



Diversity, Equity, and Inclusion Policy

1.0 Purpose

This policy establishes the organization's commitment to fostering a diverse, equitable and inclusive workplace that respects individual differences, ensures fair treatment, and complies with applicable laws in all countries where we operate, including the European Union (Equal Treatment Directives, CSRD, ESRS S1, GDPR), United States (EEO, Title VII, ADA), and Brazil (Lei da Igualdade Racial, Lei Geral de Proteção de Dados – LGPD).

2.0 Scope

This policy applies to:

- Composition, nomination, and governance practices of the entire Leadership Team across all entities within the group operating in the paper manufacturing sector.
- All employees (full-time, part-time, temporary, and contract).
- Applicants and candidates in the recruitment process.
- Third-party contractors, vendors, and consultants representing the company.

3.0 Policy Statement

We are committed to:

- **Equal Employment Opportunity:** Employment decisions will be based on merit, qualifications, and business needs, without discrimination on the basis of race, color, religion, gender, gender identity or expression, sexual orientation, age, disability, national origin, veteran status, genetic information, or any other status protected by applicable law.
- **Diversity & Inclusion:** Encouraging representation across all roles and levels, ensuring everyone feels valued, respected, and empowered to contribute.
- **Equity:** Removing systemic barriers to advancement, pay equity, and access to opportunities.
- **Compliance:** Meeting or exceeding all applicable anti-discrimination and equal opportunity laws globally.

4.0 Definitions

Diversity: Promoting the presence of differences, including cultural, ethnic, gender, age, ability, and perspectives.

Equity: Ensuring fair treatment, access, and advancement opportunities for all.

Inclusion: Creating an environment where all individuals feel welcomed, respected, and valued.

5.0 Objectives

Representation: Reflect the diversity of our workforce, customers, and communities.

Inclusion: Promote an inclusive environment where diverse perspectives are respected.

Transparency: Disclose board diversity metrics and progress annually in ESG reporting.

Accountability: Integrate diversity goals into board evaluation and succession planning.

6.0 Responsibilities

Board of Directors: Shall have ultimate oversight of this Policy.

Executive Management: Shall be responsible for implementing DEI strategies, setting objectives, and reporting outcomes.

Supervisory Role: Shall model inclusive behaviors, apply this Policy fairly in all employment decisions ensuring hiring, promotion, and pay decisions are free from bias, and address discrimination or harassment promptly.

Employees: Shall comply with this Policy and contribute to a respectful, inclusive work environment, treat all colleagues with respect and dignity, and participate in required DEI training.

Human Resources: Shall monitor compliance with global and local laws, and track diversity metrics and report progress.

7.0 Key Compliance Commitments by Region

European Union: Compliance with local dedicated regulations, Equal Treatment Directives and GDPR for privacy in diversity data collection.

United States: Compliance with EEOC regulations, Title VII, ADA, and state/local laws.

Brazil: Compliance with Lei da Igualdade Racial (Racial Equality Law) and LGPD for data protection.

8.0 Implementation Measures

8.1 Gender Balance Targets

Although we are not subject to the EU gender-balance directive because we are not publicly traded, we voluntarily adopt its core best practices to strengthen leadership diversity, decision quality, and long-term performance.

8.2 Target

We set the following aspirational, time-bound targets for the underrepresented gender, aligned to EU best practice:

- Whole governing body (executive + non-executive combined): $\geq 30\%$ by Dec 31, 2030.
- Director level (ELT N-1) and senior management (N-2): $\geq 40\%$ by Dec 31, 2030.

Where structures differ, the closest equivalent tier will apply. Interim milestones will be set annually.

8.3 Pipeline expectations (to enable targets)

To build sustainable representation, we will:

- Require diverse candidate slates and balanced interview panels for leadership roles.
- Use structured, job-related selection criteria and documented scoring.
- Track succession plans with ready-now/ready-soon talent across genders; assign sponsors and development plans.
- Offer development (mentoring, sponsorship, stretch roles) to accelerate the progression of underrepresented genders at N-2 and feeder roles.

8.4 Measurement & reporting

- Quarterly internal dashboard to ELT and the DEI Council: leadership representation by level, hiring/promotion flows, and pipeline health.
- Annual disclosure (internal and/or external): progress vs targets, actions taken, and next-year milestones.
- Small-cell protection: No reporting where group size < 10 ; comply with privacy laws (e.g., GDPR).
- Comply-or-explain: If a target is not met by the deadline, the relevant leader submits a plan explaining causes, corrective actions, and a revised timeline.

8.5 Governance & Accountability

CEO: Oversees targets, reviews annual progress, and holds executives accountable.

Executive Leadership Team (ELT): Own enterprise-level outcomes; ensure resources and consequences for follow-through.

People Leaders: Deliver diverse slates, fair processes, and robust development for successors.

DEI Leader & HR Analytics: Maintain metrics, ensure data quality, and provide decision support.

8.6 Safeguards & legal compliance

- All activities will comply with local employment and privacy laws.
- Targets are not quotas; selection remains merit-based using objective criteria.
- Tie-break decisions, where used, must be documented against pre-published criteria to evidence fairness.

8.7 Review cycle

This section will be reviewed annually (or sooner if laws or best practices change) to confirm targets, timelines, and methods remain appropriate and effective.

9.0 Recruitment & Hiring

At SWM International, we are committed to fostering a workforce that reflects the diversity of the communities where we operate and the markets we serve. Our recruitment and selection processes are designed to be equitable, inclusive, and free from bias, ensuring that all candidates are evaluated based on their skills, qualifications, and potential to contribute.

Our approach to inclusive hiring includes:

- **Inclusive Job Design & Outreach:** We use gender-neutral and inclusive language in job postings and actively source candidates from diverse backgrounds through partnerships with universities, professional organizations, and community groups.
- **Structured and Fair Selection Processes:** All candidates are assessed using consistent, job-related criteria. Structured interviews, diverse interview panels, and skills-based assessments are prioritized to reduce bias.
- **Training & Awareness:** Hiring managers and interviewers receive training on unconscious bias, equitable evaluation, and inclusive hiring practices.
- **Measurement & Accountability:** We regularly monitor diversity metrics across applicant pools, candidate slates, and hires to measure progress and identify areas for improvement. Results are reviewed with leadership to ensure accountability.
- **Continuous Improvement:** Feedback from candidates and hiring managers is gathered and used to refine our recruitment practices and ensure that we remain an employer of choice for diverse talent.

By embedding Diversity, Equity, and Inclusion principles into our hiring practices, we aim not only to attract and hire diverse talent but also to build a culture where all employees feel welcomed, respected, and supported in reaching their full potential.

10.0 Promotions, Transfers, and Career Development

Decisions regarding promotions and transfers shall be based on objective criteria, performance, and potential.

All employees shall have access to appropriate training, mentoring, and career development opportunities.

Managers shall be trained on inclusive leadership and non-discriminatory practices.

11.0 Pay and Reward

The Company is committed to the principle of “equal pay for equal work” in accordance with EU and national legislation.

Regular pay equity reviews shall be undertaken to identify and address any unjustified disparities. Where unjustified disparities are identified, corrective action shall be taken promptly.

Compensation and benefits policies shall be transparent, consistent, and compliant with legal requirements.

12.0 Workplace Conduct

Discrimination, harassment, bullying, or retaliation in any form will not be tolerated.

Breaches of this Policy shall be subject to disciplinary procedures in accordance with Company rules and local law.

The Company shall provide reporting mechanisms for employees to raise concerns confidentially and without fear of reprisal.

13.0 Training and Awareness

All employees shall receive mandatory training on diversity, equity, and inclusion principles as part of onboarding and on a periodic basis. Supervisory roles and above shall undergo additional training on inclusive leadership, unconscious bias, and equitable decision-making.

13.1 Training Effectiveness

To ensure DEI training leads to sustained behavior change and inclusive outcomes, the Company will evaluate effectiveness using clear measures and will monitor progress on an ongoing basis. This applies to all DEI learning (e.g., foundations, inclusive leadership, anti-bias interviewing, bystander skills) delivered to employees, contractors, and leaders globally.

The Company will use a multi-level evaluation model to assess Reaction, Learning, Behavior, and Results:

1. Reaction (within 7 days of training)
 - Short pulse on relevance, psychological safety to practice skills, and intent to act.
2. Learning (pre/post; +30 days)
 - Scenario-based knowledge/skills checks and self-efficacy items.
3. Behavior (30/60/90 days)
 - Evidence of application in role (e.g., inclusive meeting norms, use of structured interviewing guides), validated by manager/peer micro-feedback.
4. Results (quarterly/bi-annual)
 - Movement in inclusion and equity indicators (see “Ongoing Monitoring & KPIs” below).

13.2 Data Sources & Methods

- Learning Management - (attendance/completion), pre/post assessments, engagement pulses, applicant tracking data, performance and calibration data, conduct case management.
- Results will be analyzed at team/function/region level. Small-cell suppression will be applied (no reporting for groups < 10) to protect anonymity.
- Comparisons will use appropriate baselines; where feasible, phased roll-outs may be used to create like-for-like comparisons over time.
- Qualitative insights (e.g., open-text themes) may supplement metrics to inform actions.

13.3 Reporting & Governance

- Quarterly: DEI Training Effectiveness Report to the Executive Leadership Team and the DEI Council, including progress vs. targets and recommended actions.
- Bi-annually/Annually: Summary shared with employees (aggregate trends and actions).
- Function heads are accountable for acting on insights within their remit; HR/DEI will track and report follow-through.

13.4 Roles & Responsibilities

- DEI Lead (HR): Own the framework, targets, and governance.
- HR Analytics: Produce dashboards, ensure data quality and privacy compliance.
- People Leaders: Reinforce behaviors, provide observation feedback, enable practice.
- L&D / Talent: Maintain curricula, update content based on evidence, schedule refreshers.

13.5 Improvement & Remediation

- Where indicators fall below target, leaders will implement a time-bound improvement plan (e.g., targeted coaching, practice labs, manager prompts, process changes such as mandatory structured interviews).
- Training content and delivery methods will be iterated based on evidence (e.g., adding scenarios for identified hot spots).

13.6 Privacy, Ethics & Compliance

- All processing of DEI training and people data will comply with applicable laws (including GDPR where relevant) and Company privacy policies.
- Data will be minimized, access-controlled, and retained per the records schedule. Participation and feedback will be used for development and organizational improvement, not for punitive purposes.

13.7 Review Cycle

This section of the policy will be reviewed annually (or sooner if material changes occur) to ensure measures remain effective and proportionate

14.0 ESG Integration

Environmental (E): The Company will integrate social impact considerations into its environmental sustainability initiatives.

Social (S): The Company will collect and report workforce diversity data, gender pay gap information, and representation at all levels, in compliance with GDPR and local data protection laws.

Governance (G): The Board of Directors shall oversee DEI strategy and ensure appropriate governance structures are in place. Senior management shall be accountable for achieving measurable DEI objectives.

15.0 Monitoring & Compliance

DEI performance indicators shall be established and reviewed annually.

Results will be disclosed in the Company's annual ESG or sustainability report, in accordance with applicable reporting frameworks (e.g., CSRD, GRI, or other relevant local standards).

Employee surveys and feedback shall be used to assess inclusion, belonging, and progress.

16.0 Data Privacy

Any diversity data collected will comply with GDPR and LGPD requirements, ensuring data is anonymized where possible and used solely for monitoring diversity initiatives.

17.0 Reporting & Investigation

Employees are encouraged to report any violations of this policy through their Human Resources Department and/or Ethics & Compliance Hotline. All reports will be treated seriously, investigated promptly and impartially, and handled in a confidential manner to the extent possible. The Company is committed to protecting whistleblowers and individuals who raise concerns in good faith from retaliation or adverse treatment.

18.0 Accountability & Consequences

Non-compliance with this policy may result in corrective action up to and including termination, subject to applicable local laws and collective bargaining agreements.

19.0 Policy Review Cycle

This Policy shall be reviewed at least annually or earlier if required by changes in legislation or Company operations.

Updates shall be approved by the Executive Leadership Team (ELT).

Scope/Location: Global
Effective Date: 1 February 2026
Issue Date: 1 February 2026
Revision Date(s):
Policy Owner: Human Resources