Sustainability report 2025

ENGINEERING FOR ***TRANSFORMATION***

thinpact

Achieving more with less

SWM™

INTERNATIONAL

CONTENTS

Driving innovation with high-performance, tailored solutions

Our expertise

With generations of knowledge in natural fibers and botanical science, SWM combines deep material science expertise with precision engineering to create the highest-performance, tailor-made solutions. We optimize the properties of natural raw materials to push the boundaries of what lightweight papers and fiber-based materials can do: safer, smarter and more sustainable.

Our story

Our roots go back to 1545, when we opened our first paper mill in southern France. SWM officially began in 1995 as a spin-off of Kimberly-Clark. However, our production sites average 130 years in age, with some dating back 270 years. Over the decades, we expanded our global paper operations by establishing key locations across Europe, North America, South America, the Middle East and China. In 2023, SWM's Engineered Papers division separated from its parent company, Mativ Ltd., and was acquired by Evergreen Hill Enterprise Pte. Ltd., based in Singapore. SWM International is now an independent, privately owned company.

Our businesses and solution

SWM is a global leader in lightweight fiber-based materials, delivering sustainable, safe and technically advanced solutions to various industries. With deep expertise in reconstituted botanicals and specialized papers, the company serves a broad range of critical end markets, including flexible packaging, surface protection, technical filtration and energy storage.

Working alongside our key partners, our team of experts continues to push the boundaries of innovation, exploring new ways to make our products more intelligent, safer and more sustainable.

- **Combustible and smoke-free:** Solutions for nicotine, tobacco and cannabis-specific markets
- **Specialty:** Highly technical papers for surface protection, technical filtration and energy storage
- **Packaging:** Intelligent ultralightweight papers for packaging

Engineering for transformation

Where legacy meets momentum.

Stakeholders are no longer satisfied with mere intentions of sustainability. They want to see real change. At SWM International, 2025 yielded verifiable results because the sustainability foundations we have been laying in recent years are achieving their intended outcomes.

Tobacco remains our largest market, and we are not walking away from it anytime soon. The global tobacco industry is undergoing its most consequential transformation in a century. SWM plays a central role in this transition as our expertise enables the next generation of smoke-free products, biodegradable filters and reconstituted tobacco products. Our Evolute® filter is paper-based, FSC® C110425-certified and has been independently verified to biodegrade completely in marine environments.[1] It is proof of our contribution in practice. Retreating from this market would not make the world any healthier. However, bringing our best science to it will.

In terms of energy, we have invested €25 million in a biomass boiler at our site in Quimperlé, France. This boiler eliminates the site's dependence on natural gas and replicates the success of our first biomass installation in Le Mans, which has avoided around 20,000 metric tons of carbon emissions per year since 2014.

Nearly 75% of our greenhouse gas emissions arise in our value chain. This is where our greatest opportunity lies, and it is why we have committed to the Science Based Targets initiative (SBTi). Our 2033 targets were validated in spring 2026.

The most significant shift I have witnessed at SWM, however, is cultural. Sustainability is no longer the domain of one team; it is the organization's shared language. A growing number of our workforce is participating in the Climate Fresk climate awareness training program. Also, our proactive safety measures made a real difference at all our sites, resulting in an impressive decrease in lost-time accidents. These and many other developments detailed in this report are evidence that our organization is internalizing our values.

SWM is meeting the requirements of the regulatory landscape ahead of time. However, the real goal is to achieve decarbonization and accountability. Our efforts have earned us an EcoVadis Silver rating, placing us in the top 15% of all companies rated globally. We view this as a milestone, not a destination.

Paper is the future – not the past

One of the most rewarding aspects of my role is witnessing the evolving use of paper in real time. In a world grappling with plastic pollution, supply chain traceability and a rising demand for circular, bio-based solutions, lightweight and ultra-lightweight papers are among the most advanced materials available. Our Packaging Growth Platform demonstrates this with its moisture-resistant, heat-sealable and grease-proof papers, which are fluorine-free and transparent enabling barcode scanning through the packaging itself.

While we still have a long way to go, especially with regard to circularity and Scope 3, we work every day to consistently deliver on our promises. This report is proof of our efforts, and of our commitment to doing even more.

Sustainability is no longer the domain of one team. It has become the organization's shared language – and that is the most significant shift I have witnessed at SWM.

Katrin Hanske,
CEO

1 Evolute® EV1-26, EV1-36, EV2-50A and EV2-50D filtering media holds the OK Biodegradable MARINE certification issued by TÜV Austria, based on independent testing by the Organic Waste Systems (OWS) laboratory. Certification requires ≥ 90% biodegradation within 6 months under ASTM D6691 (aerobic aquatic biodegradation) and full disintegration within 12 weeks in seawater, with aquatic ecotoxicity assessed per OECD 202.

Closer proximity to the markets

Headquartered in Luxembourg, SWM operates nine manufacturing facilities across France, Poland, Brazil, the US and China, serving customers in 80 countries. With 1,900 employees on four continents, we combine global reach with local expertise.

4 continents with sales force

9 manufacturing facilities[1]

80 countries supplied

~1,900 employees[2]

1 Including 2 joint ventures in China
2 Excluding joint ventures

82% Combustible and smoke-free

8% Specialty and pulp

10% Packaging

€500+ million
total sales

€25+ million
CAPEX

Our ESG progress at a glance

Safety assessments
130%

In 2025, 130% of the required proactive safety assessments were completed. This achievement demonstrates our workforce's active engagement in preventing incidents.

Work safety
1,000 days

Our Saint-Girons site in France achieved a milestone of sustained safety culture by reaching 1,000 days without a lost-time accident.

Sludge recycling
100%

Our goal is to recycle all of our industrial waste by 2030. Since October 2025, we have been able to valorize our entire water treatment sludge.

Energy
–9%

Energy is at the heart of our ESG program. Using 2021 as the baseline year, we have reduced our own operational energy use by 9% (excluding joint ventures).

Water
–9%

Our industry is highly water-intensive. We have set a goal to reduce our water intensity by 25% by 2030, using 2023 as the baseline year. As of 2025, we have already achieved a 9% reduction.

ISO 9001 and ISO 14001
100%

All of our manufacturing plants are ISO 9001- and ISO 14001-certified, meeting the highest international standards for quality and environmental management.

Climate Fresk training
24%

By 2025, 24% of our workforce had received Climate Fresk training.

Our ESG progress: commitments turned into results

Progress in sustainability is measured by actions and results. One of our significant milestones is the substantial improvement in our EcoVadis performance since 2024. In 2025, we began the official SBTi validation process to formalize our commitment to a science-based decarbonization target and our continued alignment with the UN Sustainable Development Goals. The official validation occurred in spring 2026. Each milestone reflects a deliberate step forward and sends a clear signal of where we are headed.

EcoVadis performance

In 2025, we earned an EcoVadis Silver Medal, which placed us in the top 15% of assessed organizations in our industry globally.

Progress was recorded across all four evaluated sustainability topics. The assessment recognizes SWM's advanced environmental management system, which is based on ISO 14001 certification. It also acknowledges the continued development of our sustainability governance through published policies and annual ESG reporting. While this result reflects meaningful progress, SWM views it as a milestone on a longer journey.

SBTi – Decarbonization commitment

In 2024, SWM International formally submitted its commitment to the Science Based Targets initiative (SBTi), aligning our decarbonization trajectory with the goals of the Paris Agreement. This submission marks the first stage of a structured target-setting process covering Scope 1, 2, and 3 greenhouse gas emissions – from our own operations through to our upstream and downstream value chain.

The next step is to develop and independently validate a net-zero transition plan, with a near-term target set for 2033 and a net-zero objective by 2050. A dedicated cross-functional task force – drawing on expertise from Operations, Purchasing and Supply Chain – is actively identifying the strategic levers required to deliver on this commitment.

Setting an SBTi target is a catalyst for change within the company and a way to inspire our value-chain partners to address their own climate impacts.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SWM views this commitment not as a destination, but as a foundation for coordinated, measurable climate action across the business.

Supporting the SDGs

We are actively addressing ten SDGs

Our work on ESG issues is linked to the 17 Sustainable Development Goals (SDGs), which were launched by the United Nations in 2015. They combine the need to end poverty, improve health and education, and reduce inequality, with efforts to tackle climate change and biodiversity loss.

Our mission

To leverage our industrial expertise in lightweight papermaking, processing natural and synthetic fibers, and recovering botanical by-products, as well as our human capabilities to produce safe, customized and durable solutions.

We rely on …

Our worldwide teams

- ~1,900 employees
- 16% women and 84% men
- 35% of management positions held by women
- Sites in 7 countries
- 40 nationalities
- >50% with more than 10 years seniority

Our industrial and innovation capabilities

- 5 production sites, 2 converting sites
- Average age of production sites: 130 years
- 2 joint ventures
- 3 main laboratories and 3 side laboratories

Our value chain

- Historical partnerships with key customers and suppliers
- >600 clients worldwide
- >5,300 suppliers

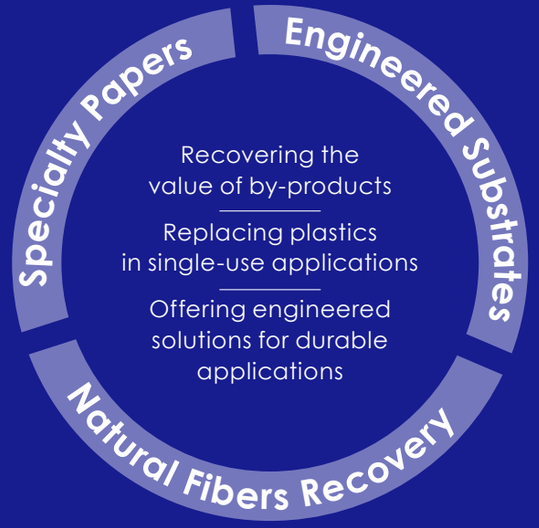
Natural resources

- 858 GWh of energy consumption
- 12.8 megaliters of water usage
- 100% of wood-based raw materials certified FSC® C110425 – PEFC/28-32-07

Our financial independence

- Privately-owned company
- Solid financial foundations

Our business



Sales breakdown by business purpose[1]:

- Botanicals recovery (all excl. wood-based): **50%**
- Wood-based single-use applications: **42%**
- Durable applications: **8%**

1 **Purpose of business classification definitions:**
Botanical recovery: all products made of botanicals excluding wood including sales of pulp.
Wood-based SU applications: all products for single-use applications.
Durable applications: all products for long-lasting applications.

Our expertise

- **Innovation in functional lightweight solutions**
- **Product stewardship/compliance**
- **Eco-designed portfolio**
- **Engineering and maintenance**

Our challenges

- **New health behaviors**
- **Preservation of resources**
- **Automation and industries 4.0**

… to create value for

Our employees

- Local and international internal mobility opportunities
- Safer work environment : –33% severity incident rate (SIR) in 2025 versus 2024
- Roll-out of a Lone Worker protection program
- Internal health campaigns
- 470+ employees trained in Climate Fresk, led by 24 facilitators

Our communities

- Contribution to local economic development through job creation and partnerships with local suppliers
- Support for 50 associations in the fields of sports, charity, social, education, safety, …

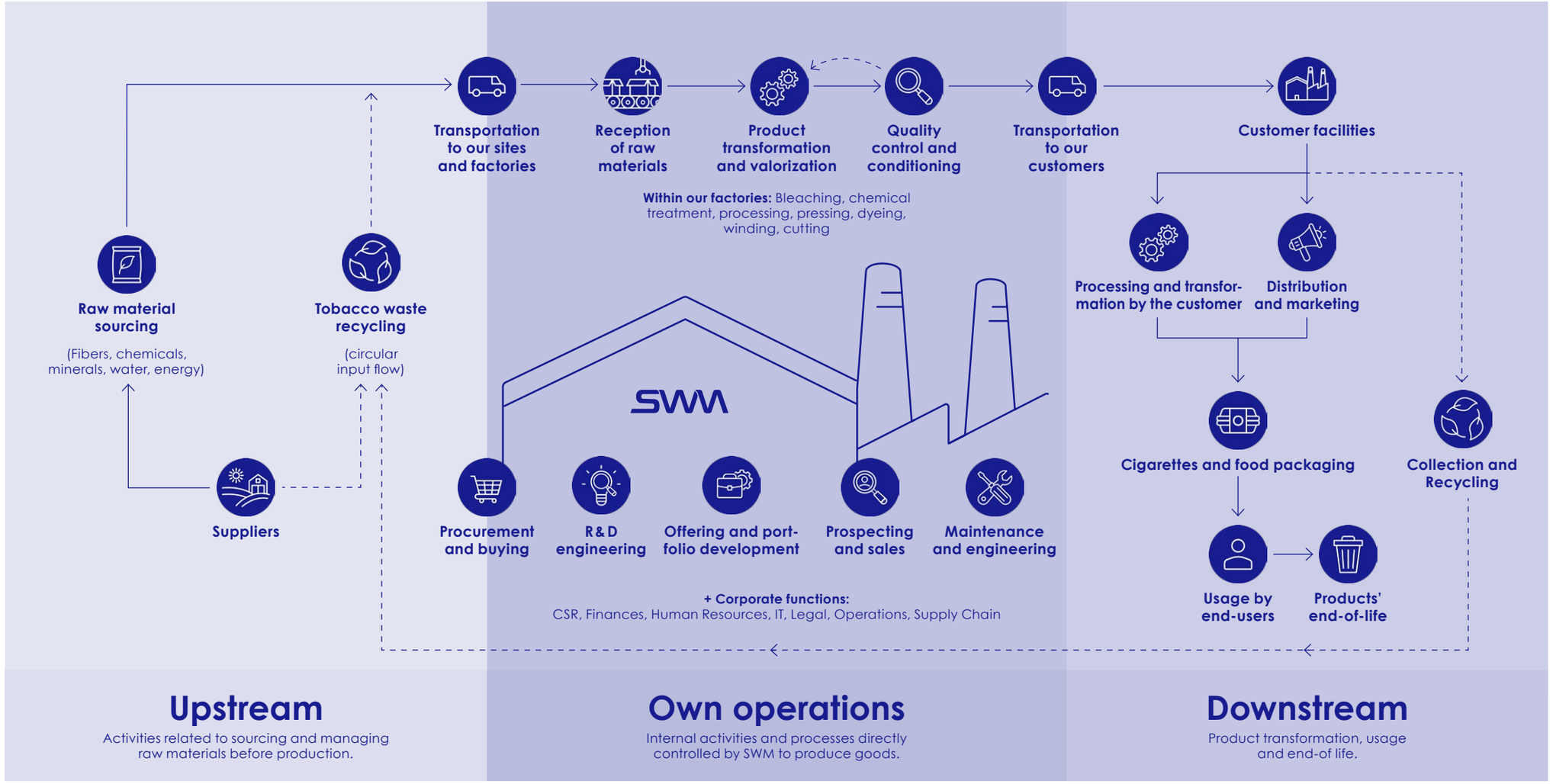
Our value chain

- Legacy expertise and know-how at the service of our customers
- Closer proximity with the markets we serve
- Workforce stability and long tenure, ensuring continuity for our customers
- Innovation workshops

Environment

- Stable Scope 1 and 2 GHG emissions in 2025 versus 2023 (–20% 2023 versus 2020)
- 24% renewable energy
- –39 GWh of energy consumption versus 2023
- –1,1 megaliters of water usage versus 2023

A value chain needs sustainability at its heart



Double materiality: creating impact through knowledge

We are driving positive change for a more resilient future by thoroughly assessing the environmental, social and governance impacts of our operations. This also enables us to adopt a new, transparent and holistic approach to reporting on our activities.

Like many organizations across Europe, SWM International is working toward compliance with the EU's Corporate Sustainability Reporting Directive (CSRD) in 2028.

A key step in this process is to carry out a double materiality assessment (DMA), a framework that brings a more holistic approach to our reporting strategy.

By assessing environmental, social and governance impacts (impact materiality) and how sustainability issues affect financial performance (financial materiality), a DMA goes further than a traditional materiality assessment, which only focuses on how sustainability factors impact a company's bottom line.

The first step of our DMA was to gather knowledge and bring in expertise from across the company to build a collective understanding of what sustainability meant at SWM International. The topics covered include a range of environmental, social and governance issues, such as biodiversity, waste management, working conditions and corporate culture. CSRD legislation requires a highly rigorous and transparent approach to non-financial reporting, so it was essential that we also brought a financial perspective to the process. Then, working with sustainability consultancy, we built a more transparent and sustainable approach to reporting in line with our values and compliance requirements.

The broad and detailed coverage of sustainability topics enabled by the DMA isn't just important from a regulatory perspective: By measuring and monitoring a wider range of impacts, it provides a framework to strengthen our existing strategy, ensuring that we operate sustainably for the long term.

The DMA was completed at the start of 2025 and has allowed us to identify 27 key impacts, risks and opportunities (IROs) including 18 material IROs and 9 non-material ones, which are a key element of the European Sustainability Reporting Standards (ESRS). Our 18 material IROs have now been linked to the six pillars of our sustainability strategy, Thinpact.

Thanks to the DMA, we were able to identify the areas of our value chain with the biggest impact. Now, we can address critical ESG issues, such as climate change, water usage and deforestation, in a much more targeted manner.

Marc Bettoli,
Head of ESG at SWM

ESRS topic	Financial materiality	Impact materiality	Climate change	Natural resources	Eco-design	Health, safety, diversity and well-being	Ethics, human rights, sustainable procurement, supply chain	Consumer health
E1 Climate change	Yes	Yes	●		●			
E2 Pollution	Yes	Yes		●	●			
E3 Water and marine resources	Yes	Yes		●	●			
E4 Biodiversity and ecosystems	No	Yes		●	●			
E5 Circular economy	Yes	Yes		●	●		●	
S1 Own workforce	No	Yes				●		
S2 Workers in the value chain	No	Yes					●	
S3 Affected communities	No	Yes				●		
S4 Consumers and end-users	Yes	Yes						●
G1 Business conduct	Yes	Yes					●	

Achieving more with less

Sustainability at SWM is built on centuries of knowledge and a clear-eyed view of where our industry must go. As an independent company with deep roots in natural fibers and botanical science, we are uniquely positioned to lead the transition toward lighter, cleaner and more responsible materials. Our ESG strategy, Thinpact, translates that position into concrete commitments for our customers, our employees, our communities and the planet.

Our **ambition**

We want to be a front-runner in sustainability-related topics in our industry and help our clients in their 3P (People, Planet, Profit) transition through technical solutions and knowledge sharing.

Our **vision**

"We believe that more can be achieved with less."

Our **mission** and **commitment**

Setting an example in our own industry by researching and developing sustainable processes and solutions, while being authentic and transparent about the stage we are at.

Our **reasons** to **believe**

We belong to a sustainable business – a centuries-old company – and paper is the historical product of the "house."

We are constantly exploring ways to better source our raw materials, to improve the circularity of our processes, to upcycle botanical ingredients to create high-quality natural fibers.

We work hand in hand with local communities and keep developing better communication and joint projects.

A leadership team shaping the journey toward innovation and excellence

Our Executive Leadership Team (ELT) is responsible for the day-to-day operations of the business, as well as long-term strategic planning. Chaired by our Chief Executive Officer (CEO), the ELT meets monthly or, if required, on a more frequent basis, to discuss SWM performance, including strategy, budget and forecasts. The members of the ELT are appointed by the CEO and report to the CEO.

Katrin Hanske
President
Chief Executive Officer

Market Segments Leadership Team

Jorge Balthazar
Filtering Media Growth Platform

Alex Boone
Combustibles and Specialty

Bruno de Veyrac
Tobacco and Alternative Market

Philippe Ragot
Packaging Growth Platform

Corporate Leadership Team

Guilherme Costa
Global Sales

Vincent Duborgel
Supply Chain Officer and Project Manager

Raoul Hervé
Chief Operations Officer

Piotr Matczak
Chief Financial Officer

David Ronald Surbey
Chief Legal Officer

Implementing ESG with strong governance

We review SWM's sustainability performance through monthly reporting. The ESG team regularly discusses progress, strategy, budgets and forecasts. The CEO establishes sustainability targets that align with our corporate business strategy and sees to adequate resources being available. This also ensures that we carry out our operations responsibly and with respect for our people, our communities and the planet.

The Global ESG leader oversees the sustainability function, which regularly prepares the DMA process and collaborates with the CFO to monitor and update sustainability dependencies, impacts, risks and opportunities. The COO reports on the company's sustainability progress and brings issues to the attention of the Executive Leadership Team. The Group Sustainability Function coordinates the development of the sustainability agenda across the Group. It is made up of sustainability experts who provide subject-matter expertise throughout the organization.

The six pillars of our ESG roadmap

Our ESG roadmap is based on six pillars that reflect our priorities for creating maximum value while minimizing risk. These pillars include actions to reduce GHG emissions, the protection of resources, eco-design, employee and customer health and safety and ethical supply chain management. We have clear ambitions for each pillar and have set ourselves concrete targets for 2030. These targets will guide our efforts to promote sustainability in the specialty materials field and ensure measurable progress.


ESG pillars	Climate change	Natural resources	Eco-design	Health, safety, diversity and well-being	Ethics, human rights, sustainable procurement, supply chain	Consumer health
ESG ambition	In line with the Paris Agreement, our goal is to reduce greenhouse gas (GHG) emissions by decarbonizing our value chain and educating our stakeholders.	We are committed to using natural resources mindfully and thoughtfully, carefully considering how to manufacture and what to manufacture.	As a producer of lightweight and ultralightweight papers, our goal is to be the preferred partner for science-based, eco-designed products.	We are a long-standing company with a proud history of retaining and protecting our employees and the local communities in which we operate.	We have strict governance standards for selecting our suppliers and supplying the market, focusing on trust and long-term partnerships.	We support our customers in transitioning to reduced-risk products that are better for health and end-user safety, with a focus on regional challenges.
2030 target and key elements	**Reduction of energy intensity**	**Reduction of water intensity**	**Science-based assessment of all products' footprints**	**Highest industry standards on safety: SWM golden rules**	**Long term partnerships**	**Proactive product and compliance stewardship**
	Switch to renewable energies	**Elimination of waste to landfill**	**Circularity and bio-based guiding principles**	**SWM "inside and outside" community development**	**Value chain engagement and collaborations for decarbonization**	**Supportive collaborations for a smoke-free future**
	Validated science-based targets	**Zero deforestation in pulp supply chain with EUDR readiness**				**Fluorine-free products**

Steady progress is key to shrinking our carbon footprint

Decarbonization is at the heart of our efforts to mitigate the effects of SWM on climate change. Continuity and unrelenting efforts are key to reducing carbon emissions. We are committed to reducing our energy consumption and switching to renewable energy solutions. We embarked on this journey in 2021 by initiating our first ongoing energy reduction programs. In 2024, we launched several additional decarbonization projects, including renewable electricity contracts and investments in biomass boilers. We also increased our engagement with suppliers to reduce emissions along the value chain.

We joined the Science-Based Targets initiative (SBTi) in 2024. In 2025, we began the official SBTi validation process to formalize our commitment to a science-based decarbonization target and our continued alignment with the UN Sustainable Development Goals. The official validation occurred in spring 2026. We are already taking parallel actions across our global manufacturing sites, procurement function and supply chain network to achieve our goals.

ELT Sponsors
Piotr Matczak, Chief Financial Officer at SWM

Key impacts, risks and opportunities (IROs)

- **Impacts:** GHG emissions throughout the entire value chain. Nearly 75% of SWM's emissions are Scope 3. The remaining 25% are attributed to our own operations using fossil-fuel-based sources of energy.
- **Risks:** Scarcity and price volatility of fossil fuels, transition-related effects on regulation and raw material prices.
- **Opportunities:** Business development of low-carbon product offers.

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Take urgent action to combat climate change and its impact

Our targets:

–55%
in Scope 1 and 3 GHG emissions by 2033

–33%
in Scope 3 GHG emissions by 2033

–90%
in Scope 1, 2 and 3 GHG emissions by 2050

Our decarbonization roadmap

As part of its Thinpact program, SWM has committed to reducing energy intensity across all global facilities through process optimization, equipment upgrades and operational discipline. We measure our progress at each site and report it annually. By doing so, we reduce our carbon footprint and operating costs, demonstrating that sustainability and business performance can go hand in hand.

Scope 1 and 2 emissions

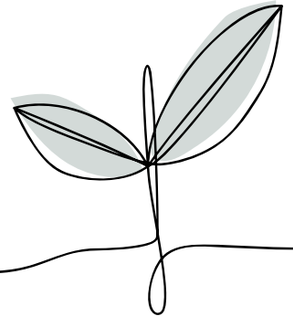
SWM is actively implementing concrete actions such as on-site generation with a new biomass boiler at the Quimperlé mill and a long-term procurement agreement with TotalEnergies. Our goal is to gradually eliminate fossil fuels from our Scope 1 and 2 emissions profile. This approach varies by geography but remains consistent across every site.

Scope 3 emissions and supplier relationships

Most of SWM's total carbon footprint comes from Scope 3 emissions. Our Scope 3 strategy is based on measurement, collaboration and accountability. We have completed a comprehensive carbon baseline analysis, mapping emissions across the full value chain – from upstream raw material sourcing to logistics and end-of-life product treatment. Based on this, we have developed a supplier-facing decarbonization roadmap that defines priority categories, engagement milestones and reduction expectations for our key partners.

SWM's Scope 3 program requires supply chain partners to be active participants, not just recipients of our requirements. We launched our formal supplier engagement program in 2024 and are requiring suppliers to share their emissions data. The next step is to align their reduction targets with ours.

Currently, we are identifying and classifying our suppliers based on their impact and commitment to GHG emissions. By the end of 2026, we will engage with a more structured methodology to build a clear roadmap for reducing emissions. This is a fundamental shift in how we approach supplier relationships. Sustainability performance is now a factor in sourcing decisions alongside quality, reliability and price. Joint decarbonization workshops and bilateral roadmap reviews enable SWM and its suppliers to develop reduction strategies together rather than through top-down mandates.



> ***It'll no longer be enough to simply choose the supplier that offers the lowest price. We're looking for a long-term commitment to improved sustainability and the transparency to back it up.***
>
> **Ileana Dogaru,**
> Supply Chain Director

Scopes by definition

Corporate GHG emissions are divided into three "Scopes" according to their sources:

- Scopes 1 and 2 refer to emissions caused directly by operations, such as factories and paper mills.
- Scope 3 is outside of our direct control and relates to emissions from upstream activities, such as sourcing raw materials, and downstream activities, such as the end-of-life treatment of our products. Together, they make up a significant proportion of our carbon footprint.

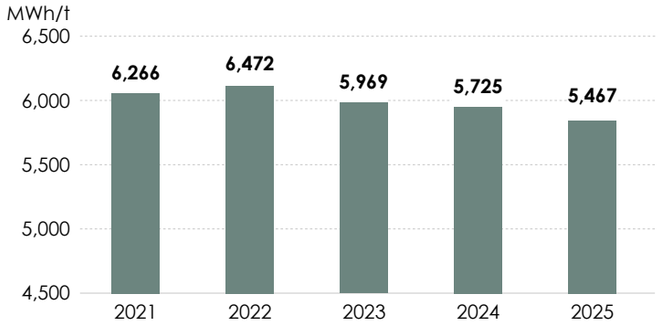
Energy sufficiency and efficiency: our road to cutting emissions

Our approach reduces our production energy requirements by minimizing the overall amount of energy needed (sufficiency) while maximizing the outcome with the least amount of energy (efficiency). We implemented this approach through an energy reduction program overseen by a global energy committee consisting of mill managers, energy managers and production teams. This program has led to a wide range of energy reduction initiatives at all our sites. These initiatives include the clever use of "wasted" energy from heating and LED lighting. Thanks to this program, we have reduced the global energy intensity of our direct operations by over 9% compared to the 2021 baseline.

Meeting the 2025 energy target, one improvement at a time

SWM aims to reduce energy consumption by 3% annually against a 2021 baseline. The 2025 target was met at the Le Mans site, where energy intensity fell 12.8% from 6,266 to 5,467 MWh per metric ton of finished product. This result did not come from one intervention, but rather from a disciplined mix of low-cost "sufficiency" measures and targeted capital investment, refined year after year.

Le Mans energy intensity, 2021–2025



Since 2021, we have reduced energy intensity at Le Mans by 12.8%, thereby surpassing our 2025 target of a 12% reduction.

Sufficiency measures came first: mapping compressed-air use, eliminating leaks, improving the yield of the existing biomass boiler and reworking felt cleaning on the TM3 machine. This operational change, implemented in August 2025, saves 2,200 MWh per year.

Capital projects then targeted the largest recovery opportunities. A €570k heat exchanger system that preheats process water with TM3 wastewater saves 5,181 MWh annually, and a €335k high-pressure cleaning project on the forming section is expected to add 3,558 MWh as it ramps up through 2026. Le Mans is instructive not only because of the megawatt-hours, but also because of the method – a steady cadence of measured, incremental gains that SWM is now extending across its sites.

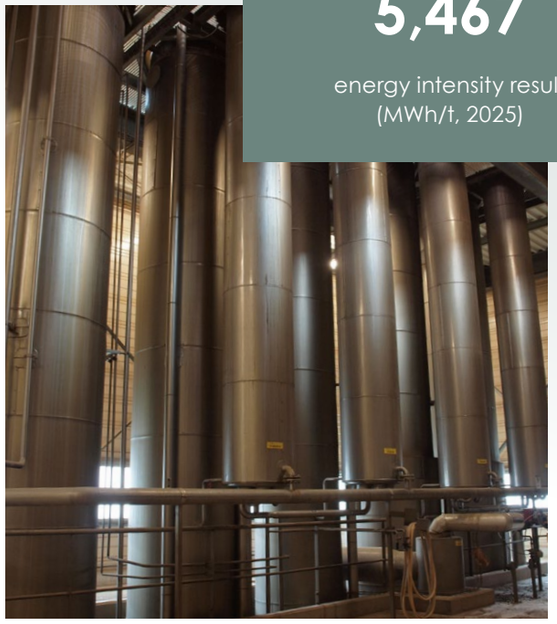
LTR side:

12.8%

energy intensity reduction (2021–2025)

5,467

energy intensity result (MWh/t, 2025)



€25 million invested in energy independence: a biomass boiler in Quimperlé, France

In 2025, SWM commissioned a new biomass boiler at its Quimperlé site in France – a €25 million investment and a significant step in decarbonizing our operations. Once fully operational, the unit will replace the existing boilers, eliminating Quimperlé's reliance on natural gas, which is currently between 110 and 120 GWh per year.

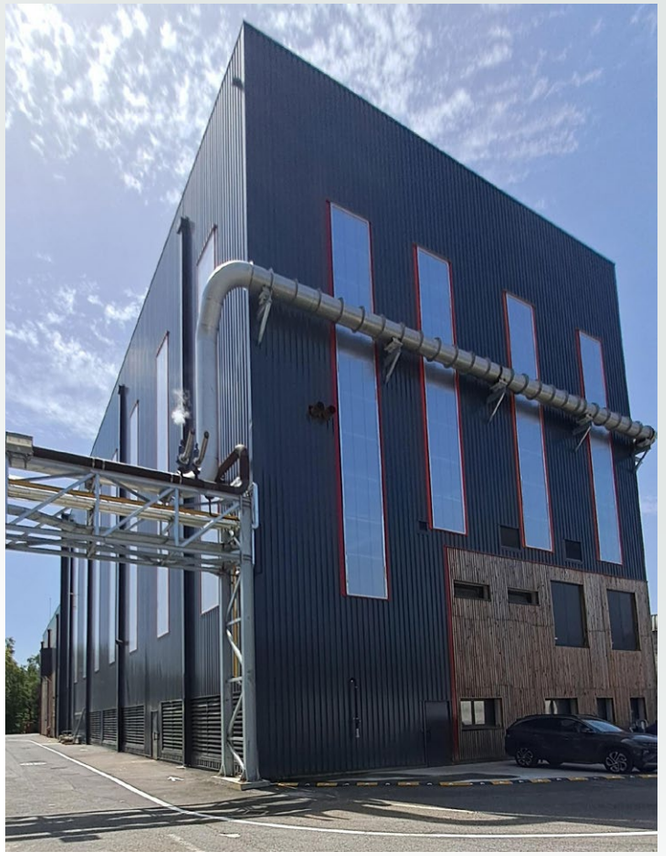
The unit is being brought online gradually, running alongside the existing boilers while teams fine-tune settings and optimize flue-gas treatment before reaching full capacity. Quimperlé will also expand its fuel mix beyond forestry by-products to include recovered waste and scrap wood, extending the project's circular logic from energy to materials. Quimperlé follows the path opened by Le Mans, where SWM's first biomass boiler was installed in 2014 and has since avoided around 20,000 metric tons of carbon emissions per year. Together, these two sites are at the center of SWM's strategy to reduce its carbon footprint, offering environmental benefits, cost savings and resilience against volatile gas supply.

This boiler implementation is a major step forward for the Quimperlé site, reinforcing our high-performance operations while advancing our commitment to lowering our environmental impact.

Olivier Balcon,
Plant Manager, Quimperlé, France

Accelerating awareness on climate change with Climate Fresk

Climate Fresk is an international NGO whose mission is to accelerate awareness of climate change and encourage targeted action in this field. Employee engagement is an essential component of our sustainability efforts, which is why we began collaborating with Climate Fresk in 2022. The ESG and Human Resources teams introduced a team of international Climate Fresk volunteer facilitators to the company to help us achieve our goals in this area more quickly. Since then, employees have been attending interactive workshops exploring the drivers, mechanisms and consequences of climate change, including a powerful tool based on IPCC reports. The organization has also encouraged employees to suggest their own ideas for environmental protection.



We now have 24 trained Climate Fresk facilitators working across all our sites, who are leading workshops and helping to raise awareness of climate change. By the end of 2025, more than 470 employees – or 24% of the workforce – have taken part in the training.

Our GHG emissions and energy consumption in figures

GHG emissions (in t CO_2e)

	2023	2024	2025	2030 target
Scope 1	73,297	75,420	73,795	<45,000
Scope 2/location-based	59,260	47,537	49,527	–
Scope 2/market-based	52,434	40,503	51,663	<33,000
Scope 3 (categories 1 to 5)	280,933	252,303	254,912	<174,000
Total Scopes 1 and 2	125,731	115,923	125,458	<75,000
Total Scopes 1, 2 and 3	406,664	368,226	380,370	–
Intensity ratio (GHG emissions in t CO_2e per €1,000 of sales)	0.758	0.728	0.710	–

Energy consumption (in GWh)

	2023	2024	2025	2030 target
Electricity	258.7	241.1	252.3	–
Natural gas and LPG	480.3	442.3	475.9	–
Coal	28.1	30.9	30.8	–
Other fossil fuels	1.2	1.0	0.6	–
Biomass	128.2	107.7	98.1	–
Intensity ratio (energy consumed in MWh per metric ton of material produced)	6.1	5.8	5.8	5.1
Share of renewable energy sources (%)	26%	26%	24%	>75%

Carbon intensity scopes 1, 2 and 3:

–6%

(2023–2025)

Energy intensity:

–5%

(2023–2025)

Stepping up our efforts to preserve natural resources

Our papermaking processes require natural resources, especially water and wood. Water is a key issue for SWM's direct operations because paper production uses up significant amounts of water. Most of this water is released back into the environment after appropriate treatment. We aim to minimize pressure on natural resources and pollution from our operations and value chain. This is why we are accelerating our programs to reduce water consumption through appropriate measures. Reducing our water consumption mitigates risk to business continuity while addressing possible concerns from local communities.

ELT Sponsors
Raoul Hervé, COO at SWM

Key impacts, risks and opportunities (IROs)

- **Impacts:** Pollution of ecosystems, depletion of water resources (upstream value chain and own operations) and biodiversity associated with forestry practices.
- **Risks:** Failure to comply with environmental permits and standards, as well as water scarcity in drought periods.
- **Opportunities:** Business development of paper-based solutions for air and water filtration.

Ensure availability and sustainable management of water and sanitation for all

Conserve and sustainably use the oceans, sea and marine resources for sustainable development

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Our targets:

25%

water intensity reduction by 2030 from 2023 baseline (m³ withdrawn per MT of production).

Progress shows:

9%

reduction since 2023.

Due diligence on zero-deforestation impact of wood-based raw materials (EUDR compliance for all sites).

Around

95%

of water used in paper production returns to the natural environment.

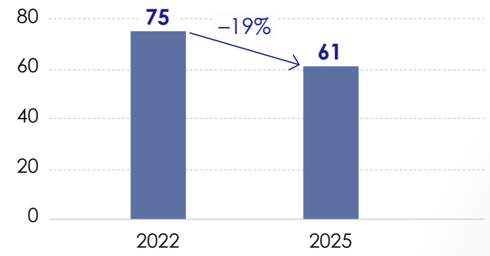
Reducing water consumption through innovation, proactive maintenance and employee engagement

To reduce our consumption of natural water, we have implemented an action plan at our LTR Industries site. This initiative incorporates technical improvements, process optimization and team engagement. A key focus was raising awareness among manufacturing staff. We promote best practices and involve teams in day-to-day operations to encourage more responsible water use.

We have also implemented concrete measures to limit water consumption during cleaning operations and to avoid using unnecessary water jets. We conducted a pipeline audit to identify and address potential hidden leaks. Technological advancements in cleaning systems have optimized cleaning during production changeovers, reducing water requirements. We are also exploring innovative solutions for water recycling. We are working toward recycling more water from the wastewater treatment plant (WWTP), and a study on the recovery of tobacco water is underway. Additionally, we are looking into other technical measures to replace the cooling system.

Through our action plan and necessary investments, the LTR site aims to reduce water consumption by 18.4% over the next four years. This would entail reducing water consumption from 64.8 m³ per metric ton of finished product in 2024 to 52.9 m³ by 2028.

Water withdrawal intensity (m3/net MT)



Supporting sustainable forestry

We are certified by the Forest Stewardship Council® (FSC® C110425) at all our sites. We have been committed to the highest standards of responsible sourcing and forest protection for a long time.

SWM International formalizes this commitment with a comprehensive No-Deforestation and No-Conversion Policy. Wood pulp is a critical raw material in our operations. The policy guarantees that the wood pulp we use originates from regions where natural forests have been cleared or ecosystems, such as grasslands, wetlands and peatlands, have been converted for industrial purposes after December 31, 2020.

We ensure compliance through a series of practices:

- Risk management processes across the wood pulp supply chain
- Chain of Custody certification
- Regular audits by internal and third-party auditors
- Training for employees and stakeholders involved in procurement processes

EU Deforestation Regulation: our integrated approach

As the European Union introduces the EU Deforestation Regulation (EUDR), we have aligned our practices with this legislative framework. Adopted in 2023, the EUDR is designed to prevent products that contribute to deforestation or forest degradation from being sold in the EU. As a paper producer, SWM has a robust process in place, as evidenced by our existing FSC® certifications. Our experts are currently upgrading our data management capabilities to meet rigorous EUDR requirements.

While our FSC® certification involves comprehensive due diligence, we are reinforcing our procedure for controlling raw materials with our suppliers to assess and mitigate risks. We are working closely with our suppliers to ensure the traceability of all commodities included in the EUDR compliance scope, including audits. Suppliers must prove that all sourcing locations comply with the non-deforestation criteria of the EUDR.

Advanced digital solutions for geolocation mapping

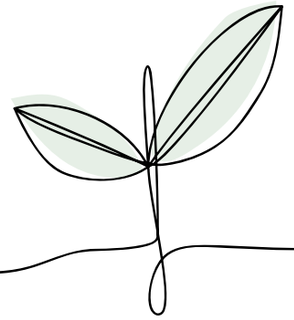
Starting January 1, 2027, all products shipped through the European Union must be identified by their associated plots of land. We must ensure that these commodities have not been mixed with non-compliant commodities during supply chain processes. Our team is implementing digital solutions to manage and automate traceability, geolocation mapping and compliance reporting. Integrating advanced geospatial data technology will streamline our EUDR compliance efforts and reinforce the integrity and visibility of our supply chain. Our sites in the EU, USA and Brazil are on track to be ready for EUDR implementation by the end of 2026.

A close partnership with our suppliers, combined with the right data management tool, is key to successfully implementing the EUDR.

Sophie Hervé-Dupenher,
Sustainability Project Manager

An opportunity for more biodiversity protection

SWM International does not view this regulation as a challenge, but rather as an opportunity to play a significant role in protecting biodiversity. As we move forward, we are committed to transparency, continuous improvement, and providing value to our customers while safeguarding the natural resources that sustain our communities, our planet and our industry.



Waste management

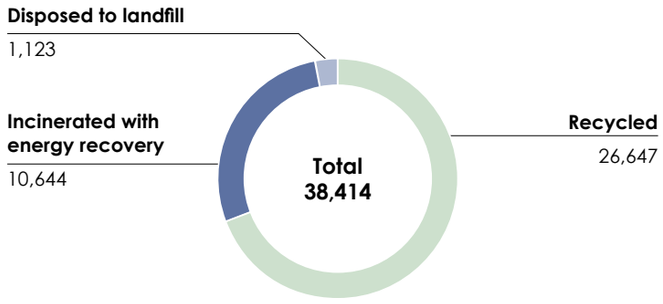
Achieving our goal of zero waste to landfill requires an in-depth understanding of what waste is generated, where and in what quantity. Waste characterization forms the basis of our approach: By accurately identifying, classifying and quantifying waste streams across our operations, we can precisely target interventions and reduce waste at the source.

Turning industrial sludge into value in Santanésia, Brazil

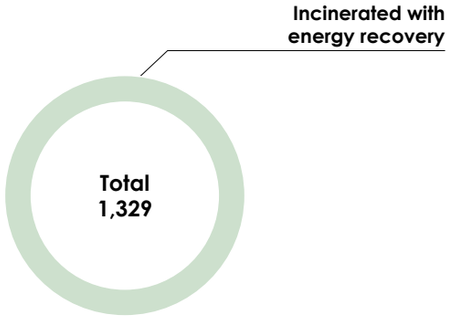
An example of our waste management approach is our transformation of industrial sludge management at our Brazilian production site. This by-product, which is generated through wastewater treatment and is composed of water, cellulosic fibers and mineral content such as carbonate, was historically sent to a landfill. Instead of treating it as an unavoidable cost, we identified a viable reuse pathway.

Between July 2024 and July 2025, we developed two strategic partnerships for sludge disposal through co-processing in brick manufacturing. The sludge is now fully valorized as a secondary raw material in ceramic manufacturing. As a result, 100% of the industrial sludge at this site is now diverted from landfills and put to productive use.

Non-hazardous waste in metric tons



Hazardous waste in metric tons



Supporting sustainable water treatment through advanced membrane materials

SWM International plays a critical role in supplying an essential component for producing reverse osmosis (RO) cartridges, which enables the more sustainable use of natural resources. RO is one of the most effective technologies for producing safe drinking water and supporting water reuse, particularly in regions facing water scarcity. RO improves access to clean water and enables desalination and wastewater recycling. RO systems contribute significantly to the preservation of freshwater resources.

SWM's membrane backing layers are engineered to provide strength, durability and consistent performance within these filtration systems. Their reliability supports the efficiency and lifespan of RO membranes, helping system manufacturers deliver high-quality water treatment solutions while reducing maintenance needs and material waste.

Impact by design

Eco-design is at the core of SWM International's sustainability strategy. In recent years, we have expanded our goals for high-performance products to become the preferred partner in our field. Our eco-design program focuses on reducing the environmental impact of our products through innovation. We assess the environmental footprint of our entire product line through lifecycle assessment (LCA), which serves to implement concrete solutions, such as alternatives to single-use plastic packaging, processes for reusing production residues and product designs that reduce material consumption. Our goal is to minimize the environmental footprint of our products – and help our customers do the same.

Key impacts, risks and opportunities (IROs)

- **Impacts:** Use of virgin cellulose fiber-based raw material; use of fossil-based raw material; "single-use" business markets.
- **Risks:** Increasing cost pressure and supply constraints linked to non-recycled and bio-based raw materials.
- **Opportunities:** Growing market for paper-based solutions that can replace plastic products with equivalent functionality.

Ensure sustainable consumption and production patterns

Take urgent action to combat climate change and its impact

ELT Sponsors

Philippe Ragot, Vice President and General Manager at SWM

Carbon footprint evaluations

77

based on LCA principles from 7 production sites and 4 product lines.

Water filtration product line

Energy optimization and sufficiency measures have delivered a nearly

25%

reduction in carbon footprint versus the 2024 baseline.

Tobacco products

Recon technology enables the recovery of agricultural and industrial tobacco residues, equivalent to approximately

34,200

cigarettes per Recon process cycle.

Designing sustainability into our products

Eco-design is a long-term process that requires a genuine understanding of environmental impacts, the right methods and consistent internal engagement. Our Eco-Score Card was an essential first step. It evaluates the environmental impact of our products and provides information on their ecological footprint. It raises awareness, and allows us to integrate environmental considerations into product development and grasp the implications of various design choices.

Our eco-design program enables us to evaluate the environmental impact of every stage of a product's life-cycle – within a standard cradle-to-gate approach – in a structured, data-driven way. It addresses two primary questions:

- How does each of our products perform against sustainability KPIs?
- How can we integrate eco-design into all our processes?

These questions provide us with a strategic roadmap, driving change in how we manufacture products, and helping us and our customers to make more sustainable design decisions, which reduces waste and increases recyclability.

Pushing boundaries: ultra-lightweight packaging papers

The packaging industry is undergoing a fundamental shift: The EU Packaging and Packaging Waste Regulation (PPWR) is raising the bar on material efficiency, recyclability and circular design – pushing companies to reduce material use and lower lifecycle emissions beyond minimum standards.

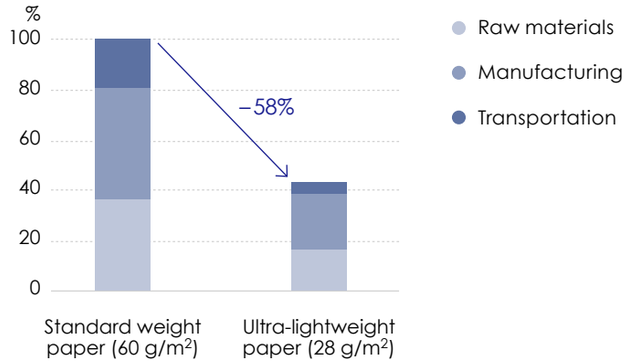
In response, we have developed a range of ultra-light-weight papers for packaging applications. These materials have been engineered to significantly reduce overall material consumption without compromising functional performance – while meeting requirements for heat-sealability, barrier properties and translucency that allow our customers to replace conventional plastic films with fiber-based alternatives.

LCA: assessing the footprint of all product lines

In 2023, we launched a lifecycle assessment (LCA) program enabling us to quantify the carbon footprint of our products and manufacturing sites. The LCA is based on internationally recognized ISO standards and extends to particulate matter emissions, acidification and resource consumption, including fossil fuels, minerals, water and land use.

This was a significant step in systematically gaining the necessary insight to guide our eco-design and decarbonization efforts. The LCA enables us to map every input required to manufacture our products, including raw materials (and their transportation), water and energy at every stage of our process. By combining this data with scientific emission-factor databases, we can also identify the contributing factors linked to specific materials, energy sources, processes or logistics. This also allows our R&D, energy and procurement teams to prioritize and implement effective reduction measures. The LCA delivers concrete value for our customers. It helps them understand impacts across their own value chains, and feeds directly into their greenhouse gas reporting.

Carbon footprint per 1 million m² of paper: standard weight vs ultra-lightweight



Reducing grammage, reducing impact

Flexible paper packaging typically uses grammages between 40 and 80 gsm. Thanks to our expertise in materials science, we have developed solutions that reduce grammage to 28 gsm while fully preserving mechanical resistance, barrier performance and processability – with significant results.

According to our internal LCA, lowering the grammage from 60 gsm to 28 gsm shrinks the carbon footprint of one million square meters of paper produced by 58%. This also results in reduced raw material consumption, optimized transport efficiency and measurable gains in resource preservation.

By enabling our customers to adopt lower-grammage solutions on a large scale, we are actively supporting their decarbonization efforts without compromising product performance.

> ***An important lesson we have learned from our LCA journey is that we need to measure our impact in order to reduce it. Our progress on LCA gives us that basis, along with a stronger platform for effective low-impact solutions."***

Christophe Rigoulay,
LCA Expert at SWM

Targets and progress LCA Program

- **2023** – One ISO-compliant LCA covering three cigarette papers for combustibles, proactively initiated by SWM.
- **2024** – One ISO-compliant LCA covering two hemp and flax pulps, conducted upon customer request. First five internal product carbon footprints performed in 2024.
- **2025** – Contribution to one ISO-compliant LCA initiated by a customer for a packaging application.
- **2025** – 77 internal product carbon footprint evaluations based on LCA principles, covering seven SWM production sites and four product lines.
- **2026 target** – 115 internal product carbon footprint evaluations based on LCA principles.

MemBase®: Driving impact reduction through eco-design

To advance our eco-design ambitions at the product level, we assessed the environmental performance of our MemBase® range using both our internal Eco-Score Card and a simplified LCA. MemBase®, composed of 100% PET fibers, was selected for its material profile and production footprint.

Working closely across operations and R&D, we established a 2024 baseline carbon footprint of 8 kg CO_2e/kg of product and launched a structured, cross-functional improvement program from that point.

- 2025: Energy optimization and sufficiency measures delivered a nearly 25% reduction in carbon footprint versus the 2024 baseline.
- 2026: Addressing the generated waste as a potential raw material for other processes could enable further reduction, with the product's carbon footprint projected to decrease by approximately 30% versus the 2024 baseline.

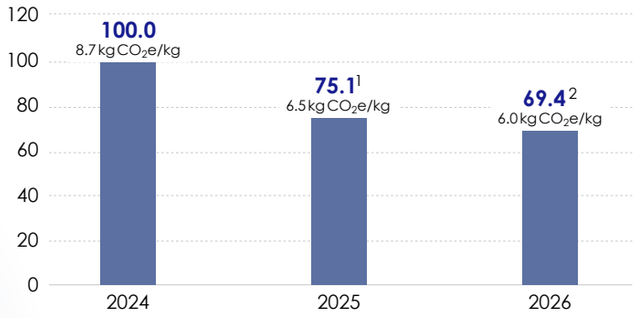
This demonstrates that robust measurement tools and cross-functional collaboration reinforce each other and can yield significant results. It also illustrates a core principle of our eco-design approach: Improvement is not a one-off project but a continuous cycle, built on data and sustained by shared accountability across teams.

Our tool to support eco-design

Low env. Impact ← A B C D E → High env. impact

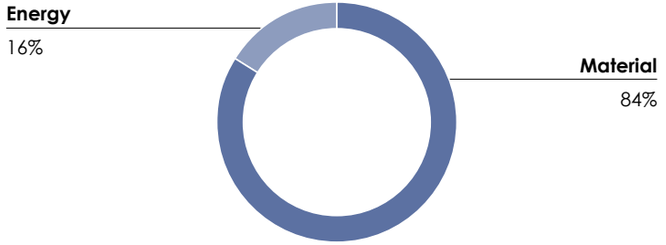
Product design	Fiber composition	A more natural product portfolio from product recipe to finished product packaging. Circular economy through the usage of industry and agriculture by-products, such as flax tows and botanical residues is preferred whenever possible.
	Fiber origin	
	Chemical additive	
	Plastic-free packaging	
	Biodegradability	
Process efficiency	Energy	Sufficiency and efficiency to reduce greenhouse gas emissions.
	Water	
	Broke	
	Final waste	
Product usage	Durability	Lifecycle of our products including the durability and potential recycling of the final products.
	End of life	

Carbon index evolution of MemBase® product



1 Operational excellence and waste reduction at source
2 Circular economy (waste recycling)

MemBase® carbon footprint: 6.5 kg[1] CO_2e/kg



1 Internal screening LCA, Cradle to gate, PEF methodology 3.1

Circularity in action: Recon technology and reconstituted tobacco leaf

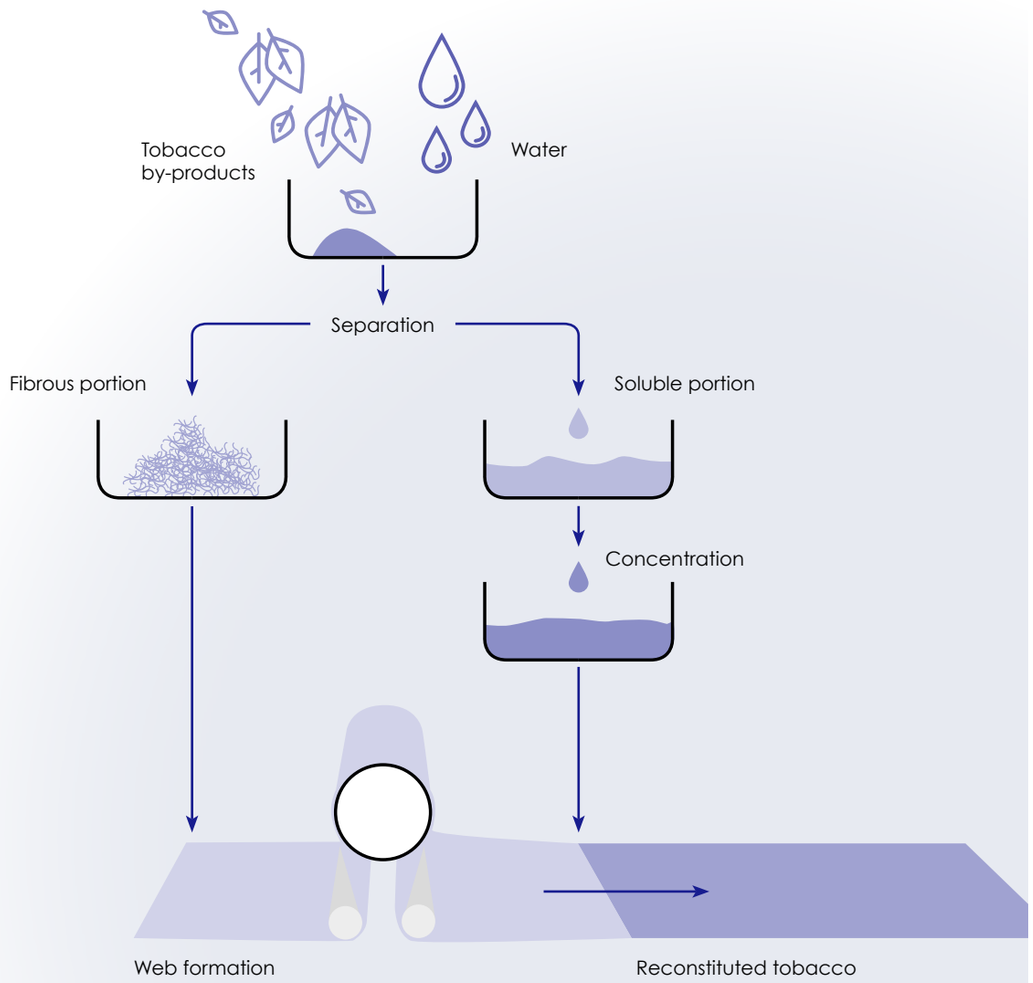
Our customers' tobacco processing generates significant volumes of by-products at every stage. On average, they produce approximately 24kg of by-products for every 100kg of natural tobacco processed.

Our Recon technology reclaims these remnants and transforms them into Reconstituted Tobacco Leaf (RTL) – a malleable sheet material ready for immediate reuse in cigarette production. Each cycle of this process recovers material equivalent to approximately 34,200 cigarettes. RTL is immediately available, independent of crop cycles and designed for reintegration into production. By enabling our customers to convert their tobacco by-products, we embed circularity directly into the supply chain.

Circularity

	2023	2024	2025	2030 target
Cumulated number of LCAs "ISO"	1	2	2	5
Cumulated number of LCAs "screening"	0	5	77	150

Recon papermaking processes



Health and safety: built into everything we do

At SWM, safeguarding the health and safety of our people will always be our most fundamental value – not because we are required to, but because it reflects who we are. Everyone who walks through our gates deserves to go home safe and sound. To us, health and safety are more than just compliance; they are in our DNA. They are present on the factory floor during every shift briefing, hazard walk and near-miss report. In 2025, our commitment yielded impressive, measurable results in accident reduction, safety assessments and new wellness programs across our various countries. At the same time, we report challenges honestly because a lasting safety culture is built on transparency, not selective reporting.

Work safety: measuring what matters focus

Our core metrics show progress in crucial areas such as serious incidents and protective safety assessments. The ergonomic incident rate (EIR) remained stable, while the total recordable incident rate (TRIR) increased by 4% due to more consistent reporting of incidents by an engaged workforce. To account for the varying severity of incidents and near misses, we introduced three categories in 2025: significant incident rate (SIR) for life-altering events, ergonomic incident rate (EIR) for sprains, etc., and high-potential frequency rate (HFR) for near misses that could have been serious.

Achieve gender equality and empower all women and girls

Reduce inequality within and among countries

ELT Sponsors
Katrin Hanske, CEO at SWM

33%

reduction in the most serious incidents (SIR)
0.63 > 0.42 from 2024 to 2025

130%

proactive safety assessments completed vs. 93% target in 2024

96

hazards identified in 2025

Fostering a proactive safety culture

Our figures tell the most meaningful story in our 2025 data. Our Global Proactive Completion rate – measuring completed pre-task risk assessments (PTRAs), task execution observation (TEOs) and job safety analyses (JSAs) against targets – reached 130%, up from 93% in 2024. By midyear, we had already completed more preventive assessments than in all of 2024.

At our Ancram facility in New York, USA, PTRAs have become a daily habit for our frontline employees, empowering them to identify and address potential hazards before starting a task. The result? One full year without a single absence due to a workplace accident. At our Quimperlé site in France, cross-functional teams proactively upgraded two high-risk paper machines by installing protective safety grids and servo-controlled wicket gate systems before any incidents occurred. This approach was informed by a fatal accident involving similar equipment at another company.

These are not isolated achievements. They are evidence of a system working as intended: hazards anticipated, addressed and eliminated.

Culture change doesn't happen overnight. We're equipping frontline leaders with the necessary knowledge and resources. Yet, we must remember that this is a marathon, not a sprint.

Kevin Marsh,
Global Safety Manager

Key 2025 safety initiatives

Lone Worker protection program

When an employee working alone is injured, every second matters. The Lone Worker program, which exists at six sites, deploys devices that detect falls, monitor movement and send instant emergency alerts. At our Prosperity facility in South Carolina, USA, workers at the Newberry warehouse were among the first to be equipped with the Series X fall detection device through our partnership with Becklar Workforce Safety. It provides an immediate connection to emergency services whenever someone is working alone. Industry data underscores the importance of this technology: A substantial number of organizations have experienced a safety incident involving a lone worker in the past three years. Prosperity's commitment to technology and safety culture is evident in its impressive record: three consecutive years without a recordable incident and six years without a lost-time injury.

PPE accountability: leaders lead by example

When SWM updated its head protection standards, the message was clear: Frontline leaders must comply first. The revised framework includes clearer standards and defined escalation procedures, as well as a zero-tolerance policy regarding leadership exemptions. Managers who expect PPE compliance must model it themselves. Safe leadership is visible leadership.

Our safety targets: not the ceiling, but the floor

Our foundation is strong. However, a modest uptick in TRIR, a plateaued EIR and an increase in high-potential frequency rate (HFR) remind us that there is no finish line to safety excellence.

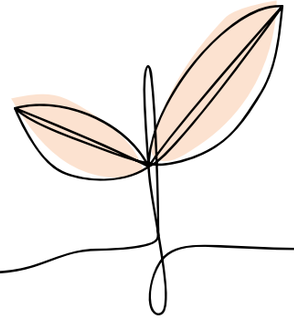
In 2026, our priorities are clear:

- Standardize critical policies: lockout/tagout, respiratory protection across all sites
- Expand Lone Worker protection to all remaining high-risk areas
- Deepen ergonomic intervention with site-specific programs
- Strengthen crisis response protocols and environmental impact planning
- Continue building frontline leadership capability as the engine of safety culture

We're not trying to eliminate all risks. We're trying to make sure everyone who comes to work goes home the same way they arrived or better.

Kevin Marsh,
Global Safety Manager

- A safety culture is built day by day, across every shift and at every site. Two milestones from 2025 exemplify what that sustained commitment looks like, measured not in quarters but in years.
- Saint-Girons: accident free for nearly three years. The site's team has achieved 1,000 consecutive days without a lost-time accident. They consider this milestone a starting point, and have set their sights on reaching 2,000 days. Every minor incident is taken seriously, and every near-miss is addressed. This kind of discipline turns a record into a culture.
- Santanésia, Brazil: one year without a lost-time accident. In Santanésia, the shift to zero lost-time accidents over a full year was driven by a deliberate effort to change mindsets, not just behaviors. The site embraced the Brazil-wide road safety initiative, Yellow May, as an opportunity to extend safety awareness beyond the factory gates. This reminded employees that vigilance does not end at the exit, whether they are driving, cycling or commuting.



Our priority is creating a mindset shift that instills deeper ownership and accountability.

João Andrade,
Plant Manager, Santanésia, Brazil

Diversity – a source of strength

A diverse workforce is a proven source of resilience and better decision-making. Our nearly 1,900 employees across seven countries bring different perspectives, experiences and backgrounds to their work, which makes our company stronger. Currently, 35% of our leadership positions are held by women, a figure we plan to increase in the coming years. We employ 15.3% women overall and only 9% of women are in the Executive Leadership Team (ELT). France accounts for the largest share of our total workforce (1,161), followed by Brazil (383) and the United States (145).

Where we stand: women in the workforce and in leadership

	2025
Headcount	~1,900
Headcount women	291
Women overall	15.3%
Women leadership	35%
Women ELT	9%

The whole person: health and well-being at SWM

At SWM, our commitment to our people does not end at the factory gate. In 2025, our sites in four countries created a wide range of wellness programs. For us, a thriving workforce is not just an ethical imperative – it is the foundation on which everything else is built. People who are well in every sense perform better, stay longer and contribute more to meaningful work. In 2026, we plan to strengthen mental health support, increase financial literacy and continue developing a workforce that is physically, financially and socially healthy.

Ready to respond: physical health and prevention

In Ancram, employees completed American Heart Association Heartsaver training in CPR, AED use and emergency wound care – a deliberate investment in readiness rather than compliance. Ancram's Health and Wellness Day brought nurses on site to perform blood pressure checks, glucose testing and A1C screenings, offering each employee a personal consultation. In Saint-Girons, France, our colleagues became First Aid Responders, strengthening the site's emergency capacity across every shift. Health programs extended this logic to prevention.

Making space for conversation: mental health

At Prosperity, Mental Health Awareness Month was marked by the team wearing green, a visible act of solidarity signaling that speaking up is safe. Anti-bullying and harassment training led by legal counsel Ron Surbey anchored psychological safety in leadership attention rather than just policy. In Santanésia, Brazil, the Yellow September program took mental health conversations to the production floor, bringing support to where the workforce is rather than waiting for individuals to seek it.

Community: responsibility without boundaries

In Santanésia, the team partnered with the Piraí Health Department to combat dengue fever. They trained employees to eliminate breeding grounds, inspected factory surroundings to eradicate standing water and built a striking sculpture of the Aedes aegypti mosquito to raise awareness about the disease.

> ***This isn't just about workplace compliance. It's about giving our people the confidence to step up when it matters most.***
>
> **Daniel Reed,**
> Safety Coordinator, Ancram, US

- To raise fire risk awareness in the next generation, a purpose-built children's game with door-to-door outreach was designed. In Ancram, a school supply drive supported the Neighbors Helping Neighbors program, and employees and their families participated in the Breast Cancer Awareness Walk. In Saint-Girons, colleagues ran La Capulette to support breast cancer research and express solidarity through action, not just words.
- In Santanésia, Golden August spaces dedicated to supporting breastfeeding. Quality Week connected individual efforts to a collective purpose. GEMBA sent leaders to the shop floor to listen, reinforcing the idea that the people closest to the work are the most important. Every initiative in this chapter reflects this idea.

From policy to practice: driving sustainability across our supply chain

The success of our organization is rooted in ethical decision-making and the highest professional standards, both within our company and throughout our supply chain. This commitment is formally reflected in our Human Rights Policy and our Supplier Code of Conduct, which all suppliers must sign and be held accountable to. Yet, we are also aware that the achievement of high ethical standards, sustainability in procurement and progress on human rights in our own operations and our global supply chain is more than just a strategic ambition – it is an operational reality requiring sustained engagement and accountability. In 2025, we stepped up our efforts to translate our standards and policies into practice for tangible progress, which we will outline in this section.

Key impacts, risks and opportunities (IROs)

- **Impacts:** Operations and supply chains can adversely affect workers' rights and labor conditions, especially in upstream sourcing markets.
- **Risks:** Regulatory noncompliance (EUDR, CSDDD), reputational risk from supplier ESG failures and increased customer scrutiny of supply chain transparency.
- **Opportunities:** Competitive differentiation through verifiable sustainability credentials; stronger, more resilient supplier partnerships through long-term ESG collaboration.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Reduce inequality within and among countries

Ensure sustainable consumption and production patterns

Promote just, peaceful and inclusive societies

ELT Sponsors

Ron Surbey, Chief Legal Officer and General Counsel at SWM

Embedding ESG into procurement through targeted training

Sustainability in procurement is only as strong as the decisions of the buyers. In 2025, we strengthened our commitment to sustainability in procurement by implementing an ESG policy through structured training for buyers, procurement teams and category leads across our global operations. Our goal was to achieve real behavioral change in decision-making, not just raise awareness.

The training program covered practical tools for sustainable procurement action:

- conducting supplier ESG risk assessments
- the link between Scope 3 emissions and sourcing choices
- the regulatory landscape including EUDR readiness
- how to weigh cost, risks and carbon reduction in sourcing decisions

In procurement, ESG issues are now explicitly reinforced in day-to-day sourcing rather than as a compliance requirement. Integrating them into our sourcing culture is one of the most durable changes we have made in this area.

Local sourcing as an ESG strategy

SWM prioritizes a more local procurement model – not only to reduce logistics costs, but as a sustainability strategy, too. This shortens supply chains, reduces Scope 3 transport emissions and improves traceability. Local sourcing strengthens our relationships with suppliers in the communities where we operate, creating shared accountability for ESG performance.

In every country where we operate, we employ sales and procurement staff who speak the local language and understand the specific market dynamic to develop a deeper understanding of our customers' future needs and challenges. The insights of our staff inform our sourcing decisions, enabling us to make commercially sound and environmentally responsible choices.

ESG training in procurement: key 2025 figures

- 84% of procurement team (buyers and category leads) trained
- 21 training sessions delivered
- Topics covered: Supplier ESG risk assessment | Scope 3 levers | EUDR readiness | Cost-risk carbon trade-offs

Scope 3 progress thanks to strategic supplier relationships

Long-term relationships are one of our strategic goals, and the cornerstone of real progress in supply chain sustainability. We have collaborated with some of our suppliers for over 20 years, building mutual trust that extends beyond price and transactions. When it comes to discussing decarbonization, traceability, shared standards and continuous improvement, trust makes it possible.

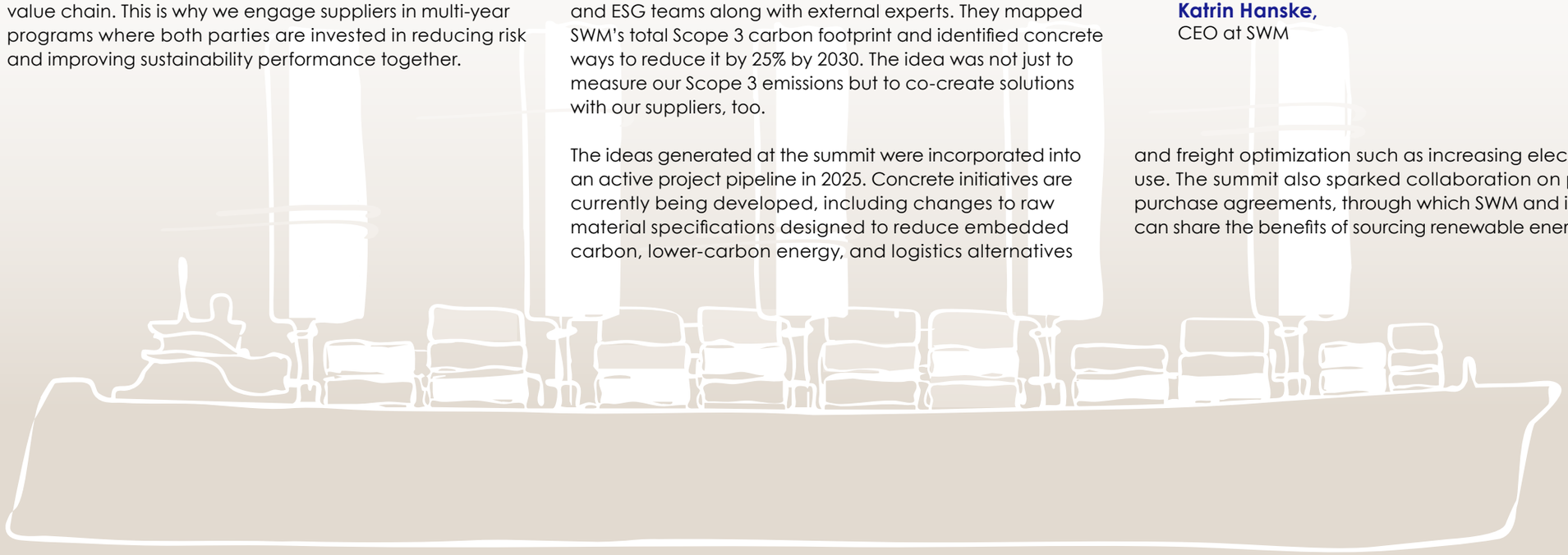
In 2025, we strengthened these partnerships for joint decarbonization initiatives to reduce emissions from our value chains. Nearly 75% of SWM's total greenhouse gas emissions occur within our value chain, i.e., in Scope 3. Therefore, our greatest leverage in terms of our carbon footprint lies in the value chain. This is why we engage suppliers in multi-year programs where both parties are invested in reducing risk and improving sustainability performance together.

From summit to pipeline: Quimperlé in action

In 2024, SWM hosted a decarbonization supply chain summit in Quimperlé, France, with key suppliers, SWM procurement and ESG teams along with external experts. They mapped SWM's total Scope 3 carbon footprint and identified concrete ways to reduce it by 25% by 2030. The idea was not just to measure our Scope 3 emissions but to co-create solutions with our suppliers, too.

The ideas generated at the summit were incorporated into an active project pipeline in 2025. Concrete initiatives are currently being developed, including changes to raw material specifications designed to reduce embedded carbon, lower-carbon energy, and logistics alternatives and freight optimization such as increasing electric vehicle use. The summit also sparked collaboration on power purchase agreements, through which SWM and its partners can share the benefits of sourcing renewable energy.

> ***In 2025, we transitioned from discussing Scope 3 to taking action alongside our suppliers. This shift from monitoring to co-creating distinguishes real progress from mere compliance.***
>
> **Katrin Hanske,**
> CEO at SWM



Digital traceability, technology and the future of sustainable procurement

Technology as an enabler for sustainable procurement

Procurement and supply chain management are no longer just about cost and service. Today, they are strongly shaped by customer demand for responsible sourcing and the need to ensure traceability due to increasingly rigorous due diligence frameworks and complex sustainability regulations.

> ***The most credible proof of ethical procurement is not a Code of Conduct document. It is the data trail that shows exactly where our materials come from, who produced them, and under what conditions. In 2025, we built the systems to produce that trail. That is the standard we intend to keep raising.***
>
> **Ron Surbey,**
> Chief Legal Officer and General Counsel at SWM

Corporate ESG credibility increasingly depends on the quality of concrete data it can produce. Technology and digital infrastructure are important drivers of corporate sustainability.

Speaking up: our global hotline and grievance mechanism

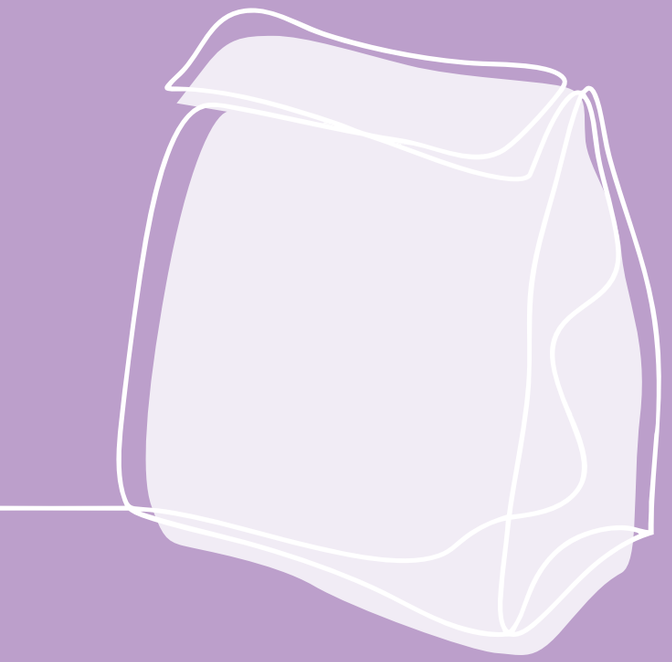
Our Human Rights Policy reflects our firm commitment to respecting the fundamental rights of every individual. Ethical conduct also requires accessible and trusted channels through which concerns can be raised. Our global hotline allows employees, suppliers and partners to report concerns in complete confidence and without fear of retaliation. Identifying problems early on enables us to resolve them quickly, prevent escalation and maintain the culture of integrity that underpins everything we do.

The hotline serves as our central grievance mechanism for human rights and compliance issues, as well as any other conduct that violates our values or the law. We are committed to increasing transparency around its use, including the categories of issues raised and how they were addressed. During the reporting period, we received and closed 15 cases.

In 2025, SWM made meaningful progress in the following areas through various projects:

1. **Enterprise Supply Planning (ESP) system upgrade:** The system supports risk management by associating supply-chain events and risks with specific suppliers. It provides real-time alerts and actionable intelligence.
2. **Elemica platform use expansion:** Outbound planning tools optimize shipping routes and load capacity, reducing the carbon footprint of logistics and giving customers greater control over their shipments, allowing us to improve freight sustainability.
3. **Digital traceability systems improvements:** This includes plot-level traceability for wood-based raw materials and a transition from spreadsheet-based tracking to real-time data systems. Origin, harvest date, certification status and supplier-level risk data for the fibers can now be instantly retrieved. These improvements align with the upcoming EU Deforestation Regulation (EUDR), enabling us to demonstrate that our products are not linked to deforestation.
4. **Microsoft Azure-hosted cloud infrastructure optimization:** Thanks to workload rationalization, improved resource utilization and a preference for lower-carbon cloud configurations, we have reduced the carbon intensity of our digital operations.
5. **Integrated, transparent workflows**: We replaced fragmented, spreadsheet-based processes by bringing supplier compliance data, ESG risk assessments and certification status together on unified dashboards.

Empowering our customers with safer, healthier solutions



We pursue a proactive approach to support our customers with healthier and reduced-risk solutions. There is a growing global demand for products that are less harmful to public health, including from governments and regulatory bodies. To this end, we work closely with our customers to help them evolve and diversify their product ranges. We support them in developing a new generation of products whose commitment to public health and the environment is clear. By taking a proactive and transparent approach to creating healthier, reduced-risk solutions with our customers, we help them adapt to an ever-changing regulatory environment while complying with regulations.

Key impacts, risks and opportunities (IROs)

- **Impacts:** Adverse effects on the health of end-users (tobacco-related products).
- **Risks:** Loss of suppliers' partnership due to SWM exposure to the tobacco market.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure availability and sustainable management of water and sanitation for all

ELT Sponsors

Bruno de Veyrac, Vice President and General Manager at SWM
Guilherme Costa, Vice President of Global Sales at SWM

Quimperlé mill
ISO 22000 at Quimperlé:
a step toward all SWM sites

MemBase®
NSF 58 and NSF 61 certified for drinking water systems

Health: a primary driver for product development

At SWM, we prioritize health and environmental protection in our product development. Our innovation efforts focus on safe material solutions and the reduction or avoidance of substances of concern. Our design approaches align with sustainability and regulatory trends and are supported by a rigorous chemical management framework. We work closely with our suppliers to promote transparency around substance composition and compliance throughout the value chain.

Oil- and grease-resistant paper: Safe materials for food-contact packaging

Paper used for food packaging often comes into direct contact with food. This is why our new OGR-grade (oil- and grease-resistant) development is guided by consumer health considerations, embedding safety by design. This includes selecting raw materials and manufacturing processes and preventing contaminants or non-intentionally added substances (NIAS) from entering food. Our OGR product line demonstrates our commitment to innovation, regulatory responsibility and consumer protection by providing safe solutions for everyday use while transitioning toward more sustainable materials.

Our food contact OGR paper portfolio is made of natural, biodegradable fibers and is guided by consumer health considerations.

The development of wrapping solutions for nicotine pouches is guided by the aim of reducing or eliminating the use of plastic.

Smoke-free: preparing the future of nicotine pouches

The nicotine pouch industry is preparing for potential plastic bans. This has prompted SWM to develop new wrapping materials for oral delivery systems. We are collaborating with the scientific community to strengthen safety standards for nicotine pouches. This has resulted in the publication of the Technical Guide for Nicotine Pouch Safety and Quality (NPSQ) by CORESTA. We helped define analytical frameworks and proposed pH limits as well as maximum nicotine levels. The guide is a critical resource for manufacturers, suppliers, testing labs, regulators and consumers. It ensures consistent assessment of product safety and quality while fostering the development of responsible solutions throughout the industry.

Overcoming microplastics in single-use applications

In response to concerns about the environmental and health impacts of microplastics, SWM has developed advanced material solutions. Our product lines, including Evolute®, Medipel™, Translucent Papers and MODS®, provide high-performance solutions that reduce or eliminate the use of synthetic, non-biodegradable materials in single-use products. Primarily fiber-based, they maintain the functional properties required by our customers. By replacing or significantly reducing the plastic content of products such as packaging and tobacco product filters, we are limiting the accumulation of microplastics and human exposure.

Ensuring top safety standards through compliance

Consumer health protection and regulatory compliance go hand in hand. Our Product Compliance and Stewardship (PCS) team collaborates with various departments, including R&D, Operations, Sales and Supply Chain, to ensure that our products meet or exceed applicable global standards. We help customers navigate complex rules and safeguard end-users by combining scientific expertise with proactive regulatory monitoring.

REACH: protecting human health and the environment against risks from chemical substances

Our rigorous chemical substances management and commitment to consumer and environmental protection are underpinned by compliance with the REACH Regulation. We support this commitment with robust supplier qualification processes, full product traceability and transparent communication across the value chain. As an EU-based downstream user of chemical substances, we are required to verify that the substances we use are registered – or exempt from registration – and to implement appropriate risk management measures.

Food safety management according to ISO 22000 in Quimperlé

We obtained ISO 22000 certification for a specific paper machine at our Quimperlé site in 2025. Now, we are committed to extending the implementation of the safety management system to all SWM manufacturing sites. Our goal is to identify, assess and control potential hazards at every production stage. We rely on supplier traceability mechanisms and internal audits to continuously improve product integrity, protect consumer health and cultivate long-term trust with our customers.

MemBase®: contributing to end-users' access to safe, clean water

Our MemBase® filtration technologies directly improve drinking water quality for end-users. MemBase® is certified to two globally recognized benchmarks for drinking water system components: NSF 58 and NSF 61. NSF 58 certifies MemBase's® suitability for reverse osmosis systems, and NSF 61 guarantees that all materials coming into contact with drinking water meet strict health-based criteria. We are committed to helping our customers deliver safer water worldwide by going beyond mere compliance.

Our core mission in Product Compliance and Stewardship is to anticipate regulatory changes before they happen. We monitor the legislative environment and public health priorities to build forward-looking scenarios. These are grounded in scientific evidence and rigorous analysis of regulatory frameworks. This way, we can adapt early and ensure our products always remain compliant.

Zahia Ouar,
Product Compliance and Stewardship Director at SWM

Our commitment to excellence: global frameworks for quality, safety and sustainability

We are dedicated to attaining and maintaining globally recognized certifications and standards across all our sites. They demonstrate our commitment to quality and environmental management, occupational health and safety, security, energy management, responsible supply chains and food safety.

Certifications by site

		FSC® Responsible Supplies	PEFC Responsible Supplies	ISO 9001 Quality	ISO 14001 Environmental	ISO 45001 Health and safety	ISO 50001 Energy	ISO 22000 Food safety
Ancram	USA	●		●	●			
Le Mans	France	●		●	●	●	●	
Prosperity	USA	●		●	●			
Quimperlé	France	●		●	●	●	●	●
Saint-Girons	France	●	●	●	●	●	●	
Santanésia	Brazil	●	●	●	●	●		
Stryków	Poland	●		●	●	●		
Jiangmen	China	●		●	●	●		
Yuxi	China			●	●	●		

ISO coverage

	2023	2024	2025
Proportion of manufacturing facilities certified to ISO 9001	100%	100%	100%
Proportion of manufacturing facilities certified to ISO 14001	100%	100%	100%
Percentage of manufacturing facilities assessed on specific environmental risks	100%	100%	100%
Proportion of manufacturing facilities certified to ISO 45001	78%	78%	78%
Percentage of manufacturing facilities for which an employee health and safety risk assessment has been conducted	78%	78%	78%
Proportion of manufacturing facilities certified to ISO 50001	33%	33%	33%

Biodiversity: The diversity of living organisms in all their forms, including species diversity, genetic diversity and ecosystem diversity. Preserving biodiversity is a major corporate social responsibility (CSR) challenge.

Carbon footprint: The total quantity of greenhouse gases (GHG) emitted directly and indirectly by an activity, product, service or organization, expressed in CO_2 equivalents (CO_2e). This includes Scope 1, 2 and 3 emissions.

Circular economy: A business model that involves sharing, reusing, repairing, refurbishing and recycling existing materials for as long as possible to extend product lifecycles and minimize waste. When a product reaches the end of its life, its materials are kept within the economy.

Code of Conduct: Our code of conduct outlines the principles of respect, inclusivity and collaboration that guide our interactions and contribute to a positive and welcoming environment for all.

CSRD: The Corporate Sustainability Reporting Directive (CSRD) is an EU directive that establishes a new framework for corporate reporting on ESG dimensions of business operations. It took effect on January 1, 2024.

Double materiality: Examines sustainability from two perspectives: impact materiality, which considers a company's environmental and social impact, and financial materiality, which considers which ESG issues have financial implications for the company as risks or opportunities. The CSRD and ESRS will require many companies to perform double materiality assessments.

Due diligence: Legal obligation for global companies to prevent ESG risks related to their activities and those of their affiliates, contractors and suppliers.

Eco-design: An approach that aims to integrate environmental protection from the design stage of a product or service onward. The goal is to minimize the environmental impact of products throughout their lifecycle – from raw material extraction to production, distribution, use and disposal – while maintaining quality and performance.

ESG: ESG stands for the three areas of sustainability-related responsibility for organizations: Environmental (E), Social (S), and Governance (G). These criteria serve as a framework and tool for corporations to capture, analyze and evaluate their sustainability efforts.

ESRS: The European Sustainability Reporting Standards (ESRS) govern sustainability reporting by companies in the EU. The European Commission commissioned the European Financial Reporting Advisory Group (EFRAG) to develop the ESRS. They specify the requirements of the CSRD.

FSC®: The Forest Stewardship Council® is an international label that guarantees the wood used complies with sustainable forest management procedures. There are three types of FSC® certification: FSC 100% (for products made with 100% FSC-labeled fiber), FSC Recycled (for products made with 100% FSC-labeled recycled fiber), and FSC Mixed (for products made with at least 70% FSC-labeled fiber).

Human Rights Policy: We are committed to respecting the fundamental human rights of everyone involved in our day-to-day activities. This policy clearly outlines the human rights principles upheld by SWM at all organizational levels.

Impacts, risks and opportunities (IROs): According to the ESRS, these form the basis of the materiality assessment. They are evaluated using ESRS parameters. Impacts are the positive or negative effects caused by a company's activities, such as job creation or environmental pollution. Risks are financial threats, such as strict environmental regulations. Opportunities are financial benefits from ESG-related factors, such as cost savings.

Lifecycle assessment (LCA): This quantitative environmental assessment method is defined by the international standards ISO 14040 and 14044. It quantifies the environmental impact of a product or service from the extraction of raw materials to the product's end of life ("cradle-to-grave" approach).

Science Based Targets initiative (SBTi): This organization promotes corporate climate action. It helps companies and financial institutions around the world play their part in combating the climate crisis. The organization develops standards and tools that allow businesses to take credible, science-based climate action.

Supplier Code of Conduct: Based on our commitment to the UNGC principles, the SWM Supplier Code of Conduct establishes standards for human rights, labor and environmental practices that all suppliers must meet.

Sustainable Development Goals (SDGs): In 2015, the UN adopted the 17 Sustainable Development Goals (SDGs) as a blueprint for achieving a more sustainable world by 2030. They are a call to action to address global challenges such as poverty, climate change and injustice. Many organizations use the SDGs to guide them and to report on their corporate social responsibility activities.

Value chain: The value chain encompasses all upstream and downstream activities associated with the operations of the reporting company. This includes consumer use of sold products and end-of-life treatment of those products.

About this report

This sustainability report details how SWM International has advanced the implementation of its core ESG commitments in 2025. It demonstrates our continued development of solutions and business lines to better respond to major market trends, client needs and sustainability requirements. It also illustrates how our solutions create and share value with our stakeholders.

Target audience

This report is intended for SWM's investors and shareholders as well as all our stakeholders, including our clients, employees and partners.

Methodology and materiality

For the first time, we conducted a double materiality assessment (DMA) in preparation for this report. This assessment will enable us to report in line with the CSRD starting in 2028. We completed the DMA in early 2025. It allowed us to identify 10 material environmental, social and governance (ESG) topics and 27 key impacts, risks and opportunities (IROs), including 18 material IROs. In this report, we have linked these material IROs to the six pillars of our sustainability strategy, Thinpact.

This report is based on the framework published by the International Integrated Reporting Council (IIRC) and was developed in collaboration with various central and operational functions. The key elements of integrated thinking were formalized by the Communications department, the Marketing department and the ESG department.

Credits

The Communications department led the collaborative process of designing and producing this sustainability report, which involved several departments.

Editors: Florian Vladacenco, Corporate Communications Manager; Marc Bettoli, Head of ESG; and Cécile Le Nay, Marketing Communication Manager.

Contact: Florian Vladacenco
Corporate_Communications@swmintl.com

Graphic design and production: HGB Hamburger Geschäftsberichte GmbH & Co. KG, Hamburg

Our corporate website

You will find all the information you need about SWM, including details on our products and solutions, areas of expertise, company profile, production sites and recent news and results on our corporate website and social media pages.

Visit our corporate website:
www.swmintl.com

Follow us on social media:

LinkedIn YouTube

SWM™

INTERNATIONAL