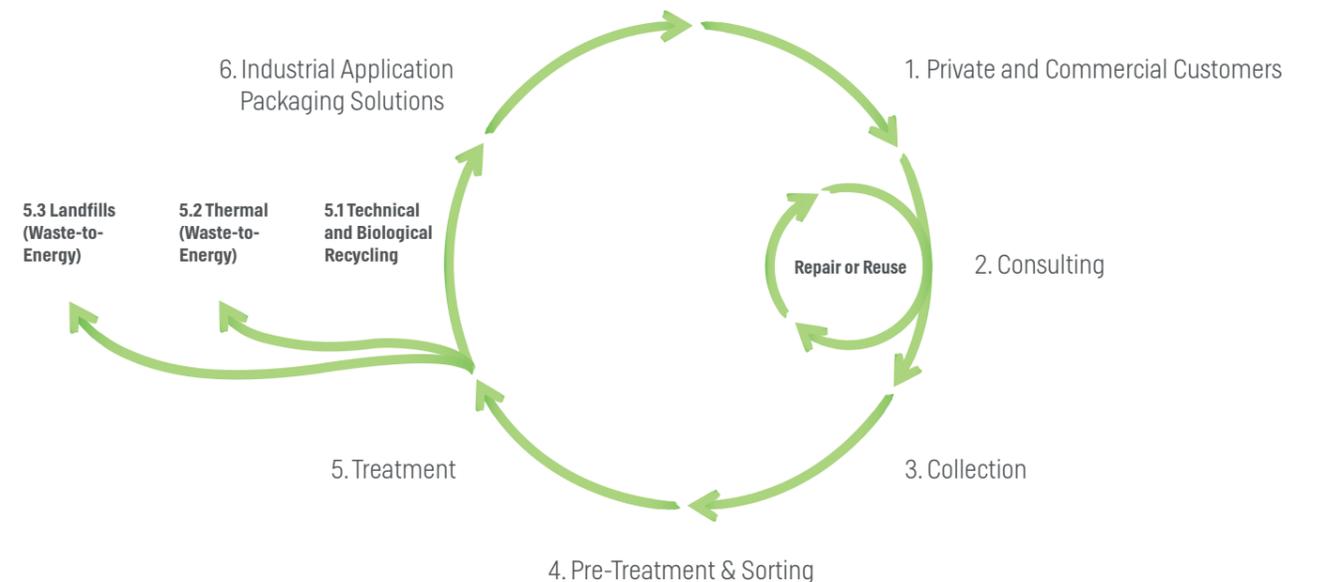
2. Introduction

2.1 PreZero Group

We¹, as PreZero Group, are a modern environmental service provider dedicated to advancing circular economy. With a workforce of around 30,000 employees operating at around 480 locations across Europe and North America, our revenue stands at 3,9 billion euros for fiscal year (FY) 2022. By employing standardized and innovative solutions, we support our customers in achieving environmental and economic success by developing and optimizing all stages of circular economy.

PreZero is the environmental division of Schwarz Group, one of the leading retail groups in the world. Based in Neckarsulm, Baden-Wuerttemberg, the two retail divisions, Lidl and Kaufland, form the pillars in food retailing. The companies of Schwarz Group are also active in food production and PET bottle recycling with Schwarz Produktion. In the future the topics digitization and IT will be bundled and driven forward at Schwarz Digits, a separate division of the Schwarz Group. The portfolio is supplemented by waste and environmental management for the companies of Schwarz Group, which is provided by GreenCycle GmbH, a company of PreZero Group. Every company of Schwarz Group receives support by Schwarz Dienstleistungsgesellschaften regarding administrative and operative services. Together, the companies of Schwarz Group are the first in the world to jointly create a closed loop.

Value Chain



¹The companies of PreZero Group created this sustainability report together as a joint report of all companies of PreZero Group. The words “we”, “us”, “our”, etc. denote the entirety of all these companies respectively.

We offer various operational and consulting services as well as material treatment solutions along the value chain.

1. Private and Commercial Customers

We work for private and commercial customers as well as municipalities.

2. Consulting

Our consulting services cover the entire value chain. We advise our customers on waste prevention, waste separation, and product design. We also offer licensing services in accordance with the EPR scheme for packaging.

3. Collection

We collect and dispose various fractions of municipal and commercial waste for our customers, e.g., paper, plastics, and organic materials. Smart technologies ensure that the collection routes are optimized, and safety measures are always kept up to date.

4. Pre-Treatment & Sorting

In the pre-treatment and sorting process, material streams are prepared for recycling and other recovery methods. Both are important starting points for closing recycling loops efficiently.

5. Treatment

Considering the material stream and local infrastructure, we use appropriate treatment methods:

5.1 Technical and Biological Recycling

We recycle material streams such as plastics, aluminum, glass, wood, and organics. Thereby, we produce post-consumer recyclates, which are then used to manufacture new packaging and products such as packaging film or household items.

5.2 Thermal (Waste-to-Energy)

Furthermore, we use waste treatment technologies with energy recovery, such as waste-to-energy or biogas plants.

5.3 Landfills (Waste-to-Energy)

In some cases, non-recyclable waste is still ultimately disposed in landfills. Where possible, landfill gases are collected and used for energy production.

6. Industrial Application and Packaging Solutions

The output of our treatment methods is utilized in the production of industrial goods, as an energy resource or agricultural compost. Moreover, PreTurn provides a pallet pooling system using digitally trackable and durable pallets made from plastic material and aluminium instead of wood. With OutNature, we provide a more sustainable source for primary and secondary packaging in retail and other industries and our packaging solutions help customers to integrate recyclability into their packaging design.

Due to the complexity of circular economy, the companies of PreZero Group operate within a large network of business partners and suppliers, which are active in the area of circular economy themselves. Specific joint ventures and partnerships enable us to create new solutions and innovations for our customers.

GRI 2-1 | 2-6 | 201-1

2.2 Organizational Structure

PreZero Group consists of a high number of companies and legal forms. There are companies that work internationally and companies that are mainly dedicated to national operational activities. Some examples:

International Companies	National Companies
PreZero Stiftung & Co. KG	PreZero España, S.A.U. (ES) Spain
PreZero International GmbH	PreZero Deutschland KG Germany
GreenCycle GmbH	PreZero Polska sp. z o.o. (PL) Poland
PreTurn GmbH	PreZero Polymers Austria GmbH Austria
OutNature GmbH	PreZero Polymers Italy S.P.A. Italy
...	PreZero Recycling & Recovery Netherlands Netherlands
	PreZero US, Inc. USA
	PreZero Recycling AB (SE) Sweden
	PreZero Portugal, S.A. (PT) Portugal
	PreZero Polymers Belgium BV Belgium
	Jean LAMESCH Exploitation S.A. Luxembourg
	...



Our Top Management consists of the Leadership Committee of PreZero Stiftung & Co. KG² and the highest management level, such as the CEOs of the national companies of PreZero Group. They manage all activities along our value chain and are responsible for our jointly elaborated sustainability strategy. The Leadership Committee of PreZero Stiftung & Co. KG is composed of seven members, including all Board Members of the PreZero Stiftung & Co. KG. Within the national companies, there are various constellations at the highest management level. As such, there are currently eight national CEOs responsible for national activities.

Members of the Leadership Committee of PreZero Stiftung & Co. KG	CEOs of the National Companies of PreZero Group
Wolf Tiedemann CEO PreZero International	Carsten Dülfer CEO PreZero Germany
Angela Stoffers CHRO PreZero International	Christian Kampmann CEO PreZero Recycling & Recovery Netherlands
Dietmar Böhm Member of the Board PreZero International (Intragroup Businesses)	Claudy Lejeune CEO PreZero Belgium
Gerald Weiss COO PreZero International	Clemens Stockreiter CEO PreZero US
Lukas Mikolajczyk Head of Communication	Gonzalo Cañete CEO PreZero Spain & Portugal
Peter Hartmann CFO PreZero International	Kamil Majerczak CEO PreZero Poland
Sven Nuener CSO PreZero International (Chief Strategy Officer)	Mårten Widlund CEO PreZero Sweden
	Yves Feullen CEO PreZero Luxembourg

GRI 2-1 | 2-9 | 2-10 | 2-11 | 2-12

3. Sustainability

3.1 About this Report

This is the first sustainability report of the companies of PreZero Group. It has been created jointly, covers FY 2022 from 01.03.2022 to 28.02.2023 and will be updated every second year. The activities of PreZero Group had previously been included in the jointly established sustainability reports of the companies of Schwarz Group (FYs 2018 - 2019 and 2020 - 2021).

All companies that have been part of PreZero Group for at least one full FY are included in the qualitative³ and quantitative information of this sustainability report. Commonalities shared by all companies of PreZero Group are reported as consolidated information. Specific information or examples from national companies have been added to better explain the activities and ambitions in terms of sustainability. Deviations in the key figures result from inorganic growth and the resulting, necessary adjustments. These are highlighted in the relevant parts of the report.

To prevent material misstatements, the companies of PreZero Group jointly set up the following assurance process. The Leadership Committee of PreZero Stiftung & Co. KG participated in the finalization of the materiality analysis and the material topics for the companies of PreZero Group. All relevant areas of PreZero Stiftung & Co. KG, the international CSR (Corporate Social Responsibility)⁴ Department, and all CSR managers of the national companies approved the content of our sustainability report as the first quality assurance step. The report was prepared in accordance with the Global Reporting Initiative Standard (GRI Standard), initially without an external audit. The companies of PreZero Group do not publish a detailed financial report, which accounts for this standalone sustainability report.

GRI 2-2 | 2-3 | 2-4 | 2-5 | 2-14

3.2 Material Analysis

We adapted our materiality analysis for the companies of PreZero Group in FY 2022 in order to identify our material topics based on double materiality. The first double materiality analysis in 2021 evaluated 16 topics according to the Sustainable Development Goals (SDGs) of the United Nations. Since then, many of the underlying parameters have changed. Our strong growth as a company group, the launch of new business models, an increase in requirements regarding sustainability, as well as exposure to innovation with regards to sustainability required a new approach to the materiality analysis. As a result, we carried out the following steps:

First of all, we adapted the 2021 topic list to fit current standards, such as those of the Sustainability Accounting Standards Board (SASB)⁵ or the European Sustainability Reporting Standards (ESRS), which are to be found on the website of the European Financial Reporting Advisory Group (EFRAG)⁶. The new topic list finally contained 16 updated topics stemming from our first materiality analysis, and three new, additional topics.

³ Jean LAMESCH Exploitation S.A. in Luxembourg is not included in qualitative information.

⁴ As the field of CSR is concerned with the social, economic, and ecological sustainability of companies, the terms CSR and sustainability are used as equal synonyms in certain contexts.

⁵ Retrieved September 7, 2023, from <https://sasb.org/standards/>

⁶ For more information: <https://efrag.org>

² Herein after only called "Leadership Committee"

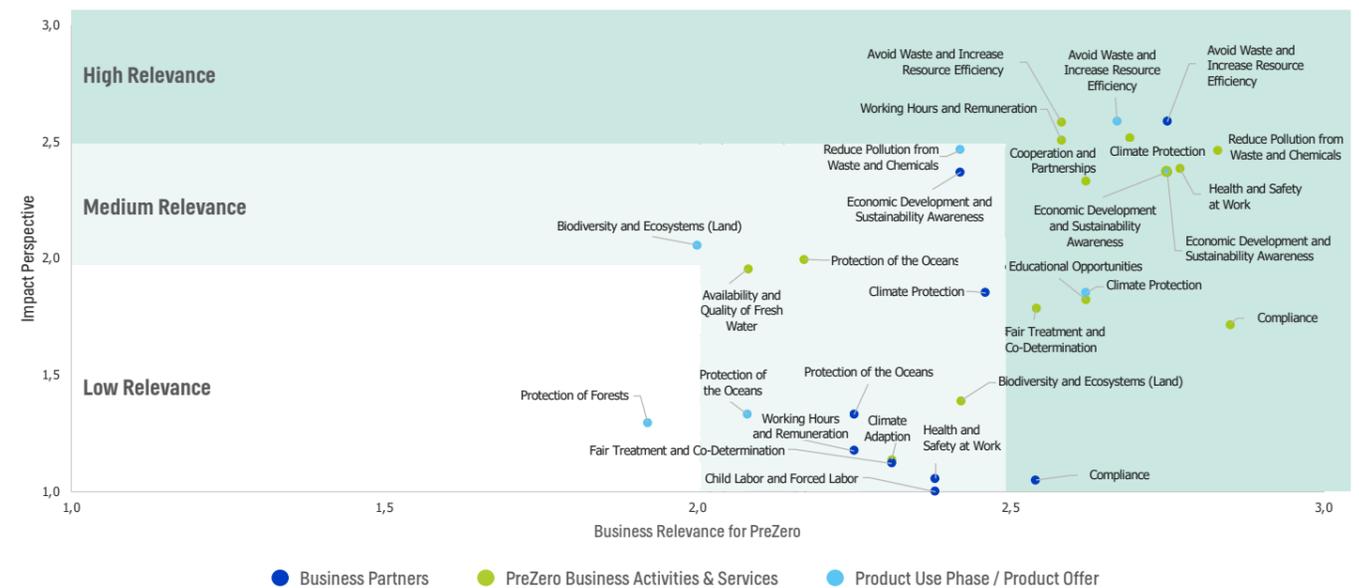
Secondly, managers responsible for our national CSR activities and several representatives of national operational departments completed an online survey in January 2023 to assess the business relevance of all 19 topics. In the context of their national company, they reviewed these topics with regard to business partners (BP), the business activities and services (PZ) as well as the product responsibilities (PR) of the companies of PreZero Group and ranked their business relevance along the value chain (3-way value chain perspective) according to three levels: low (1), medium (2), or high (3).

Thirdly, we used a two-step process to analyze how business activities of the companies of PreZero Group can actually and potentially impact people, planet, and society in positive and negative ways. We prioritized the 19 topics according to a risk assessment based on data from the SDG sustainable development report and the SDG tracker. Afterwards, we ranked them according to the results of a research-based impact assessment. This assessment applies the 3-way value chain perspective and ranks its results by low, medium, and high impact.

Finalizing the materiality analysis, we consolidated the results from the business relevance assessment and the impact assessment into one materiality matrix to map out our material topics. Topics assessed for their relevance at a specific stage of the value chain appeared individually in up to three places. The identification of 15 material topics of high relevance for this sustainability report represented an increase in material topics up from the 9 material topics of high relevance in 2020/2021. The table below shows all existing and new material topics for the FY 2022, that received a final approval by the Leadership Committee. The material topics *Reduce Pollution from Waste and Chemicals* (PR) and *Economic Development and Sustainability Awareness* (BP) are no longer considered material within the FY 2022 and are, therefore, no longer listed.

Category	Material Topics for FY 2022	Status
General	<i>Compliance</i> (PZ, BP)	New
Key Topic Circular Economy	<i>Avoid Waste and Increase Resource Efficiency</i> (PZ, BP, PR)	New for PZ Permanent for BP, PR
	<i>Reduce Pollution from Waste and Chemicals</i> (PZ)	New for PZ
Key Topic Climate Protection	<i>Climate Protection</i> (PZ, PR)	Permanent for PZ, PR
Key Topic Employees	<i>Working Hours and Remuneration</i> (PZ)	Permanent
	<i>Health and Safety at Work</i> (PZ)	New
	<i>Educational Opportunities</i> (PZ)	New
Key Topic Cooperation & Partnerships	<i>Fair Treatment and Co-Determination</i> (PZ)	New
	<i>Cooperation and Partnerships</i> (PZ)	Permanent
	<i>Economic Development and Sustainability Awareness</i> (PZ, PR)	New for PR Permanent for PZ

Materiality Matrix



GRI 3-1 | 3-2

3.3 Sustainability Strategy

When we talk about sustainability, we refer to the common good in ecological and social terms and to limiting our use of natural resources while preserving these resources as best as possible. To establish further guidance for our activities regarding sustainability, we used the results of our materiality analysis – the identified material topics. They assisted us in establishing a sustainability framework consisting of four CSR key topics: Circular Economy, Climate Protection, Employees, and Partnerships & Innovation. Each key topic is equipped with a target description and several fields of action, which subdivide each key topic into subtopics.

The sustainability framework serves as the basis for the jointly elaborated international and national CSR strategies. Across the companies of PreZero Group, we are currently developing suitable targets and measures for these CSR strategies together. For the national CSR strategies, which can account for our diverse range of national business models, the respective national CSR managers are working jointly with their operational departments to develop national targets and measures. An important aspect for our CSR strategies is the collaboration between the national companies, which is coordinated by PreZero Stiftung & Co. KG by order, to learn from best practices and to develop new projects together.



PARTNERSHIPS & INNOVATION

For a cleaner tomorrow, we develop cross-sector approaches together with our partners and actively contribute as a driving force of innovative circular solutions.



CIRCULAR ECONOMY

For a cleaner tomorrow, we actively help to shape all phases of the circular economy from design for recycling via the use phase to collection and recovery of material streams.



For a cleaner tomorrow, we reduce our greenhouse gas emissions within our own company and along the entire value cycle through consistently improving our business.

CLIMATE PROTECTION



For a cleaner tomorrow, as responsible employers, we create the foundation for future-oriented thinking in an attractive work environment.

EMPLOYEES



Our collective guiding principle summarizes our commitment to sustainability: In cooperation with our employees and partners, we work towards closing loops, we think innovatively, and protect the environment and the climate.

3.4 Sustainability Management

Within PreZero Stiftung & Co. KG, the CEO PreZero International holds overall responsibility over sustainability management. This includes the commitment to objectives and the management review of sustainability-related issues, in consultation with the members of the Leadership Committee. Leadership Committee meetings are held on occasion to work on the companies of PreZero Group's jointly elaborated overall strategy as commissioned, discuss information about projects, and enable decision making. When concerns are reported, the Leadership Committee considers the effects and results of due diligence processes and, based on their findings, ensures by order that processes, guidelines, and trainings are improved.

On matters concerning sustainability, the Leadership Committee members are directly supported by the Head of Communication PreZero International, who is a permanent member of the Leadership Committee. He delegates sustainability topics, issues and decisions to the international CSR Department and presents sustainability-related topics, such as the status quo of the CSR strategy development, due diligence, or upcoming critical concerns to the Leadership Committee. The international CSR Department assists with these tasks. Aspects of sustainability that affect other departments are delegated by the respective Leadership Committee members to their departments. Depending on the topic, members of the Leadership Committee participate in steering committees for various joint sustainability projects of the national companies and for sustainability projects ensuing from the collaboration of the companies of Schwarz Group. The international CSR Department coordinates sustainability issues at PreZero Group level through proxies and provides support on any topic-related challenges. Furthermore, it is selected to support the national companies on developing their individual sustainability strategies and achieving their targets.

At the national companies, each CEO holds responsibility for CSR. PreZero Stiftung & Co. KG informs the CEOs regarding sustainability-related issues and suggestions for the further development of the CSR strategy. Simultaneously, the CEO confers with the national CSR managers who coordinate sustainability in their national company. Moreover, the international CSR Department informs them on and supports them with sustainability topics. It should be noted that there may be differences as to how sustainability is managed in the national companies.

GRI 2-12 | 2-13 | 2-16 | 2-17

Companies of Schwarz Group

The companies of Schwarz Group strive to use their impact to set standards for appreciative interaction and a sustainable environment. To do so, their Corporate Responsibility (CR) strategy is categorized into the focus areas People, Product Quality, Circular Systems and Ecosystems.

The companies of Schwarz Group assume responsibility, act as forward thinkers and perform in accordance with their joint sustainability vision: Assuming Global Responsibility. Acting with Diversity. The CR department at Schwarz Unternehmenskommunikation (Schwarz Corporate Communications) acts as a driving force and coordinates the strategic sustainability approach of the companies of Schwarz Group. It supports the companies with their sustainability activities and enables cross-company cooperation on global topics.

In accordance with the organizational structure, the topic of sustainability is anchored in all of the companies of Schwarz Group – with responsible CR/CSR managers in the departments of each company and national company. They act as coordinators for CR issues within their own business unit and coordinate implementation.

The CR Round Table – which includes the responsible CR/CSR managers from all of the companies of Schwarz Group – coordinates the strategic approach of the overarching CR commitment. The CR Round Table meets regularly and is also involved in constant exchange with the established work structures about overarching topics.

These structures enable the definition and achievement of the jointly established and groupwide targets.



4. Compliance

4.1 Impact

Compliance is of great importance for all our business activities and along our supply chain. There are many statutory requirements within the European Union (EU) and within the national jurisdictions in which companies of PreZero Group are located that affect different areas of our activities and facilities. The number of sustainability-related laws and requirements is also increasing, both at EU and at national level. Any violation of laws and requirements can result in losses, reputational damage, penalties or fines, and other sanctions for companies of PreZero Group, members of the Top Management, or employees. Jointly elaborated internal policies of the companies of PreZero Group are aimed at ensuring full compliance with the law.

For the companies of PreZero Group, being compliant with applicable laws serves as foundation for all our efforts of fostering sustainability. Ensuring compliance with statutory requirements provides us with valuable starting points to set high social and environmental standards for ourselves. Internal policies and frameworks support our common understanding and the operationalization of social and ecological sustainability, and we ensure that we brief the Leadership Committee, all managers responsible for CSR activities, and our employees on relevant issues and activities. In order to promote environmental and social standards along the value chain, we have established guidelines and take appropriate remedial measures whenever necessary. Given its relevance, Compliance is one of our material topics in this report and especially prominent since it is connected to all four key topics of our international CSR strategy.

GRI 2-27 | 3-3



4.2 Responsibilities

Within the companies of PreZero Group, the Top Management acts as a role model and fosters a company culture in which compliance with applicable laws and internal policies is not only encouraged but expected of each employee ("Tone from the Top"). The international Legal & Compliance Department supports the companies of PreZero Group as ordered regarding *Compliance* by defining risk-based minimum standards in relevant areas. The Legal & Compliance Departments of our national companies are responsible for establishing their own compliance structures according to applicable, national statutory requirements and in line with international minimum standards. Regarding sustainability topics, the coordination function for compliance is transferred to the international CSR Department. In these cases, the international CSR Department works closely together with the Legal & Compliance Department, with the Administration Departments, the Risk Management Department, and the operational units.

To support the departments in ensuring *Compliance*, Compliance Officers are present at international as well as at national level. They perform a coordinating and advisory role with respect to the jointly decided creation and continuous operation of Compliance Management Systems (CMS). There are formal processes for regular exchange in place, such as regular meetings between the international Compliance Officer of PreZero Stiftung & Co. KG and the national Compliance Officers.

It is an understood component of our jointly elaborated company culture that all employees and departments of the companies of PreZero Group contribute to acting in compliance with applicable laws and internal policies in their daily work.

GRI 2-12 | 3-3 | 205-2 | 206-1



4.3 Policies

At the companies of PreZero Group, we provide our respective employees with policies on compliance topics to substantiate statutory requirements and make them more comprehensible for employees and relatable to their daily work. Policies are published on national level but are based on international framework requirements established by order that define minimum standards from an international perspective. Implementing framework requirements and turning them into policies at national level, the national companies consider their specific national risks due to the actual business model and national laws.

Next to our jointly elaborated Code of Conduct for business partners and our Declaration of Principles on Human Rights and the Environment, we provide jointly elaborated framework requirements and policies. Some examples:

Framework requirements	Policies
Gifts and invitations	Data protection
Handling conflicts of interest	Inviting third parties to the PreZero Arena (a multi-purpose stadium in Sinsheim, Baden-Wuerttemberg)
Business partner assessments	Training concepts
Handling compliance breaches	
Handling authority controls	
Compliance reporting	

We are also in the process of developing an internal Code of Ethics which strengthens our positioning concerning anti-corruption, in line with our already published framework requirements (e.g. gifts and invitations, handling conflicts of interest). Furthermore, a sustainable procurement policy is being developed together in 2023. Specific ecological or social policies relating to our material topics can be found in subsequent chapters. Due to changes in regulations and in the modern working world, we regularly adjust our policies and procedures. The joint control management channel of the companies of PreZero Group lists - all languages taken together - 416 legal and compliance entries. Depending on the scope of a regulation, framework requirements and policies are applied to all business activities of the companies of PreZero Group and to our business relationships. Framework requirements and policies are matched to their relevant CSR key topics in the following chapters.

GRI 2-23 | 205-1 | 3-3

4.4 Targets & Measures

Target: Our approach to *Compliance*, implemented jointly across the companies of PreZero Group, is as follows: “We comply with the applicable laws and with internal policies.” With this approach, we aim to prevent instances of non-compliance or social and environmental damage to avoid financial losses, reputational damage, penalties and fines and further sanctions for companies of PreZero Group, members of Top Management, or employees. Moreover, we aim to educate all employees of the companies of PreZero Group on *Compliance*.

GRI 2-27 | 206-1 | 205-3

Compliance Management System

A key element to ensuring compliance at the companies of PreZero Group are appropriate and effective Compliance Management Systems (CMS). The purpose of the CMS is to continually analyze potential compliance risks that may occur because of business activities and address the analyzed risks with appropriate and effective measures. Based on the analyzed risks, specific requirements and processes are defined to ensure an appropriate level of compliance in the companies of PreZero Group. Our CMS cover the focus areas Anti-corruption, Anti-fraud, Antitrust Law, Data Protection, Business Partners, Waste/Environment, Tax, and Accounting. They also consider potential socially harmful violations (e.g., child labor or slavery). Every CMS is continuously adapted and developed as we, exemplarily, update policies, expand the scope of risk analyses, and integrate new national companies into the CMS.

Potential and actual compliance risks are identified at companies of PreZero Group via regular compliance risk analyses and audits. Potential and actual compliance violations are identified through regular audits or via our whistle-blower system. The latter entails the options to contact the Compliance Officers or to report a potential or actual violation through the Online Reporting System. Irrespective of the channel used to report a compliance violation, or a suspicion concerning this matter, the identity of the individual reporting an incident will be treated with confidentiality. Reports are handled in accordance with whistleblower protection and data protection laws. Reporting individuals are protected from suffering disadvantages, such as disciplinary action or other employment-related consequences, including dismissals. This is regulated by the Rules of Procedure.

GRI 2-24 | 2-26 | 205-1

Trainings & Involvement of Employees

An important aspect of the CMS is the holistic establishment of an effective compliance culture to ensure that every employee knows about the policies applicable to them and is able to study and consistently apply the latest policies. A key component of this compliance culture is the communication of compliance-related matters, which takes place in mandatory and risk-oriented trainings. In these trainings, we train employees about the importance of compliance, the relevant compliance risks, existing responsibilities, how the CMS work, and we introduce them to their main contact persons. The trainings take place in due course after employees begin working at a company of PreZero Group and follow a training concept that is refreshed at regular, mostly biennial, intervals. Our consolidated internal communication

channels, such as our intranet (PreNet), our employee magazine (PreMag), and several communication platforms (e.g. bulletin boards) are used as additional opportunities to communicate compliance-related information. Lastly, our jointly elaborated policy management ensures that employees are informed about policies, minimum standards, instructions, and processes. A structured legal monitoring system is in place to notify employees of material legal developments related to their work. Furthermore, employees are encouraged to contact the Legal & Compliance Departments if they have any questions regarding compliance or legal aspects.

GRI 205-2

External Embedding of Business Partners

In 2022, the companies of PreZero Group, together with the companies of Schwarz Group, started to update the Code of Conduct in accordance with the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz), which came into force on January 1, 2023. This law requires companies to carry out a risk analysis to identify risks regarding human rights or environmental standards within their own business activities and along their supply chain. Such risks include child labor, forced labor, discrimination, land grabbing, occupational health and safety, earning fair wages, forming unions, and environmental violations.

The mutually adopted Code of Conduct⁷ of the companies of Schwarz Group addresses business partners and outlines expectations regarding their compliance with human rights and environmental standards. It is based on the following guidelines: Universal Declaration of Human Rights, United Nations Global Compact (UNGC), UN Guiding Principles on Business and Human Rights, UN Convention on the Rights of the Child, UN Convention on the Elimination of All Forms of Discrimination against Women, OECD Guidelines for Multinational Enterprises, International Labour Organization (ILO)⁸, Declaration on Fundamental Principles and Rights at Work, Paris Climate Agreement.

We communicate our expectations and applicable policies to business partners and suppliers during the negotiation stage. The updated Code of Conduct will be a binding component of business relationships with the companies of PreZero Group, according to the applicable incorporation policy. Looking forward, we will analyze new suppliers and business partners according to environmental and social criteria, as part of our business partner compliance check.



To further prepare for the German Act on Corporate Due Diligence Obligations in Supply Chains, PreZero Stiftung & Co. KG and PreZero Germany adapted the risk analysis of their upstream supply chain in 2022 with regard to suppliers based in Germany. Together they identified social topics in the extended supply chain, with low potential risk regarding indirect suppliers. In the deeper supply chain (i.e., where there is potential contact with intermediaries, but no direct contact with actual suppliers or business partners), they identified potential risks connected to child labor, forced labor, threats from security forces, and a lack of freedom of association. Whenever PreZero Stiftung & Co. KG and PreZero Germany discover or learn about risks concerning human rights and environmental standards, they respectively investigate them accordingly and provide preventative and remedial measures where potential violations may occur or where actual violations have occurred.

In FY 2023, PreZero Germany and PreZero Stiftung & Co. KG expect to begin training all their respective employees on the new German Act on Corporate Due Diligence Obligations in Supply Chains. In addition to the illustrated measures, PreZero Spain has exemplarily started to carry out a 360° supplier approval and risk assessment process with the largest suppliers, incorporating environmental criteria.

GRI 2-23 | 2-24 | 3-3 | 308-1 | 308-2 | 414-1 | 414-2

4.5 Tools

At the companies of PreZero Group, we use a variety of steering tools to help us improve our CMS. Firstly, risk-based business partner compliance checks on general compliance, supply chain related topics, or social and environmental risks are conducted using tools. Secondly, we use tools to document and assess data processing, such as the so called OneTrust. Lastly, our Online Reporting System functions as one element of our established whistleblower system which consists of various communication channels that enable customers, employees, and business partners to report compliance violations, including violations outside the CMS focus areas. The system supports nine languages. Information on compliance violations is treated with confidentiality to protect the whistleblower and any other individuals that may be involved.

GRI 2-25 | 2-26

4.6 Measurement

To measure the effectiveness of our joint compliance activities, we utilize a structured case processing procedure within our CMS. It ensures that reported compliance violations are investigated independently, objectively, and confidentially with due regard to data protection and other applicable provisions of law. It also ensures that violations are penalized in an appropriate, uniform, and comparable manner, taking local considerations into account.

We draft an internal CMS report twice a year, with ad hoc reporting on urgent issues as required. Furthermore, we establish regular meetings with the Compliance Officers or managers responsible for compliance. These meetings help to identify any weaknesses in the CMS and to prioritize improvement measures. As a result, we are able to determine the status quo of compliance integration processes in new national companies.

GRI 3-3



⁷ Code of Conduct: <https://prezero-international.com/en/about-us/our-responsibility/code-of-conduct>

⁸ OECD Guidelines for Multinational Enterprises, International Labour Organization (ILO)
<https://www.ilo.org/global/lang--en/index.htm> Organization

5. Circular Economy

The circular economy is an integral part of our core business. From the initial design for recycling to the collection and recovery of materials, we actively contribute to circular economy and its various stages. Here, the diverse business models of the companies of PreZero Group cover different stages. Moreover, we work closely with our customers and business partners to continuously improve processes and technologies. Through these efforts, we do not only conserve resources, but also promote the utilization of secondary raw materials and reduce greenhouse gas emissions. This is in line with the Circular Economy Action Plan, a key element of the European Green Deal, which aims to decouple economic growth from resource consumption and enables the transition from a throw-away society to one that promotes reusing, repairing, and recycling.

5.1 Fields of Action

To strengthen our long-term contribution to the key topic Circular Economy, we have identified four fields of actions:

1. We use our innovative recycling plants to further improve our recycling output in terms of quality and quantity and increase the use of secondary raw materials. In addition to plastics, we focus on aluminum, wood, glass, and other recyclable material streams. We strive to achieve the highest quality standards for our recyclates and optimize our waste sorting processes to create the best conditions for recycling.
2. Where material recycling is not possible, we try to maximize the end-of-life potential of all materials through various recovery methods, e.g., by generating energy from waste at waste-to-energy or biogas plants. We are working to continuously improve our recovery rate and, specifically, to exploit the potential of organic waste at recovery plants.
3. At the same time, we are expanding our environmental and circular economy consulting services and our recycling product portfolio. Here, we focus on waste prevention and reuse.
4. Applicable to all our business activities, we operate with safe processes to ensure that no materials or harmful substances are released into the environment and empower our business partners to reduce their environmental impact as well. Considering the material stream and local infrastructure, we use appropriate treatment methods. Furthermore, we promote social standards within our own business activities as well as along our value chain.

These fields of action are directly linked to two material topics:

- Field of actions one, two, and three: *Avoid Waste and Increase Resource Efficiency*.
- Field of action four: *Reduce Pollution from Waste and Chemicals*.

5.2 Impact

Waste originates from different sources: Households, manufacturing industries, offices, etc. All these sources are relevant for our business activities, as they are considered as input for our waste management activities. Our consulting services, collection and treatment services, and our 53 sorting and recycling facilities, enable us to *Avoid Waste and Increase Resource Efficiency*.

Recycling waste streams allows us to enhance material efficiency, granting them a new lease of life, while simultaneously reducing the need for virgin materials. Furthermore, our waste management activities include other waste treatment methods, such as energy generation through waste-to-energy or biogas plants. As we deal with all kinds of materials, we are aware of their various environmental impacts throughout our activities and along our value chain.

In the course of our waste management activities, we inevitably produce waste ourselves. Depending on the type of waste stream, this may pose potential risks, particularly during transportation and treatment of hazardous waste. Any accidental release into the environment may cause water, air, or soil contamination.

As part of our efforts to maximize recovery, we are aware of the greenhouse gas emissions resulting from our activities and their impact on the climate. For more information, please refer to the [Climate Protection](#) chapter.

At our own facilities, we use various resources for our operations, such as water. Water is utilized at our recycling plants during the sorting process and for cleaning the material. It also occurs as wastewater at our landfills. The way we collect and recycle this water directly impacts its potential for reuse.

Furthermore, we can generate environmental benefits through our consulting services on product or packaging design for recyclability. In some national companies, we provide advice to our customers on design for recyclability, ecological packaging, and waste avoidance in their production processes, along their value chain, production sites, and offices.

All the environmental impacts we have identified within our own operations are applicable to many of our business partners and suppliers along the value chain as they are part of circular economy activities. For more information regarding our supply chain management, please check the chapter [Compliance](#).

GRI 3-3 | 303-1 | 303-2 | 306-1 | 306-2 | 308-2

5.3 Responsibilities & Policies

Responsibilities

The Top Management and all operating departments are responsible for managing the material topics *Avoid Waste and Increase Resource Efficiency* and *Reduce Pollution from Waste and Chemicals* as they represent our core business activities.

The departments that are responsible for these areas include Material Management, Engineering, Sales, Procurement, and Logistics. Environmental issues are managed by the Quality and Environment Department or other environment-related departments. The department Legal & Compliance consults regarding legal questions. The names of these departments may differ within the companies of PreZero Group.

Policies

Beyond statutory requirements, we do not have any supplementary waste management policies in place. However, we do adhere to voluntary regulations and commitments through the certification of our operational facilities and sites.

GRI 3-3

5.4 Avoid Waste and Increase Resource Efficiency

Targets & Measures

Across the companies of PreZero Group, we are currently developing national targets and measures for circular economy appropriate to the relevant areas. Our national CSR managers are working jointly with their operational departments to develop these targets and

measures. There is also collaboration between the national companies, coordinated by PreZero Stiftung & Co. KG, to learn from best practices or to develop new projects together.

Internal Waste Avoidance

Target: During our operations, we always try to avoid waste through excellent consulting services, regardless of whether we work for the public sector, industrial or private clients. At our own sites and offices, our aim is to improve waste avoidance at the source, prior to its treatment in relevant waste management facilities.

For example, to implement the idea of a green office at the PreZero Poland headquarters, they provided battery recycling containers and actively participated in the

“3R” (Reduce, Reuse, Recycle) week, a national project where good practices to reduce waste in the work environment are promoted.

Furthermore, we develop returnable solutions for challenging waste streams, like liquids. PreZero Belgium, for example, identified a solution for intermediate bulk containers (IBC) for the storage and transport of liquids, semi-solids, or solids. After usage, these IBCs are cleaned and reused.

GRI 3-3



Sorting

Target: We aim to achieve the highest possible quality standards for our recyclates. By optimizing our waste sorting processes, we create the necessary conditions for recycling. Thereby we focus on various material streams, like organic, construction, or plastics.

Examples for plastics are the lightweight packaging sorting plants in Evergem (Belgium) and Eitting (Germany). Each year, PreZero Belgium sorts up to 80,000 tons of lightweight packaging at the Evergem plant, which has the highest technical standards in Belgium. Using modern technologies, like magnets or near-infrared devices, the plant sorts the lightweight packaging in 15 fractions (e.g. polyethylene, polypropylene, polystyrene, polyethylene terephthalate, and tinplate). At the plant in Eitting (Germany), PreZero Germany sorts 120,000 tons of lightweight packaging from households per year into 18 different fractions. This plant can even identify black plastics with the so-called Black Scan. This is a big step forward, as black plastics are often not recognized in conventional plants with standard sorting and, as a result, are not being recycled.

PreZero Sweden started a plastics sorting pilot project at its Skara site, partly funded by the Swedish Environmental Protection Agency, as part of a national climate fund in 2022. The goal is to increase the amount of plastics recycled rather than being used in waste-to-energy plants, which generates amounts of greenhouse gases. The project aims to show the importance of waste sorting for plastics recycling. If sorted properly, a lot more plastic waste could be recycled.

Another example of our sorting facilities is the Biotran plant in Tudela de Duero of PreZero Spain. This plant sorts packaging and residues of pharmaceutical drugs, deposited by citizens at 21,500 Integrated Medicine Management System points. It also separates, classifies, and treats packaging and unused products generated by major pharmaceutical and cosmetics laboratories in an environmentally friendly manner.

GRI 2-6

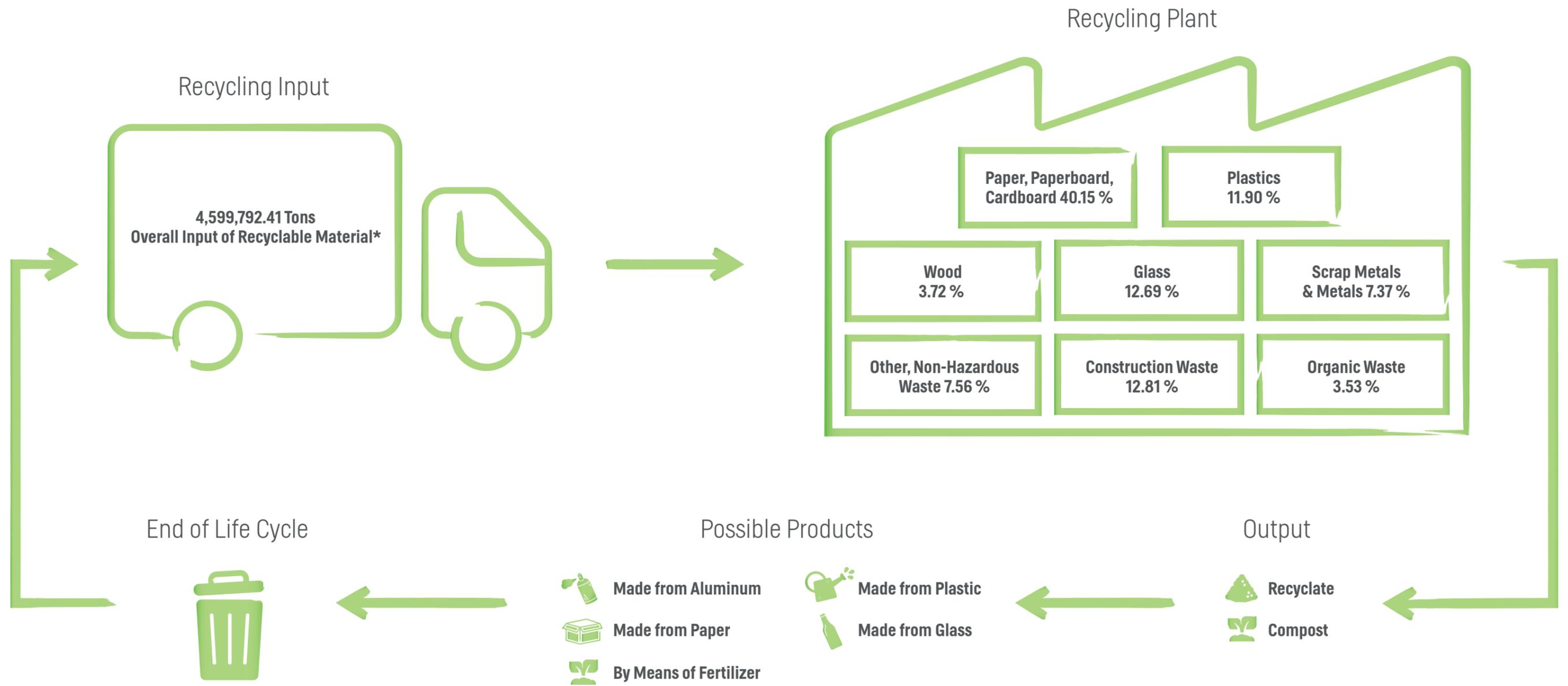
Recycling & Recovery

Target: Together, the companies of PreZero Group aim to significantly increase the amount of materials that are recycled, with particular focus on plastics. Moreover, we try to improve the quality of our recycled materials to expand their fields of application in products or packaging.



Recycling Loop

Our recycling loop depicts in which ways collected recycling input and its constituents are introduced back into consumption life cycles.



*Included are internal and external facilities, to which we are managing materials.

Since March 2022, the recycling plant in Grünstadt, which is a 50 %-Joint Venture with Meinhardt Städtereinigung GmbH & Co.KG, has been producing high quality post-consumer rHDPE using state-of-the-art sorting, hot washing, and extrusion technologies. This product is used to produce high-end packaging for detergents, hygiene products and cosmetics.

In 2021, a company of PreZero Group acquired the polyethylene film and bag manufacturer, Roplast Industries in Oroville (USA), and the German KBG Group – a next step towards the goal of closing plastic loops. The production plants can produce flexiblepackaging products such as film or carrier bags from post-consumer recyclates.

PreZero Spain's recycling plant in Les Franqueses del Vallès in Barcelona is one of the facilities with the largest installed capacity in Europe. It produces recycled PET flakes from more than 45,000 tons per year of packaging recovered from waste treatment plants

and selective collection. An aluminum recycling plant in Santa Maria de Palautordera (Barcelona) recycles more than 95 % of the 6,000 tons of aluminum input per year. The recovered product is directly sold to smelting plants.

In Germany, PreZero Pyral, a 60 %-Joint Venture of PreZero, recycles aluminum using its innovative Pyradec® pyrolysis solution based on the fluidized bed principle. Pyrolysis is a thermal process in which the decomposition of organic substances takes place in the absence of air at high temperatures and the organic fraction is completely degassed. This process has been used commercially for 15 years.

In Poland, PreZero Recycling Szkló receives glass waste from cars and construction sites, often contaminated with glue and synthetic materials, and processes it for reuse in glassworks. At the same time, they collect post-production glass waste from glassworks, which is reused as feedstock material.

The PreZero Business Unit Polymers operates within the two business areas of plastic recycling and flexible packaging. Thereby, they deal mainly with post-consumer plastics, such as polypropylene (PP-PCR), low- and high-density polyethylene (LDPE-PCR, HDPE-PCR) and polystyrene (PS-PCR) to give them a new life. Operating at five plants in Austria, Germany, and Italy, the PreZero Business Unit Polymers covers a significant part of the value chain for plastic recyclates. An example of an operating plant is situated in Haimburg, Austria. The plant, amounting to a size of 75,000 m², has a maximum capacity of 55,000 t (output material) per year. Together with the trading and production divisions of Schwarz Group they can manage a whole plastic life cycle.

Recycling Organic Waste

Target: We improve the quality of organic secondary raw materials and utilize the end-of-life potential of organic waste by creating smart material loops. With composting plants, we can produce high-quality fertilizer which has great value for agriculture.

In Portugal, PreZero Portugal converts up to 60,000 tons of organic waste per year from eight municipalities around Porto into high-quality compost. The closed, odorless composting system encompasses 18 composting tunnels with a combined area of 3,100 m². Impurities such as metal, glass, paper, or plastic are removed and the right combination of oxygen, temperature and moisture is applied.

To maximize the use of sewage sludge, which is particularly rich in organic matter, PreZero Portugal has a composting facility for storing and composting 120,000 tons of organic waste per year. The sewage sludge is transformed into the organic corrective Terramais®, which can be used as fertilizer in agriculture.

PreZero Poland has been manufacturing various soil improvers since 2002. Thanks to the composting process, biodegradable waste from local communities is recycled into a premium product that is sold primarily to companies for sustainable landscaping as well as private customers.

GRI 2-6

Companies of PreZero Group have received several certifications for organic treatment. For example:

- 📄 PreZero Netherlands: “Better Biomass” certificate (NTA8080)
- 📄 PreZero Poland: KZR IniG certificate for biofuels
- 📄 PreZero Germany: REDcert-EU certificate for biomass/biofuels
- 📄 PreZero Portugal: Rottegrad IV and V for Nutrimais®, the brand of a business partner, which wants to ensure high quality for agriculture and environmental sustainability, and PreZero Portugal's own Terramais® brand.

In addition to the methods described above, we are working on innovative recycling processes for organic waste, such as organic upcycling using the Black Soldier Fly (*Hermetia illucens*) larvae. Further details about the Black Soldier Fly project can be found in the chapter [Partnerships & Innovation](#).

Landfills

Target: Our aim is to exploit the end-of-life potential of deposited materials at our landfills.

Even though our aim is to increase the amount of recycled and recovered materials, landfills sometimes play an important role in the management of materials in various locations. The reasons for depositing materials may be health or environmental hazards or restrictions, technical impossibility, national statutory requirements, or economic unfeasibility. However, materials at landfills are not subject to further treatment. The anaerobic decomposition of organic waste produces landfill gas (biogas), which consists of relevant greenhouse gases. Therefore, landfill gas should be captured, converted, and used as a source of energy.

The companies of PreZero Group own and operate several types of landfills. At PreZero Sweden, the landfills mainly store non-recyclable materials that contain ash, slag (a by-product of smelting ores and used metals), or asbestos. There are stringent

statutory requirements for operating and monitoring landfills to avoid environmental damage and pollution, including the obligation to cover the site and monitor the release of landfill gas and any leachate. Sweden's ban on depositing organic waste has significantly helped to reduce the amount of methane and carbon dioxide emitted by Swedish landfills. However, Swedish landfills still produce landfill gas. That is why PreZero Sweden captures the biogas and sells it to cogeneration plants, where it is used to generate electricity.

PreZero Spain also uses biogas from covered landfills to generate energy. For example, together with Waga Energy and Nedgia, they have launched a project to feed biomethane produced from waste at controlled landfills into the gas grid on a large scale. For more information about the project, see the chapter [Climate Protection](#).

GRI 2-6 | 306-5

Consulting & Services

Target: We aim to expand our consulting services, advising our customers on design for recyclability, waste management, and waste separation.

In 2021, we initiated the development of a new standard, the Zero Waste DIN SPEC 91436, in cooperation with a consortium of Non-Governmental Organisations (NGOs) and organizations and auditing bodies (TÜV Süd, DEKRA, TU Dresden, Resourcify, Repaq, Circular Berlin and DIN). It describes a holistic reference model for measuring and improving the maturity level of waste and recyclables management in companies and organizations based on the “Zero Waste” vision. Since 2022, GreenCycle has been consulting the roll-out at Lidl in the Netherlands and the Czech Republic, and at Kaufland in Slovakia and Romania as well as in projects such as the PreZero Arena for the German Bundesliga football club TSG 1899 Hoffenheim. They are working on other projects and a phased implementation in other locations where Lidl and Kaufland are based.

In Germany, the Netherlands, Belgium, Sweden, and Poland, we currently provide consulting with various focus areas for our customers.

In Germany, PreZero Q develops and implements circular economy solutions for manufacturing companies, brand manufacturers, and industrial companies.

This enables companies to implement value cycles by reusing resources from product, packaging, and production waste in their own value creation process.

PreZero Netherlands also provides consulting on the 10Rs of Zero Waste: Refuse, Rethink, Reduce, Reuse, Repair, Refurbish, Remanufacture, Repurpose, Recycle, Recover. This approach covers all stages of the circular economy, from design to use to recovery.

PreZero Belgium provides training on sorting, waste reduction, and resource efficiency.

At PreZero Sweden, the Sales Department educates customers on separating as many different waste fractions as possible on-site. As a result, they collect a lot of pre-sorted waste and do not need large sorting facilities at their own sites.

Furthermore, companies of PreZero Group offer waste management services for big events in various countries. For example, PreZero Poland provides waste management solutions for major events, such as the 762nd St. Dominic's Fair, on a 45,000 m² site, one of the largest commercial open-air events in Europe. Here, PreZero Poland was responsible for over 300 waste containers, serviced sanitary containers and portable toilets.

GRI 2-6 | 3-3 | 306-2 | 308-2 | 414-2



5.5 Reduce Pollution from Waste and Chemicals

Targets & Measures

In a joint effort across the companies of PreZero Group, we are currently developing international targets that are appropriate for the respective areas, with national companies working on a process to develop national targets. National CSR managers are working with their operational departments to develop targets and measures.

Management systems

ISO 9001 Quality Management Systems
ISO 14001 Environmental Management Systems
ISO 45001 Occupational Health and Safety
EMAS Eco-Management and Audit Scheme

Some sites of the national companies in Poland, Germany, Portugal, Sweden, and Spain are ISO 9001, 14001, 45001 and EMAS certified.

- 📄 For example, all operational sites at PreZero Portugal are certified in line with ISO 9001, 14001, and 45001. Many PreZero Spain sites are certified in line with both ISO 9001 (2015) and ISO 14001 (2015, valid until August 2024).
- 📄 At PreZero Poland, the majority of sites have ISO 9001 and 14001 certifications. Some of the sites have ISO 45001 as well as the Eco-Management and Audit Scheme (EMAS), a voluntary EU initiative designed to improve environmental performance.
- 📄 All sites of PreZero Sweden are certified in line with both ISO 9001 and ISO 14001, valid until 2024.
- 📄 In Germany, all sites and offices are ISO 9001 certified and some have ISO 14001 certifications.

Certifications are also obtained by our plastic recycling plants. PreZero Polymers plants in Italy and Austria meet the required standards for certification under the RecyClass Scheme for European Plastics Recyclers. The recycling plant in Grünstadt (Germany), a 50 %-Joint Venture, meets the required standards for certification under the EUCertPlast Scheme for European Plastic Recyclers.

GRI 3-3 | 403-1

Certification of Operational Facilities and Sites

Target: Our aim is to prevent environmental pollution at our sites by certifying our operational facilities and improving our environmental management.

The majority of our sites have implemented a certified environmental management (e.g., ISO 14001) and quality management system (e.g., ISO 9001). The aim is to have all operational sites certified in line with ISO 14001 and ISO 9001 by Q4 2023. Some sites also have a health and safety certification, such as ISO 45001. Operational sites include all sites where business activities directly related to the purpose of our core business are carried out, such as disposal, sorting, or recycling facilities. It does not include sites where no core business activities are performed, such as office and administrative buildings, storage facilities, or garages.

Water

Target: Our aim is to decrease water consumption, reuse water, improve water efficiency, and prevent the release of contaminated water into the environment.

The companies of PreZero Group currently have no international water management guidelines or standards in place beyond national legislation or certified environmental management standards. As a general principle, each national company or site is responsible for its own water management.

Besides managing our internal water consumption responsibly, some national companies also provide water treatment services for customers.

At PreZero Belgium, they integrate wastewater management in our overall waste management services by

In total, the companies of PreZero Group have a water consumption of **1,298,892 m³**.

GRI 303-3

Chemicals

Target: Our aim is to avoid all chemical pollution. As a group in which the treatment of waste and recycling plays a major role, we have a responsibility for the safe management of various chemicals. When handling chemicals, we always use appropriate containers and

collaborating with specialized companies to treat and reuse water on site where possible.

PreZero Sweden deploys a sewer cleaning truck with special recycling technology that filters stones and gravel from the water. The filtered water can then be reused in the cleaning process. For some customers this saves up to 40 m³ of water per day, in addition to reducing mileage.

Since 2015, the companies of PreZero Group are part of a strategic partnership with the World Wide Fund for Nature (WWF) to stop plastics from entering the oceans. To find out more about this partnership please refer to the chapter [Partnerships & Innovation](#).

GRI 2-6 | 3-3 | 303-2 | 306-2

storage at separate areas on site. We provide training and the appropriate Personal Protective Equipment (PPE) for employees. This also applies to the operational chemicals that we use in our recycling process to produce high-quality recyclates.

5.6 Measurement

Our aim is to *Avoid Waste and Increase Resource Efficiency*. Therefore, we are in the process of determining our current recovery and recycling rates to set future targets and measure our progress. We are also developing methods to measure the reduction of negative environmental impacts. This requires the collection and calculation of quantitative data, which we consider as a first step toward the evaluation of our climate related impacts.

GRI 3-3

6. Climate Protection

Climate change poses enormous environmental and social challenges in the 21st century and requires action at all levels of society and business. Our business is also affected by extreme weather events, which may cause accidents at our operational sites. By developing smart recycling loops and saving primary resources, we aim to reduce greenhouse gas (GHG) emissions throughout our operations and along the entire value chain. Therefore, *Climate Protection* is not only a material topic of our materiality analysis but also a CSR key topic of the CSR strategy.

6.1 Fields of Action

To contribute to climate protection and to reduce our GHG emissions, we have defined four fields of action:

1. We reduce greenhouse gas emissions by increasing the use of secondary raw materials. In addition to reducing our corporate carbon footprint in accordance with the GHG Protocol, we demonstrate our “avoided GHG emissions” through smart recycling loops and replacing primary raw materials with secondary raw materials. We also clearly demonstrate to our customers how our recycling services contribute to climate protection.
2. Moreover, we source green electricity and optimize our sustainable energy production. Starting in FY 2022, we have successfully transitioned to procuring 100% electricity from renewable energy sources⁹. Beyond that, we will further increase our own renewable energy generation by 2030.
3. To reduce emissions, we implement load and route optimizations in our logistics processes. Additionally, we are relying on alternative drive systems and low-emission fuels to further reduce greenhouse gas emissions in our logistics processes.
4. We continuously implement internal resource and energy efficiency measures. As such, we monitor our consumption data and implement energy management systems at relevant sites (e.g., pursuant to ISO 5001). Besides implementing efficiency measures such as optimization of lighting, heating, ventilation, etc. we also prioritize resource efficiency factors in our procurement processes.

6.2 Impact

Our business activities, e.g. transportation and processing of recyclable material, waste-to-energy plants, and landfills, produce GHG emissions. However, our business activities can also help to avoid GHG emissions. For instance, closing recycling loops helps to replace primary raw materials with secondary raw materials which can reduce GHG emissions. Indeed, the extraction, transport, and processing of primary raw materials often generate more GHG emissions than producing recycled materials. Besides mechanical recycling, waste-to-energy technologies can also reduce GHG emissions by replacing fossil fuels.

GRI 3-3

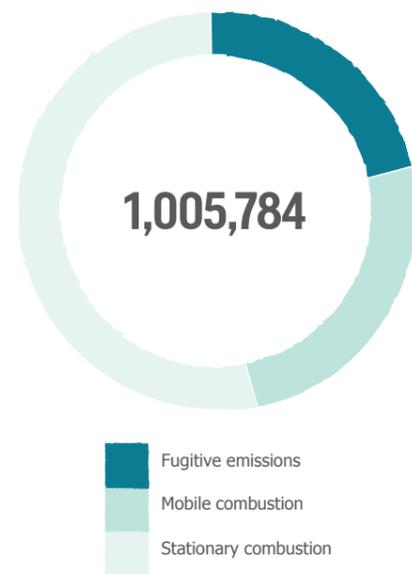
⁹ Excluding any purchase agreements that the companies of Schwarz Group cannot influence, such as those for individual leased properties with a binding electricity procurement clause. You can find more information here: <https://prezero-international.com/en/sustainability#renewableenergysources>

6.3 Measurement

In order to monitor our GHG emissions, we have been calculating our annual Corporate Carbon Footprint (CCF) in accordance with the Greenhouse Gas Protocol (GHG Protocol) since 2019. The CCF includes our scope 1, 2, and 3 emissions and is reported for all companies of PreZero Group. It includes all companies and sites that have been part of PreZero Group for a full FY.

In FY 2022, we calculated the following emissions:

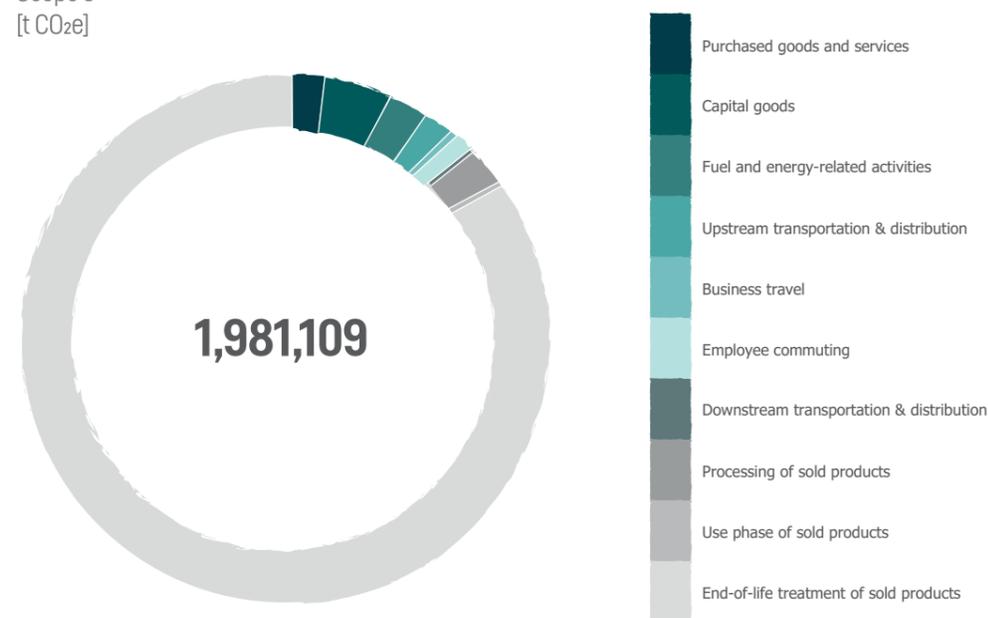
Scope 1
[t CO₂e]



Scope 2
[t CO₂e]



Scope 3
[t CO₂e]



What is CO₂e? CO₂e stands for carbon dioxide equivalent and is the common unit for standardizing the climate impact of different greenhouse gases. So, in addition to carbon dioxide, it also includes the impact of methane, nitrous oxide, and other greenhouse gases.

As the companies of PreZero Group have been growing inorganically, we will have to adjust our CCF to include the emissions from new companies for FY 2019, 2020 and 2021. The process of adjusting our base year and our reduction targets accordingly is scheduled to take place by the end of 2023.

The annual CCF is the basis for monitoring our GHG emissions and measuring our GHG emission reduction achievements. This will enable us to develop and evaluate meaningful measures to avoid and reduce GHG emissions. An annual CSR KPI collection is used to calculate our CCF, monitor our energy consumption, and energy generation.

GRI 3-3

6.4 Responsibilities & Policies

Responsibilities

Our Top Management is responsible for the material topic of *Climate Protection*. Internationally, this topic is coordinated by the international CSR Department and the respective national CSR managers. The development and implementation of measures to avoid and reduce GHG emissions take place at the operational departmental level with the involvement of CSR managers. Relevant departments in this context are, e.g., Energy Management, Environmental Management, Fleet Management, or Procurement.

Policies

The companies of Schwarz Group's Corporate Carbon Footprint Manual is a framework for the annual calculation of our CCF. Additionally, we jointly developed a PreZero Corporate Carbon Footprint Manual which considers the specific business activities of national companies of PreZero Group, such as recycling or thermal treatment.

GRI 3-3

6.5 Climate Protection

Responsibilities

Across the companies of PreZero Group, we are currently developing national targets and measures together for *Climate Protection*, appropriate to the relevant areas. Our national CSR management is working jointly with all operational departments to develop these targets and measures. There is also collaboration between the national companies, coordinated by PreZero Stiftung & Co. KG, to learn from best practices or develop joint projects.

Target: We take Climate Protection seriously and aim to steadily reduce our greenhouse gas emissions. Therefore, the companies of PreZero Group are committed to the following three objectives:

1. We want to prevent the generation of greenhouse gas emissions wherever possible.
2. Whenever greenhouse gas emissions cannot be prevented, we want to reduce them.
3. Only if we can neither prevent nor reduce operational greenhouse gas, we may offset it using internationally recognized standards.

Together, the companies of Schwarz Group have defined climate protection targets validated by the Science Based Targets initiative (SBTi). As part of their SBTi commitment, the companies of Schwarz Group mutually committed to reduce their operational greenhouse gas emissions (scope 1 and 2) by 55 % by 2030 compared to 2019¹⁰. To achieve this target, the companies have implemented different measures to avoid, reduce, or offset GHG emissions in their operations and their supply chain. One relevant measure that the companies of Schwarz Group have

Avoided Emissions

Target: Our aim is to increase the use of secondary raw materials. Replacing primary with secondary raw materials does not only prevent the depletion of natural resources, but also prevents the GHG emissions that would have been caused by the extraction and transport of primary raw materials. Primary raw materials are materials obtained by extracting natural deposits, while secondary raw materials are recycled materials.

Logistics

Target: Logistics is an important part of our business activities and an important lever for reducing GHG emissions. We aim to reduce our logistics emissions by 2030 by implementing transport and load optimization. Moreover, we are replacing fossil fuels with lower-emission fuels and are expanding the proportion of our waste management and commercial fleet with alternative drive systems. Feasibility studies and tests are currently running at our national companies to define specific targets and develop transition road maps.

Using alternative and low(er)-emission fuels

At PreZero Poland, an increasing share of the fleet consists of vehicles powered by natural gas (CNG). Currently, the fleet in Poland has 28 CNG-powered trucks.

The trucks of PreZero Sweden run on 73.6 % biodiesel and 22 % biomethane (bioCNG). The remaining 4.4 % run on diesel or compressed natural gas.

jointly implemented: They have purchased 100 % of their electricity from renewable sources since the beginning of the FY 2022¹¹.

In addition to the emission reduction targets, we have set mutual goals for adapting our business activities to the consequences of climate change. In accordance with EU and country-specific regulations, we are in the process of establishing a risk management system that addresses the relevant climate impacts for our business activities and locations.

In addition to calculating our carbon footprint according to the GHG Protocol, we will demonstrate the amount of GHG emissions avoided by developing smart recycling loops and replacing primary raw materials with secondary raw materials. To reach this target, we will collectively set up an international standard for calculating avoided emissions within PreZero Group, based on Life Cycle Assessment standards. A pilot project has been started in several countries.

Route and load optimization

PreZero Germany has implemented a digital tool that calculates emissions from our primary and secondary logistics and displays the underlying consumption and process data. This serves to optimize our processes and develop greenhouse gas reduction strategies and corresponding logistics measures.

PreZero Netherlands, Renewi and other waste management companies have formed the Green Collective Initiative, which brings waste collectors together to collect commercial waste in cities. Using shared trucks that drive along combined collection routes contributes to a cleaner and safer city and reduces waste collection traffic in city centers by as much as 50 %. At the same time, up to 160 kg of carbon dioxide can be avoided on average for every 100 kilometers not driven. By the end of 2023, at least 30 cities will be part of this initiative.

Drive systems

Seven national companies of PreZero Group have already carried out tests and pilot projects on alternative drive systems. At PreZero Sweden, an electric heavy goods truck has been in use in Norrköping since the end of 2022, and four more electric heavy goods trucks have been ordered and will be delivered in 2023.

PreZero Netherlands acquired ten new electric trucks for its Duiven site, serving the city of Arnhem. As part of the EU-funded HECTOR project, several hydrogen fuel cell garbage trucks demonstrate that they can provide an effective solution to reduce emissions for municipal waste collection.

GRI 3-3

Resource Efficiency

Target: We aim to continuously implement efficiency measures at our sites to save resources, energy, and consequently greenhouse gas emissions. As part of this process, all our administrative sites in the greater Heilbronn area (Germany) are ISO 50001 Energy Management System certified. Moreover, PreZero Polymers and some sites of PreZero Germany and PreZero Spain are also ISO 50001 certified. Beyond that, we prioritize resource efficiency factors in our procurement processes.

PreZero Poland has taken steps to improve the energy efficiency of its office buildings and facilities. This includes installing LED lighting and modernizing buildings, which also improves working conditions for our employees.

Along our value chain and in our procurement processes we also focus on reducing our scope 3 emissions. For example, PreZero Belgium promotes working from home to reduce the need for employees to commute. Where employees have to commute to the office, PreZero Belgium encourages carpooling to reduce CO₂e emissions – e.g., by using the Schwarz Mobility Solutions GmbH owned smart carpooling app twogo.

To contribute to resource efficiency and reduce emissions at its sites, PreZero Sweden prioritizes sustainable alternatives in its own procurement processes. For example, by procuring upcycled furniture for their offices.

GRI 3-3 | 302-4 | 305-5

Energy Production

Target: We aim to increase our own generation of renewable energy at our sites by 2030. Following the EU definition of renewable energy, this includes the energy production from biomass and landfill gas. We generate renewable energy at our sites by recovering biomass, e.g. with our biogas and waste-to-energy plants or photovoltaics (PV) systems.

To define specific targets, we are currently focusing on establishing the status quo based on feasibility studies in the relevant national companies.

Biogas Generation

We use pre-sorted organic waste as a source of compost and to generate biomethane through anaerobic digestion.

The biogas plant of PreZero Spain in Valdemingómez, near Madrid, is the only plant in Spain that is capable of converting the organic waste from Madrid's 3.2 million residents into biogas. In 2022, Madrid City Council expanded the plant, allowing 80 % more of this renewable gas to be injected into the grid. The plant's thermal energy capacity is 170 GWh per year – enough to provide gas to 35,000 households or 500 local buses annually. The fermentation residue is transformed into fertilizer via a composting process.

In addition, the collaboration between PreZero Spain, Waga Energy and Nedgia will collect biogas from covered landfills and will generate biomethane for the grid from June 2023 onward. This new facility, the first of its kind in Spain, will be able to inject a total of 70 GWh of biomethane per year into the gas grid, equivalent to the energy consumption of 14,000 homes, or fuel for 200 buses.

¹⁰ The target for scope 1 and 2 might also include biogenic emissions and the removal of biogenic raw materials.

¹¹ Excluding any purchase agreements that the companies of Schwarz Group cannot influence, such as those for individual leased properties with a binding electricity procurement clause. You can find more information here:

<https://prezero-international.com/en/sustainability#renewableenergysources>

Waste-to-Energy

When materials cannot be recycled, they can still be used to generate electricity. Every year, the waste-to-energy plant of PreZero Netherlands in Roosendaal generates around 375,000 tons of non-recyclable waste into energy, resulting also in the release of heat and CO_{2e} emissions. Most of the heat is fed into the power grid as electricity through a generator at a rate of 200,000 MWh per year, while the remaining heat is fed into the local heating network. Starting from 2025, PreZero Netherlands plans to use the resulting heat and CO_{2e} at greenhouses in Steenberg and Dinteloord as an alternative to natural gas. First steps have been taken in the implementation phase for this collaborative project between PreZero Energy Roosendaal, Energie Cluster Steenberg and Coöperatieve vereniging Nieuw Prinsenland (NP). The project, named Osiris, is subsidized by the Dutch government's Sustainable Energy Production Subsidy Scheme (SDE++). It is expected to replace approx. 100 million cubic meters of fossil fuels per year, which is equivalent to the energy consumption of around 85,000 households.

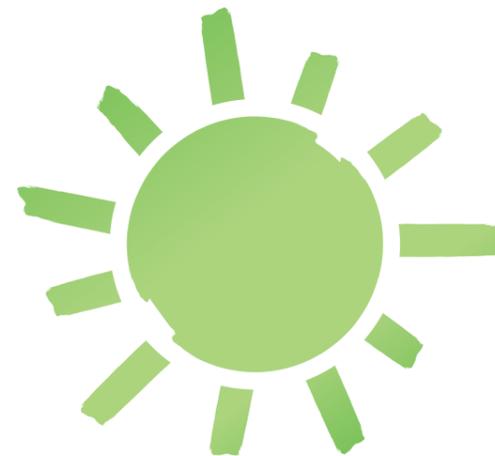
To this end, more than 25 km of underground pipes will be laid in local distribution networks to transport residual heat and CO_{2e} to the greenhouses.

PreZero Poland's ITPOK waste-to-energy plant in Poznań is also treating waste thermally, generating electricity and heat. In the FY 2022, ITPOK Poznań thermally treated 207,000 tons of the residual fraction of mixed municipal waste. The waste from over 40 municipalities in Poland with over 960,000 residents generated about 92,000 MWh of electricity and over 142,000 MWh of heat. Thermal energy was sold to a heat distributor, who distributed it to end users through its own heat network, while the electricity was sold to the country's power grid. The waste processing generated 48,000 tons of ash, which was used as an aggregate in concrete mixtures (for subbase layers). In addition, over 3,000 tons of ferrous metals and over 600 tons of non-ferrous metals were produced and handed over for recycling.

Photovoltaic Systems

Ten sites are already generating renewable electricity using photovoltaic systems. Two examples: At PreZero Sweden in Norrköping, solar panels have been producing up to 25,000 kWh of electricity per year for the past ten years, powering all electric and engine heaters in waste collection vehicles as well as the office lighting. At the PreZero Recycling Zachód site in Piotrowo Pierwsze, Poland, a 247 kWp photovoltaic system was installed in 2022.

GRI 2-6 | 3-3



6.6 Energy Table

Overview of energy and emissions of the companies of PreZero Group within FY 2022*.

	MWh
Energy consumption within the organization	1,533,858
Energy intensity (average energy consumption per employee)	57
Renewable energy production	588,863
	t CO_{2e}
Total corporate carbon footprint FY 2022	3,012,193
Direct (scope 1) GHG emissions	1,005,784
Indirect (scope 2) GHG emissions, market-based approach	25,299
Other indirect (scope 3) GHG emissions	1,981,109
GHG intensity (average GHG per employee)	111

GHG Emissions in metric tons of CO₂ equivalent. For a detailed overview of our corporate carbon footprint and our scope 1, 2, and 3 emissions, please check [page 57](#).

GRI 302-1 | 302-3 | 305-1 | 305-2 | 305-3 | 305-4

*Due to values being rounded, there may be slight discrepancies in the totals

7. Employees

Since being successful at our activities would be impossible without our workforce, our employees are important circular economy ambassadors. Our employees, who are mainly involved in operational activities, i.e., waste collection, sorting, or street cleaning, contribute significantly to the material value change and constitute an important aspect of our holistic approach to sustainability. We value and appreciate them and want to fulfill our responsibility as trustful employers. This attitude towards our employees is reflected in our material topics on this key topic.

The first material topic in this area, *Health and Safety at Work* is of high relevance to the companies of PreZero Group as a safe and pleasant work environment is the foundation of all productive work. Given our large share of operational work and the potential exposure to hazardous situations and substances, the prevention of accidents is emphasized here. The material topics of *Working Hours and Remuneration* and *Fair Treatment and Co-Determination* represent our aim to support our diverse workforce when it comes to work-life balance and feeling welcome at the workplace at all times. In a joint effort, this creates an environment where great ideas and great teams can flourish. Finally, the relevance of Educational Opportunities is founded in our aim to foster our employees' talents and drive sustainable development wherever possible. Much of our sustainable development is attributable to our employees who deserve constant access to valuable knowledge and continuous growth opportunities. This leads them, and the companies of PreZero Group overall, to sustainable success.

7.1 Fields of Action

For the key topic Employees, we defined four fields of action to create the framework:

1. We support our employees in all stages of their professional life. In addition to individual measures, we offer them long-term prospects, fair salaries and provide them with purposeful jobs that contribute to our target of closing loops.
2. We value our employees from day one. Therefore, we show respect and appreciation in the recruiting and onboarding processes.
3. To ensure that our employees can work under sustainable conditions, we promote their health and well-being. We aim to achieve this by creating and maintaining reliable operations and safe and healthy workplaces for all operational as well as non-operational employees.
4. We promote fairness, equal opportunities, and diversity so that all our employees feel safe and welcome at their workplace.

These fields of actions are directly linked to our employee-related material topics:

-  Field of action one: *Working Hours and Remuneration*
-  Field of action one: *Educational Opportunities*
-  Field of action two and four: *Fair Treatment and Co-Determination*
-  Field of action three: *Health and Safety at Work*

7.2 Impact

When it comes to our impact on employee-related material topics, our collectively established corporate culture promotes reliable operational processes and procedures. We are aware that hazardous work conditions and the way in which work is organized, particularly for operational workers, can have a negative impact on *Health and Safety at Work* at our own sites. Preventive measures, jointly established through reliable internal processes, can counteract these effects, and have a positive impact on Health and Safety (H&S) at our sites.

With regards to *Fair Treatment and Co-Determination*, we are sensitized to potential negative impacts at our own sites that may occur due to subjective assessments or due to conscious or unconscious bias. To prevent such negative impact, we promote the conscious consideration and awareness of these topics and use various measures, which are described below for each material topic. These measures and activities, in turn, have a positive impact on *Fair Treatment and Co-Determination* at our company and within collaborations. While we foster their seamless implementation across the companies of PreZero Group, we continuously explore effective measures to advance these topics even more.

As we offer a wide range of developmental as well as learning opportunities to our employees, we have a potentially positive impact in the area of *Educational Opportunities*. These offerings enable employees to refine their skills and to improve their performance in every phase of their professional life. Furthermore, all employees receive fair remuneration that is in line with the market and obtain employment contracts including defined working hours. These measures have a potentially positive impact on the topic of *Working Hours and Remuneration* across PreZero Group as they enable employees to maintain a healthy work-life balance.

Lastly, the companies of PreZero Group require business partners to adhere to our jointly established Code of Conduct, which has a potentially positive impact on the material topics of *Working Hours and Remuneration*, *Health and Safety at Work* and *Fair Treatment and Co-Determination* along our value chain (see the chapter [Compliance](#)).

GRI 3-3



7.3 Responsibilities & Policies

Responsibilities

All employee-related topics are generally managed by the Human Resources (HR) Departments and H&S Departments in the companies of PreZero Group. The HR Departments mainly carry the responsibility for the material topics of *Working Hours and Remuneration*, *Educational Opportunities* and *Fair Treatment and Co-Determination*.

The international HR Department coordinates their material topics between the national companies to create opportunities for exchange. Furthermore, the international HR Department, with its focus on HR governance processes, has been selected to develop a supporting framework for the national companies. The national HR Departments may apply the supporting framework to their own country-specific measures and targets.

Since the education and professional development of individual employees demands special consideration, the responsibility for this topic lies directly with the respective HR managers, employees' direct superiors and the employees themselves. Together, they assess the employee's individual professional developmental requirements and appropriate measures, based on current and future responsibilities. These processes are supported by guidelines and manuals.

Policies

As part of Schwarz Group, we are committed to *Fair Working Hours*, *Fair Remuneration*, a *Healthy and Safe Workplace*, *Fair Treatment and Co-Determination* through the UN Global Compact¹², a non-binding United Nations initiative to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The companies of PreZero Group are also committed to *Fair Working Hours*, *Fair Remuneration*, a *Healthy and Safe Workplace*, *Educational Opportunities*, *Fair Treatment*, and *Co-Determination* as defined in the WIN-Charta¹³ of the German state of Baden-Württemberg. PreZero Stiftung & Co. KG is a signatory of this initiative, and its participation represents a voluntary commitment to sustainability and to our economic, ecological, and social responsibility.

The HR Departments are responsible for the topic of Health Management. This includes, for example, offering free fitness courses or education on ergonomic working conditions in the offices.

The international H&S Department of PreZero Stiftung & Co. KG coordinates the topic of Occupational Health and Safety and, therefore, also the material topic *Health and Safety at Work*. The HR or H&S Departments of the national companies are responsible for the national implementation of Occupational Health and Safety. Relevant topics are coordinated in cooperation between the H&S country managers and the international HR and H&S Departments.

Across the companies of PreZero Group, and in a collective effort, we are currently developing national targets and measures for the CSR key topic Employees, which spans across all the material topics discussed in this chapter. The national CSR managers are working jointly with their operational departments to develop these targets and measures. There is also collaboration between the national companies, coordinated by PreZero Stiftung & Co. KG, to learn from best practices or to develop new projects together.

GRI 3-3

Generally, we comply with all applicable laws and all our internal policies. In particular, our Code of Conduct addresses our employee-related material topics and demands consideration of these topics. An adapted version of our Declaration of Principles on Respect for Human Rights and the Environment, which originally launched in 2021, is expected to be published in FY 2023 and will specifically demonstrate our commitment to *Fair Working Hours*, *Fair Remuneration*, a *Healthy and Safe Workplace*, *Fair Treatment and Co-Determination* (for more information on our internal policies see the chapter Introduction).

GRI 2-23 | 2-24 | 3-3

7.4 Health and Safety at Work

Targets & Measures

Target: Zero critical accidents by 2030, at the latest, is the goal that we have set ourselves for *Health and Safety at Work*. To achieve this, we consider Occupational Health and Safety an integral part of our daily activities and therefore focus on the reliability of our processes. Joint action, skills, experience, and communication determine the safety of each individual worker. The companies of PreZero Group have established management systems together that are ready to be certified pursuant to ISO 45001. While certification is not mandatory, the standard is to be implemented for all operational sites of the companies of PreZero Group in all countries by Q4 2024.

GRI 3-3 | 403-8

Health & Safety Approaches

The project PreVent is an example of how we approach *Health and Safety at Work*. Established together by the companies of PreZero Group, it supports the CEOs and the Occupational Health and Safety managers of the national companies in working together to improve the group-wide understanding of risks that are inherent to our operational business. We develop processes and methods to organize work in ways that focus on the reliability of actions and processes. To carry out the PreVent project, we draft and implement individual, national improvement plans for model sites in the Netherlands and Spain. An additional overarching learning architecture will enable other national companies of PreZero Group to participate in the learning process and develop their own road maps at a later stage.

Another specific measure is the expansion of the H&S perspective of the companies of PreZero Group to accommodate the demands of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) as well as those of the Corporate Sustainability Due Diligence Directive (CSDDD). Here, PreZero Stiftung & Co. KG and PreZero Germany already provide trainings for employees and business partners on corporate due diligence obligations in supply chains, which cover H&S risk prevention as well as risk mitigation on their respective premises.

For general measures in the area of *Health and Safety at Work*, the joint Occupational Health and Safety management system of the companies of PreZero Group serves to avoid work-related accidents, injuries, or illnesses, and ensures the safety of our employees in the workplace. It seeks to motivate all employees to implement H&S measures. To enhance the exchange of information on this material topic, we regularly organize international H&S business panels as a forum for H&S issues. Within these panels, we exchange where we share information, expertise, best practices, and important H&S information across all national companies. Moreover, all relevant information on Occupational Health and Safety is communicated and accessible through intranet postings, trainings, and other internal announcements (e.g. in town hall meetings).

GRI 403-1 | 403-4

Generally, the education and training of employees regarding the material topic is of paramount importance. Therefore, all our employees undergo regular trainings on potential risks in their workplace. The national companies both implement rules and conduct trainings on H&S. As an example of a program implemented at national company level, our fire safety program aims to prevent and manage incidents at all of our sites and applies to all national companies. It is supplemented by the training and deployment of Fire Protection Officers and first responders at every site. By means of an internal guide called „10 Safety Rules“, PreZero Poland sets an example of nationally implemented rules: The list includes key rules to keep employees, sub-contractors, and clients safe at work. PreZero Sweden and PreZero Luxembourg have created their own H&S rules and PreZero Spain has implemented the LEAN Safety Methodology as a pilot project. Regarding our target to be certified pursuant to ISO 45001, PreZero Spain and Portugal already fulfill the requirements of the H&S management standard at work.

GRI 403-4 | 403-5 | 403-7

¹² UN Global Compact: <https://unglobalcompact.org>

¹³ WIN-Charta: <https://www.nachhaltigkeitsstrategie.de/wirtschaft-handelt-nachhaltig>

Accidents

The adequate handling of accidents at the companies of PreZero Group serves as an effective lever to foster *Health and Safety at Work*. In this area, our accident reporting process exemplarily encompasses specific measures for reporting and recording accidents that may involve employees of the companies of PreZero Group as well as external contractors or third parties - in the event that PreZero is connected to these accidents. Furthermore, the complaint process of the companies of PreZero Group allows employees as well as third parties to report H&S hazards or workplace violations related to H&S (for more information on our Compliance Management System see our chapter [Compliance](#)).

In FY 2022 there were **34 internal work accidents** per 1000 full-time employees.

GRI 403-9

Health Management

Our Health Management covers all aspects of *Health and Safety at Work* that are steered by the international or national HR Departments of the companies of PreZero Group. Our international HR Department is available to assist by order with all HR-related questions regarding disabilities, chronic illnesses, and workplace diversity and inclusion.

Given the heterogeneous landscape of business models across the national companies of PreZero Group, company-specific measures are applied in most cases. These include supplementary insurances for employees at various management levels, e.g. accident insurance, health check-ups, subsidized gym memberships, opportunities to participate in company-sponsored sports events, health awareness days, and lectures. More detailed examples of such measures include PreZero Germany with its Disability Representative or PreZero Spain's Health and Well-being Program "Cuidate+". This program encourages healthy habits among the workforce including training sessions and workshops to promote better time management, ergonomics, and stress management. PreZero Poland actively encourages employees to participate in sport events such as the "Poland Business Run" or the "Bicycle Capital of Poland" competition.

Most of our national companies have Occupational Health and Safety committees in place that are informed about past accidents in the company. These committees advise on preventative and corrective measures as well as on the outcome of implemented measures and coordinate Occupational Health and Safety tasks. There are specific national measures, such as PreZero Poland's tool for internal security alerts on their sites, which allows to share insights about security and aims to minimize the number of accidents. Other examples are PreZero Portugal and PreZero Spain, which have implemented an accident reduction plan based on the top five contracts per region that display the highest accident frequency rates.

GRI 2-25 | 403-2 | 403-7 | 403-9

Looking ahead, we are already planning to roll out specific collectively created Employee Assistance Programs (EAP) in ten out of eleven national companies. The program will include online, phone, and in-person counseling on psychological, legal, and financial issues for employees and managers, provided by qualified clinical and health psychologists and/or lawyers with several years of professional experience and additional training in counseling.

GRI 403-6

Measurement

To follow up on our implemented measures and their respective effectiveness, internal evaluations at the companies of PreZero take place on a regular basis and are accompanied by a monthly Environmental, Health & Safety (EHS) report covering relevant key performance indicators. Applicable policies and processes and their implementation are also audited regularly. Furthermore, the companies of PreZero Group conduct non-routine, activity-related risk assessments in accordance with respective legal obligations. These are updated regularly and adapted to the relevant activities or the procurement of new equipment.

We use the results of these assessments to jointly define and implement the necessary technical, structural, organizational, and personal Occupational Health and Safety measures. All national companies assist in accident investigations by gathering information on critical events in order to learn about behavioral patterns, communications, and other factors. For example, at national company level, PreZero Portugal and PreZero Spain carry out an annual H&S survey amongst their employees.

GRI 403-9

7.5 Working Hours and Remuneration

Targets & Measures

Target: Our commitment regarding *Working Hours and Remuneration* encompasses employees being compliant with national requirements regarding working hours and receiving remuneration that is based on compensation benchmarking as well as on national remuneration structures. In addition, depending on the work environment, equal workplace benefits should be offered to all employees.

GRI 3-3

All employees of companies of PreZero Group receive individual employment contracts at the beginning of their employment which contain information about expected working hours and respective remuneration, whereby individual salaries are treated confidentially. Employees are required to track their working hours in accordance with national regulations. To deal with workload fluctuations and temporary or seasonal demands, the national companies may employ people on a temporary or fixed-term basis. Different contracts apply, depending on the national company.

The companies of PreZero Group generally base their remuneration on compensation benchmarking (comparing job descriptions and pay scales against those in other organizations) and on national remuneration structures. It conforms to national requirements - such as statutory minimum wage regulations, or the

Looking ahead, we plan to conduct an annual risk analysis to identify potential and/or actual H&S violations. Based on the respective outcomes, we will develop specific measures to effectively counter, prevent, and mitigate their negative impacts.

GRI 2-25 | 3-3

German General Act on Equal Treatment, and other national agreements - such as collective agreements. Different national companies have a variety of collective bargaining agreements in place. In addition to these measures, we are in the process of implementing an international system for overarching pay structures to ensure fair compensation for all employees.

The remuneration for different management levels in the companies of PreZero Group, as well as senior executives, is based on fair, fixed and competitive salaries. In country-specific cases there are additional compensation components. For example, at PreZero Stiftung & Co. KG, the CEO PreZero International, CHRO PreZero International, and COO PreZero International) are involved in remuneration decisions. For the national companies, the national CEOs and the Heads of the national HR Departments are involved.

At all sites of the companies of PreZero Group, all full-time, part-time, and temporary employees¹⁴ receive access to the same workplace benefits depending on their managerial level and national legal regulations. This includes, for example, health insurance, disability insurance, invalidity insurance, and parental leave. Recruiting incentives such as sign-on bonuses may be awarded to employees depending on the national company's policy.

GRI 2-8 | 2-18 | 2-19 | 2-20 | 202-1 | 401-2

¹⁴ Temporary employees have a fixed-term contract with PreZero.

Measurement

To prevent, detect or rectify any possible workplace violations concerning *Working Hours and Remuneration* across the companies of PreZero Group, our employees can report incidents through our Online Reporting System or directly to our Compliance Officer (for more information on our CMS, see our [introductory chapter](#)). Lessons learned from any violations and their investigations are used for improvements.

The companies of PreZero Group also plan to carry out regular, annual risk analyses together to uncover potential and actual workplace violations. Based on the respective outcomes, specific measures will be developed to effectively counter, prevent, and mitigate negative impacts related to workplace violations.

The companies of PreZero Group employ around **30,000 employees** (including full-time, part-time; and apprentices). In FY 2022, **we hired 7,406 people** and had a fluctuation of 17 %.

GRI 2-7 | 401-1

7.6 Educational Opportunities

Targets & Measures

Target: Our aim for *Educational Opportunities* is to support employees' professional development and offer them long-term prospects in a purposeful workplace. We encourage our employees to undergo appropriate training, embedded in a structured talent management process.

To foster *Educational Opportunities* within the companies of PreZero Group wherever possible, we have developed a range of policies together such as a Policy for Training and Development and Policies for Development Programs which are listed in the following: New in Leadership Policy, Development Center Policy, Coaching Policy, Selection of External Training Providers Policy, rollout of Our Values and Go!5 Leadership Principles. Another overarching measure has been jointly established by the companies of PreZero Group: The PreZero Values Program for all our employees to foster a common understanding of the PreZero Values, namely: Respectful, Pragmatic, Structured, Self-determined and Connected. The program provides a range of materials, such as a toolbox and video material.

Generally, the companies of PreZero Group provide their employees with trainings, workshops, and programs that offer new professional qualifications, assist in upskilling, employee development, and in transitioning roles. In January 2023, PreZero Stiftung & Co. KG started a CSR project, aimed at enabling all employees to act sustainably. Here, new employees are also offered educational activities, introducing them to circular economy, its definition, and its benefits to sustainability. There are similar activities on the topic of sustainability within the national companies. Exemplarily, the Corporate Communications and CSR Departments of PreZero Spain and PreZero Sweden promote sustainability awareness amongst their employees by using important internal communication channels. At PreZero Sweden, this includes its staff magazine and a blog ([återvinningsbloggen.se](#)). At PreZero Spain, sustainability training is included in the annual training plan of the national HR Department.

To facilitate access to training, irrespective of the topic, PreZero Netherlands and PreZero Germany have developed and implemented the „SuccessFactors“ learning management platform, a program which is currently being rolled-out within other national companies as well. On this platform, learning content for employees can be continuously expanded by internal and external learning modules. Additional Educational Opportunities can materialize in mentoring programs, offered to provide support in preparation for a new role or project. Conflict workshops are also offered to help teams develop an understanding of disputes and how to solve them. At national company level, PreZero Spain and PreZero Portugal provide an effective training plan to their operational workers.

Given the changes that come with professional development, the companies of PreZero Group jointly provide additional *Educational Opportunities* to employees in higher management positions. Firstly, the PreZero Group Go!5 Program offers seminars and workshops to managers to support them in understanding the concept of leadership and to improve their employee management. Moreover, our Development Center Program for top and middle management helps to support employees on their growth path by providing individual, targeted approaches based on defined strengths and goals.

In FY 2022, around 60 top or middle managers participated in this program. Additionally, our Development Center Follow-Up Program for our Top Management encourages them to identify their development potential and to support a pro-active, self-guided learning culture and international networking. In 2023, we aim to include around 50 participants in the program. To round off the leadership and coaching offers for the Top Management, we provide individual support and assistance with developing solutions for specific situations.

As a special measure at national-company-level, PreZero Germany is currently piloting the 'New in Leadership' program which supports new managers during their preparation phase.

Several national companies are in the process of implementing a structured talent management process, with annual appraisal meetings between employees and their respective line manager. The appraisals provide feedback on performance, competence levels and behavior, and foster professional development. They are offered by, and supported through, our international HR Department and the SuccessFactors program. Exemplarily, all employees at PreZero Belgium's Evergem site have an annual appraisal meeting with their supervisor.

Lastly, exit interviews are also an important measure for the companies of PreZero Group as they provide valuable insights and learning opportunities. To jointly develop a group-wide standard for these interviews, we are currently analyzing best-practice examples of those national companies of PreZero Group that already conduct exit interviews.

GRI 3-3 | 404-2

Measurement

The measures implemented to foster the material topic of *Educational Opportunities* need to be reviewed regularly to assess their effectiveness. To accomplish this, the international HR Development Department exemplarily gathers information (e.g., date, duration, number of participants) during coaching sessions, in development centers, or during workshops and uses follow-up questionnaires to evaluate whether participants achieved their envisioned goals. Other parties assist in measuring effectiveness as well, such as line managers when they evaluate the implementation of PreZero Values and Go!5 Values as part of the annual employee dialog. This kind of assessment has already been introduced at PreZero Germany and PreZero Netherlands, where evaluation is carried out via an open response format. Looking ahead, and as part of our Employee Engagement Program, we will gather information on employee satisfaction by means of our employee pulse survey (PULS) which will be rolled out in 2023.

GRI 3-3

7.7 Fair Treatment and Co-Determination

Targets & Measures

Target: We aim to enforce *Fair Treatment and Co-Determination* across the companies of PreZero Group as we stand for fairness, equal opportunities, and diversity.

To implement our stance on fairness, equal opportunities, and diversity in the day-to-day life of the companies of PreZero Group, our national HR Departments regularly monitor these topics. Some national companies of PreZero Group also appoint internal employee representatives or employee relations consultants that assist with all HR-related inquiries, including inquiries pertaining to *Fair Treatment and Co-Determination*. Exemplarily, the employee relations consultants at PreZero Netherlands concentrate on three topics per year that all focus on sustainable employment. In 2022, the topics addressed vitality, development talks for managers, and employees over the age of 60. Given our inorganic growth, the companies of PreZero Group also run post-merger-integration workshops to inform employees about our jointly developed values and culture and to make them feel included in PreZero Group.

GRI 2-26 | 3-3

Measurement

To prevent, detect or rectify any possible violations regarding *Fair Treatment and Co-Determination* across the companies of PreZero Group, our respective employees can report incidents, such as harassments or unequal treatment, through our mutual Online Reporting System or directly to our jointly mandated Compliance Officers (for more information on our CMS, see our material topic *Compliance*). Additionally, and as a future form of measurement, the companies of PreZero Group plan to carry out regular, annual risk analyses together to uncover potential and actual violations regarding the material topic. Based on the respective outcomes, specific measures will be developed to effectively mitigate and prevent negative impacts related to workplace violations. Whereas we are still working on measurements that capture the status of *Fair Treatment and Co-Determination* at the companies of PreZero Group, our first analyses have demonstrated that at the end of FY 2021, 42.2 % of management positions were occupied by women.

GRI 2-25 | 2-26 | 405-1 | 406-1



8. Partnerships & Innovation

The complex and dynamic business environment contains various economic, ecological, and social challenges for all companies. This applies also to companies in circular economy like us. To address these challenges, we believe that a combination of Partnerships and Innovation is the best way to do so.

Partnerships create an exchange between important circular economy players and lead to holistic solutions. Furthermore, they unleash a high potential for innovation, for example in recycling technologies. As companies of PreZero Group, we are in exchange with various players from the private sector, academia, associations, initiatives, and Non-Governmental Organizations (NGOs) to harness these potentials. Being a trustful partner to these players has a positive impact on our business activities and our role as a sustainability companion. Besides, it is important for us to drive innovation in circular economy on our own. On the one hand, innovation is a key element to our business development and, on the other hand, it makes us a more attractive partner.

Using the synergies of Partnerships and Innovation, we promote our material topic *Cooperation and Partnerships* and *Economic Development and Sustainability Awareness*.

GRI 3-3

8.1 Fields of Action

Related to the CSR key topic Partnerships & Innovation, we defined three fields of action:

1. We promote circular innovations at all stages of our value chain by engaging in cross-industry partnerships for circular economy solutions. This includes closing the loop in waste management and creating new solutions for different stages of the circular economy for and beyond conventional waste management together with external partners.
2. We also act as a social role model in sustainability, and are actively engaging in relevant activities, e.g. by supporting social projects that focus on inclusion and education both financially and through personal involvement. We sponsor local clubs and events and use this opportunity to educate participants about circular economy.
3. Furthermore, we cooperate with our partners to develop sustainable standards preventing environmental impacts, and we develop existing sustainability standards further, such as our partnership with the World Wide Fund for Nature (WWF) to stop plastics from entering the oceans.

These fields of action are directly linked to the material topics *Cooperation and Partnerships* and *Economic Development and Sustainability Awareness*.

8.2 Impact

We are creating incentives to generate and share ideas for innovation. We support innovation within the companies of PreZero Group and also externally by not only providing financial support but also by contributing our time and knowledge to relevant projects. We believe that various perspectives create the greatest added value for circular economy. Therefore, we support partners and their causes and collaborate with them on setting new industry standards. For example, we invite people and organizations with different perspectives into the discussion to create opportunities for new problem-solving approaches.

We foster *Economic Development and Sustainability Awareness* so that society and the economy can benefit from a more sustainable future. We focus on our own business activities and products as well as those of our business partners and society as a whole. Our approach includes sharing knowledge and learning from each other to contribute positively to climate protection, for example, in the context of design for recycling, waste separation, recycling, and waste treatment.

While we view cooperation positively, we are fully aware that this can result in one-way participation, with only one-party contributing ideas and knowledge. Furthermore, we are aware of the potential for reputational damage that can be caused by our respective partners. Through our upstream business partner audit, we therefore identify risks before we start a cooperation. For more details about this process, please check the material topic [Compliance](#). The mentioned risks these are risks inherent in any cooperation and won't stop us from continuing to engage with partners.

Efforts and expenditures aimed at promoting *Economic Development and Sustainability Awareness* must be balanced against business viability, both with regards to our own business activities and those of our partners. We are aware of certain risks that come with sharing information that is aimed at raising awareness about sustainability. The information may be shared selectively to benefit a specific business model rather than providing holistic insights and the omission of critical information may well be considered equivalent to greenwashing.

GRI 2-29 | 3-3

8.3 Responsibilities & Policies

Responsibilities

All CSR Departments are responsible for coordinating the material topic *Cooperation and Partnerships*. Meanwhile, operational departments like Innovation, Business Development, Marketing, or Corporate Communications are responsible for the implementation and management of strategies, targets, and measures. Depending on their size and location, *Cooperation and Partnerships* are either coordinated at international or national level. Furthermore, there are various solutions for managing topics such as donations or sponsorships. For example, in the case of PreZero Stiftung & Co. KG, the international CSR Department is responsible for donations, while the international Marketing Department is responsible for managing sponsorships.

Responsibility for the material topic *Economic Development and Sustainability Awareness* lies with the departments Business Development, Innovation,

Marketing, Corporate Communications, CSR, and other operational departments. The international Innovation Department coordinates duly all projects regarding innovation in the countries and supports the exchange of information. This exchange of information enables us to accelerate new projects and increase their impact. Generally, all national companies are responsible for their own innovation projects and for identifying where they want to drive innovation within their business model and economic development. Each entity of PreZero Group is responsible for sustainability awareness. At an international level, the topic is managed by the international CSR Department and the international HR Department through regular exchange meetings and work sessions within the operational departments. At a national level, there are various management methods for the topic. Exemplarily, several national companies manage the topic through a sustainability committee.

Policies

At the international level, the Donations & Sponsoring Framework has been in place since 2020 and serves as basis for all donation and sponsoring activities of companies of PreZero Group. The framework sets specific threshold values and assessment criteria. In the greater Heilbron and Neckarsulm (Germany) area, a Donations & Sponsoring Policy defines the scope, definition, decision-making process, contract preparation, reporting and contact details for donations and

sponsoring activities in the region. For all partnerships, we apply our Code of Conduct whose contents are outlined within our [Compliance](#) chapter.

The companies of PreZero Group do not have any joint policies on *Economic Development and Sustainability Awareness* at the moment.

GRI 3-3

8.4 Cooperation and Partnerships meets Economic Development and Sustainability Awareness

Targets & Measures

There is a strong link between the material topics of *Cooperation and Partnerships* and *Economic Development and Sustainability Awareness*, as they are positively correlated. On the one hand, *Cooperation and Partnerships* are valuable tools to enhance sustainable development and innovation for circular economy. On the other hand, innovation presents smart solutions for the circular economy and increases our appeal as a sustainable partner. Our aim is to use this link as much as possible to improve both material topics. In a joint effort, we are currently developing national targets and measures for *Cooperation and Partnerships* as well as *Economic Development and Sustainability Awareness* that are appropriate for the relevant areas. Our national CSR managers are working jointly with all operational departments to develop these targets and measures. There is also collaboration between the national companies, coordinated by PreZero Stiftung & Co. KG, to learn from best practices and develop new projects together.

Innovation

Target: Together with our external partners, we aim to actively contribute to innovative circular solutions, such as closing the recycling loop by developing new, innovative solutions for all stages of the circular economy, beyond the conventional waste management business. We are, for example, actively involved in the development of sustainable, innovative packaging materials by collaborating on individual projects with Tetra Pak, Stora Enso, and others to separate and recycle the fibers from composite packaging materials. In addition to that, we are continuously exploring the establishment of specific innovation goals and aiming to provide positive incentives and motivation for an innovation-driven market.

GRI 2-6 | 3-3

Organic Upcycling

In California (USA), PreZero US utilizes Black Soldier Fly larvae on an industrial scale to upcycle organic waste. The larvae do not only decompose the organic waste, but also render the entailed nutrients usable again. Given the larvae's advantageous composition, which is high in protein and fat, it is processed into protein meal and insect oil and can be used as aquaculture and other animal feed. Moreover, the insect oil can substitute palm, fish, or canola oil.

Another byproduct is the frass, a nutrient-rich fertilizer derived from the remnants of the insects' feeding process.

In Europe, PreZero Germany supports a pilot insect biorefinery funded by the Ministry for Environment, Climate and Energy Management of Baden-Wuerttemberg and the European Union, which is being set up at the Fraunhofer Institute for Interfacial Engineering and Biotechnology IGB in Stuttgart.

OutNature

Traditional paper manufacturing with fresh wood fibers requires large amounts of energy, water, and chemicals. However, the scale of deforestation required for the paper industry destroys ecosystems and threatens biodiversity. In response, PreZero Group has developed innovative, sustainable, and unique fiber and paper products under the brand OutNature. To do so, the fibers of the silphium plant, a winter-hardy perennial that is usually used as an energy crop, are utilized. OutNature products consist of a blend of conventional pulp or recycled paper with a share of 35 % silphie fiber content. The cultivation, fiber processing and paper production all take place in Germany, reducing mileage and strengthening local value creation.

The positive climate footprint for the silphie fibers was officially confirmed in mid-2021 in an ecological balance sheet issued by Fraunhofer UMSICHT. OutNature focuses on establishing a more sustainable source for primary and secondary packaging on the market with its resource-efficient silphie paper. The first packaging was integrated quickly into the Lidl and Kaufland assortments. Consumer goods manufacturer Procter & Gamble (P&G) became another key partner. The first displays of silphie-fiber-based P&G brands Gillette and Always have been available in Lidl and Kaufland since the end of 2021.

GRI 2-6 | 3-3

Stakeholder Management

Our stakeholders include employees, customers (cities, communities, private households), business partners, innovation partners, associations and political organizations, citizens' initiatives, NGOs, banks, and the scientific community. We have identified these relevant stakeholders for the companies of PreZero Group using a PESTEL analysis – a framework to assess political, economic, social, technological, environmental, and legal factors.

Target: We aim to build collaborations with our stakeholders to fulfill our function as a social role model in society and to set sustainable standards in circular economy. Our actions as a social role model include all kinds of collaboration supporting social, environmental, or educational projects. Our members of the Leadership Committee and national CEOs as well as departments such as CSR, Public Affairs, Innovation, Communication, and Marketing engage with various stakeholder groups on a regular basis. Several dialog formats and events take place to educate participants about circular economy. In order to set sustainable standards, we engage in national and European business associations, politics, NGOs, and in business partnerships. Our common goal is to develop economy-related political statements and standards within circular economy.

GRI 2-29

Recycling Rotor Blades of Wind Turbines

Electricity generation from wind energy has risen steadily and accounted for a quarter of the electricity produced in Spain in 2021. Many of the older wind turbines are nearing the end of their lifespan and need to be replaced. To address this issue, PreZero Spain, in collaboration with Endesa, GE Renewable Energy, and its subsidiary LM Wind Power, plans to establish a recycling loop for the wind energy sector. The project called BLADES2BUILD starts in 2023. It is funded by the European Union through the European Commission. Initially, the project plans to commission a plant for rotor blades in the northern province of Castile and León in 2024. The aim is to recycle more than 6,000 tons of glass fiber and carbon fiber per year from rotor blades for reuse in the wind energy, construction, or ceramics sectors.

With this new, innovative business area, PreZero Spain aims to address the challenge of recycling thermoset composites from wind farms.

GRI 2-6 | 3-3

Reuse Consulting

During 2022, PreZero Sweden and Stafe Group AB developed a new consulting service for alternatives to recycling and incineration. GoZero Sverige AB (Sweden) will be launched in May 2023. The consulting service focuses on Swedish companies by encouraging reuse instead of recycling or waste-to-energy.

GRI 2-6 | 3-3

Local Community Development Programs

Target: We want to support social projects that focus on inclusion and education, we sponsor local clubs and events, and we use these opportunities to educate participants about the circular economy. Our social commitment is linked to our core business and our wish to make a positive impact on the community and on the environment. The national companies of PreZero Group engage with local stakeholders and promote social and ecological projects, provide educational materials on waste separation, zero waste, recycling and its impact on the environment. Furthermore, we give talks, and presentations about sustainability at relevant events.

In cooperation with Evangelische Stiftung Lichtenstern and NABU Obersulm, a local group of the NABU environmental organization, PreZero Stiftung & Co. KG has created the Grünfinkpfad in Germany. It is a nature and sensory trail to explore and experience nature, created by and accessible to people with disabilities.

PreZero Spain encourages citizens' involvement through environmental awareness and sensitization activities by e.g., providing innovative solutions for gardens and green areas in cities to improve the well-being of residents. PreZero Spain is the trusted partner of many communities whom they provide with a wide range of municipal public services. Súmate is PreZero Spain's social action program to develop social and environmental projects in locations where they operate. It involves a shared commitment between the organization and employees to improve the living conditions of people in vulnerable situations and contribute to a more sustainable environment.

PreZero Netherlands offers guided tours at their waste-to-energy facility and organized an Open Day at their new state of the art sorting plant in Groningen. It is also part of the Green Collective Initiative, a joint collection scheme within eight Dutch municipalities, and Join Nederland Schoon, a national litter clean-up action.

Since 2013, PreZero Poland has been involved with the initiative PreZero Jesteśmy z Tobą, which provides access to treatment or rehabilitation for the seriously ill and helps people in need as a result of illnesses, accidents, or natural disasters. Moreover, it aims to prevent the social and occupational exclusion of people with disabilities by helping them to gain professional qualifications by means of relevant training

courses and by supporting them in their search for a job. Simultaneously, PreZero Poland is working on increasing the number of employees with disabilities.

GRI 413-1

Total donations of PreZero around **281,000 Euros** in FY 2022.

Educational Institutions

Target: We collaborate with universities and other educational institutions to support each other in our research by establishing collaborative formats to find appropriate solutions for challenges in circular economy. Our educational work focuses on students and equips them with knowledge on specific sustainability topics (e.g., waste treatment, reuse, recycling etc.) through local events, workshops, social media, local newspaper reporting, etc.

Furthermore, PreZero Stiftung & Co. KG is collaborating with the Baden-Wuerttemberg Cooperative State University (DHBW) to develop a new study program called "Technical Management/Recycling Management and Technology". Within this dual university program, students will have the opportunity to learn about recycling from existing and new waste streams and can, at the same time, work in circular economy businesses. PreZero Stiftung & Co. KG also supports the study program by giving lectures on specific business relevant topics.

PreZero Netherlands supports Wageningen University in its research on how to achieve a completely sustainable operation. In 2023, they will organize several hackathons with other universities, start-ups and businesses, and an educational program for secondary schools, covering sustainability and waste management. Furthermore, PreZero Netherlands provides educational materials for primary schools on their website. In addition, they run blind spot instruction training sessions for primary schools (Veilig op weg) in cooperation with the Dutch Association for Transport and Logistics.

In 2022, PreZero Poland reached around 40,000 participants with their educational activities, which included 23 educational workshops for over 3,000 preschoolers, elementary school students and teenagers; 42 site visits for over 1,000 participants; 52

Membership & Commitments

Target: We aim to support environmental protection projects that focus on circular economy and climate protection.

Companies of PreZero Group are involved in national and European associations and initiatives relating to either circular economy or to topics specific to material streams or recycling. For example, we

Companies of PreZero Group:

The companies of PreZero Group have a strategic partnership with the World Wide Fund for Nature (WWF). In 2020, this partnership was extended by another five years and expanded internationally¹⁵. In Germany, for example, we work with WWF to combat plastic pollution in oceans and provide dialog formats with additional stakeholder groups on topics regarding circular economy and sustainable packaging. We provide expertise and financial support for the recovery of plastic fishing nets from the Baltic Sea, which endanger the ecosystem. Most of the world's plastic enters the oceans via Southeast Asia due to a lack of waste prevention and collection. Since 2018, we have been helping the WWF to develop a waste management system on the islands of Phu Quoc in Vietnam and Koh Libong in Thailand.

In 2021 we supported the study "Verpackungswende jetzt! Systemwandel zur Kreislaufwirtschaft" (Packaging transition now! System Change Toward a Circular Economy)¹⁶ by WWF Germany, in which the authors analyzed and quantified which levers are available to change plastic packaging streams.

Moreover, together with the WWF, we became involved in the Plastic Resolution. This United Nations Environment Assembly (UNEA) treaty against plastic pollution was agreed upon unanimously at the beginning of March 2022. It will now be developed further with all stakeholders until the end of 2024.

information booths to raise awareness of waste segregation, which reached some 34,000 people; and competitions and webinars for business representatives (with over 2,000 participants).

GRI 413-1

participate in working groups and publications, commit to specific objectives, such as those outlined in the Science Based Targets initiative (SBTi) or carry out activities on new laws and regulations together with our business partners or competitors. Here are a few examples of companies of PreZero Group, the PreZero Stiftung & Co.KG and the national companies:

Together with the companies of Schwarz Group, we participate in memberships and commitments.

☐ The companies of Schwarz Group joined the United Nations Global Compact (UNGC) in 2020, thus committing themselves to compliance with and promoting the ten principles of the UNGC. The companies of Schwarz Group consider it to be their corporate responsibility to stand up for the strengthening of human right, fair remuneration, and safe working conditions in all areas of their business activities worldwide. They oppose all forms of corruption and are committed to environmental and climate protection.

☐ The non-profit „We Mean Business Coalition“, which aims to halve global emissions by 2030 and accelerate the transition to a net-zero economy. This coalition of seven non-profit alliances, including the Carbon Disclosure Project (CDP) and the World Business Council for Sustainable Development (WBCD), cooperates with companies around the world.

☐ The Ellen MacArthur Foundation (EMF), which is a non-profit organization founded in 2010. Its aim is to accelerate the transition to a circular economy. To underscore their ambitions for the circular economy, companies of Schwarz Group signed

the New Plastics Economy (NPEC) back in 2018. This initiative is led by the EMF in cooperation with the UN Environment Programme.

☐ Startup incubators and accelerator programs in which we actively participate, such as Futury's The Mission¹⁷, which aims to bring sustainable business solutions into practice and thereby change how we do business. To identify and support startups that offer solutions to the circular economy challenge, companies of Schwarz Group are involved in start-up funds, such as the High-Tech Gründerfonds (which supports technology-based, high-potential companies) and the European Circular Bioeconomy Fund (ECBF), a venture capital fund that invests exclusively in growth companies in the European bioeconomy.

PreZero Stiftung & Co. KG

☐ The Federal Association of German Waste Management, Water and Circular Economy (BDE), which has around 750 member companies covering the entire value chain in recycling and resource management.

☐ The BDI Circular Economy Initiative (of the Federal Association of German Industry), which was created in April 2021, and is a network of around 60 stakeholders from the entire industrial spectrum. As well as being a political mouthpiece for Berlin and Brussels, it is driving the circular economy forward at every stage, from product development to recycling.

☐ The WIN-Charta of the German state of Baden-Wuerttemberg, where PreZero Stiftung & Co. KG is headquartered. The WIN-Charta represents a voluntary commitment to sustainability. Companies that have signed up to the WIN-Charta demonstrate a clear commitment to their economic, ecological, and social responsibility.

☐ The "Holy Grail 2.0 – Digital Watermark for Accurate Sorting and Quality Recycling" as an associate partner. It is a pilot project that aims to prove the technical viability of digital watermarks for the accurate sorting of packaging waste as well as the economic viability of the business case on a large scale.

National companies

☐ PreZero Polymers is a member of Plastics Recyclers Europe, a European platform for all topics related to the recyclability and use of plastic recyclates as well as for overall trends at EU level.

PreZero Netherlands is a member of MVO Nederland, the movement for „New Economy“ entrepreneurs, and Change Inc, a platform for professionals who want to be at the forefront of the sustainability transition.

☐ PreZero Spain is a member of several Spanish associations: Association of Waste Management Companies and Special Resources (ASEGRE), Association of Companies for the Recovery and Selection of Municipal Waste Packaging (ASPLARSEM), Spanish Association of Public Parks and Gardens, and Gasnam-Neutral Transport (AEPJP) or Association of Public Cleaning Companies and Care of the Urban Environment (ASELIP).

☐ PreZero Poland is a member of the UN Global Compact (UNGC) Network Poland, (Association of Waste-to-Energy Producers (SPEO), the Council of Regional Municipal Waste Treatment Installations (RIPOK) or Polish Chamber of Waste Management (PIGO).

☐ PreZero Belgium is a member of The Shift, a Belgian community that brings together companies, NGOs, academic institutions, and other societal actors from multiple sectors to connect and cooperate toward a more sustainable economy and society. In the summer of 2022, PreZero Belgium organized a breakfast meeting to create awareness about light plastics packaging in our sorting facility in Evergem and our sustainability consulting services.

☐ PreZero Sweden is a member of the Industry Organization for Private Recycling Companies in Sweden (Återvinningsindustrierna). They cooperated on writing "A roadmap for fossil-free competitiveness" as a part of a national governmental project aiming for a fossil-free Sweden.

GRI 2-28

¹⁵ <https://www.futury.eu/themission/overview>

¹⁶ https://www.wwf.de/fileadmin/fm-wwf/Publikationen-PDF/Unternehmen/WWF-Studie-Verpackungswende_jetzt_-_So_gelingt_der_Wandel_zu_einer_Kreislaufwirtschaft_für_Kunststoffe_in_Deutschland.pdf

¹⁷ <https://www.futury.eu/themission/overview>

Political Engagement to Advance Circular Economy

Target: We aim to cooperate with partners to further develop high sustainability standards.

As part of a dialog event in Berlin in February 2022, PreZero Stiftung & Co. KG and WWF Germany spoke to politicians from the Parliament of the Federal Republic of Germany with specialist knowledge on changing packaging design for circular economy. At the event, WWF Germany and PreZero Stiftung & Co. KG presented a joint paper setting out the main political requirements for a transition in the packaging industry. Suggestions included involvement in committees organized by governments or ministries, and one-on-one meetings with political stakeholders.

PreZero Poland's cooperation with the Polish government, the business community, and the UN Global Compact Network has resulted in a report entitled „Counteracting the shadow economy in Poland in 2014-2022“. As one of the industry experts of the report, PreZero Poland has a strong voice in the discussion on joint activities of business and government in the fight against the shadow economy. Corruption remains one of the biggest obstacles to economic development worldwide and violates the 2030 Sustainable Development Agenda.

Measurement

The material topics *Cooperation and Partnerships* and *Economic Development and Sustainability Awareness* are currently evaluated through stakeholder feedbacks or surveys. Exemplarily, PreZero Netherlands and PreZero Spain use feedback forms to evaluate their events. Moreover, we are in the process of developing quantitative key performance indicators to enable us to track which targets we have achieved.

GRI 3-3 | 2-29 | 413-1



9. Corporate Carbon Footprint

Volume of greenhouse gas emissions of companies of PreZero Group reported in accordance with the Greenhouse Gas Protocol in FY 2022*.

GRI 305-1 | 305-2

		t CO _{2e}
Total Gross Volume of GHG emissions		3,012,193
Scope 1	Direct GHG emissions, total	1,005,784
	Fugitive emissions	214,569
	Stationary combustion	540,316
	Mobile combustion	250,900
Scope 2	Indirect GHG emissions incl. electricity, market-based approach, total	25,299
	Electricity	24,370
	District heating	930
Scope 3	Indirect GHG emissions, total	1,981,109
	Cat. 3.1: Purchased goods and services	63,618
	Cat. 3.2: Capital goods	146,491
	Cat. 3.3: Fuel and energy-related activities	85,173
	Cat. 3.4: Upstream transportation & distribution	59,443
	Cat. 3.6: Business travel	14,470
	Cat. 3.7: Employee commuting	32,550
	Cat. 3.9: Downstream transportation & distribution	168
	Cat. 3.10: Processing of sold products	110,931
	Cat. 3.11: Use phase of sold products	3,148
	Cat. 3.12: End-of-life treatment of sold products	1,465,117

* Due to values being rounded, there may be slight discrepancies in the totals.

10. GRI Content Index

Statement of use	PreZero Stiftung & Co.KG has reported in accordance with the GRI Standards for the period FY 2022/23 from 01.03.2022 to 28.02.2023 of whole PreZero Group
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	-

GRI Standards	Page	Omission/Comment
GRI 2: General Disclosures 2021		
The organization and its reporting standards		
GRI 2-1: Organizational details	8	
GRI 2-2: Entities included in the organization's sustainability reporting	9	
GRI 2-3: Reporting period, frequency and contact point	9	
GRI 2-4: Restatements of information	9	First report
GRI 2-5: External assurance	9	No external assurance
Activities and workers		
GRI 2-6: Activities, value chain and other business relationships	6, 24, 28, 29, 30, 32, 38, 51, 52	
GRI 2-7: Employees	46	
GRI 2-8: Workers who are not employees	45	
Governance		
GRI 2-9: Governance structure and composition	8	
GRI 2-10: Nomination and selection of the highest governance body	8	Not detailed
GRI 2-11: Chair of the highest governance body	8	
GRI 2-12: Role of the highest governance body in overseeing the management of impacts	8	
GRI 2-13: Delegation of responsibility for managing impacts	14	
GRI 2-14: Role of the highest governance body in sustainability reporting	9	

GRI 2-15: Conflicts of interest		There is a policy, which sets requirements for handling conflicts of interest.
GRI 2-16: Communication of critical concerns	14	
GRI 2-17: Collective knowledge of the highest governance body	14	
GRI 2-18: Evaluation of the performance of the highest governance body	45	
GRI 2-19: Remuneration policies	45	
GRI 2-20: Process to determine remuneration	45	
GRI 2-21: Annual total compensation ratio		Not detailed for confidentiality reasons

Strategy, policies and practices

GRI 2-22: Statement on sustainable development strategy	4	
GRI 2-23: Policy commitments	18, 20, 42	
GRI 2-24: Embedding policy commitments	19, 20, 42	
GRI 2-25: Processes to remediate negative impacts	21, 44, 48	
GRI 2-26: Mechanisms for seeking advice and raising concerns	19, 21, 48	
GRI 2-27: Compliance with laws and regulations	16, 19	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
GRI 2-28: Membership associations	52	

Stakeholder engagement

GRI 2-29: Approach to stakeholder engagement	50, 52, 56	
GRI 2-30: Collective bargaining agreements		We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.

GRI 3: Material Topics 2021

GRI 3-1: Process to determine material topics	9	
GRI 3-2: List of material topics	9	

Compliance		
GRI 3-3: Management of material topics	16 ff.	
GRI 205: Anti-corruption 2016		
GRI 205-1: Operations assessed for risks related to corruption	18, 19	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
GRI 205-2: Communication and training about anti-corruption policies and procedures	17, 19	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
GRI 206: Anti-competitive Behavior 2016		
GRI 206-1: Legal actions for anti-competitive behavior, anti-trust and monopoly practices	17, 19	Quantitative information not detailed for confidentiality reasons
GRI 308: Supplier Environmental Assessment 2016		
GRI 308-1: New suppliers that were screened using environmental criteria	20	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
GRI 308-2: Negative environmental impacts in the supply chain and actions taken	20, 23, 30	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
GRI 414: Supplier Social Assessment 2016		
GRI 414-1: New suppliers that were screened using social criteria	20	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.

GRI 414-2: Negative social impacts in the supply chain and actions taken	20, 30	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
Circular Economy		
Avoidance of waste and increased resource efficiency		
GRI 3-3: Management of material topics	22 ff.	
GRI 301: Materials 2016		
GRI 301-1: Materials used by weight or volume	26	
GRI 301-2: Recycled input materials used	26	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
GRI 306: Waste 2020		
GRI 306-1: Waste generation and significant waste-related impacts	23	
GRI 306-2: Management of significant waste-related impacts	23, 30, 32	
GRI 306-3: Waste generated		Not detailed for business-related confidentiality reasons
GRI 306-4: Waste diverted from disposal		Not detailed for business-related confidentiality reasons
GRI 306-5: Waste directed to disposal	29	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
Reduce Pollution from Waste and Chemicals		
GRI 3-3: Management of material topics	22, 31 ff.	
GRI 303: Water and Effluents 2018		
GRI 303-1: Interactions of water as a shared resource	23	
GRI 303-2: Management of water discharge-related impacts	23, 32	
GRI 303-3: Water withdrawal	32	

GRI 306: Waste 2020

GRI 306-2: Management of significant waste-related impacts	23, 30, 32	
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Climate Protection

Climate Protection

GRI 3-3: Management of material topics	33 ff.	
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GRI 302: Energy 2016

GRI 302-1: Energy consumption within the organisation	39	
GRI 302-3: Energy intensity	39	
GRI 302-4: Reduction of energy consumption	37	No quantitative information available: The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.

GRI 305: Emissions 2016

GRI 305-1: Direct (Scope 1) GHG emissions	39, 57	
GRI 305-2: Energy indirect (Scope 2) GHG emissions	39, 57	
GRI 305-3: Other indirect (Scope 3) GHG emissions	39, 57	
GRI 305-4: GHG emissions intensity	39	
GRI 305-5: Reduction of GHG emissions	37	

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Health and Safety at Work

GRI 3-3: Management of material topics	40 ff.	
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GRI 403: Occupational Health and Safety 2018

GRI 403-1: Occupational health and safety management system	31, 43	
GRI 403-2: Hazard identification, risk assessment and incident investigation	44	
GRI 403-4: Worker participation, consultation and communication on occupational health and safety	43	
GRI 403-5: Worker training on occupational health and safety	43	

GRI 403-6: Promotion of worker health	44	
GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43, 44	

GRI 403-8: Workers covered by an occupational health and safety management system	43	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
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GRI 403-9: Work-related injuries	44	
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Working hours and remuneration

GRI 3-3: Management of material topics	45 ff.	
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GRI 202: Market presence 2016

GRI 202-1: Ratios of standard entry level wage by gender compared to local minimum wage	45	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
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GRI 401: Employment 2016

GRI 401-1: New employee hires and employee turnover	46	
GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	45	

GRI 404-3: Percentage of employees receiving regular performance and career development reviews		We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
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Educational Opportunities

GRI 3-3: Management of material topics	46 ff.	
GRI 404: Training and Education 2016		
GRI 404-2: Programs for upgrading employee skills and transition assistance programs	46	
GRI 404-3: Percentage of employees receiving regular performance and career development reviews		We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.

Fair treatment and co-determination

GRI 3-3: Management of material topics	48	
GRI 405: Diversity and Equal Opportunity 2016		
GRI 405-1: Diversity in governance bodies and employees	48	
GRI 406: Non-discrimination 2016		
GRI 406-1: Incidents of discrimination and corrective actions taken	48	Quantitative information not detailed for confidentiality reasons

Partnerships & Innovation

GRI 3-3: Management of material topics	49 ff.	
GRI 201: Economic Performance 2016		
GRI 201-1: Direct economic value generated and distributed	6	We do not report quantitative information for this disclosure at the moment. The data basis for the information is only partly available to the PreZero Group. A consolidated collection and quality assurance for future reporting will be checked.
GRI 413: Local Communities 2016		
GRI 413-1: Operations with local community engagement, impact assessments, and development programs	53	



11. Legal Notice

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New **thinking**
for a cleaner
tomorrow.

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