



CARRYING IMPACT

IT'S OUR AMBITION TO HAVE A POSITIVE IMPACT WITH OUR LOAD CARRIER POOLING SERVICES. WE BRING CIRCULARITY INTO LOGISTICS AND MAKE IT A SERVICE IN A SHARED ECONOMY.



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COLOPHON AND DISCLAIMER

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FULL YEAR FIGURES 2022

Net turnover
425 MILLION EURO

Load carrier movements
125 MILLION

Workforce
618 PERSONS (567 FTE)



Ecovadis Sustainability Rating
PLATINUM (81/100)



Lean and Green
TWO STAR EUROPEAN RATING (IPP)



Signatory to
UNITED NATIONS GLOBAL COMPACT



Accredited as
WORLD CLASS WORKPLACE



Ingrid Faber, CEO & Stan Peeters, CFO

INTRODUCTION

Sustainability is the nature of our business

It is with pleasure and pride that I present the first Sustainability Report of Faber Group. Sustainability is anchored in the nature of our core business (circular load carrier pooling) and in our hearts.

In the past few years, we have put a lot of effort in creating insight in our impact. This has not just provided clarity, but also a clear focus for our sustainability strategy. It's important to realise that Faber Group has impact on its own activities, but that most of our impact comes from improving the sustainability of our customers' supply chains by providing them circular load carrier solutions. We quantify the carbon emissions that our customers save by making use of our sustainable pooling model – which we refer to as Scope 4 or 'avoided emissions'. My strong belief is that this should become part of international sustainability standards.

Part of our exercise to create this report has been a materiality assessment, a Life Cycle Analysis of our pooling business and baseline measurement of our current footprint. This has given us insight in our status and the direction to set ambitious, yet realistic sustainability goals. To be completely transparent, we noticed that some KPIs in 2022 have been less favourable compared to 2021 – here the major gain is that we now have that insight and that we can focus on action for the coming years to really improve this.

By now the focus of our leadership team has shifted from operational and financial targets only, to including sustainability targets. Therefore projects are being approached in an integrated way – value creation instead of just business growth.

In this balancing act we have to make realistic decisions regarding sustainability and profitability. Sometimes this might mean we won't go for the most sustainable solution in the short term. Not because we don't want to, but because we need to safeguard our cost-competitiveness to exist in the long term. This way we can keep providing circular, sustainable load carrier solutions to our customers – where we have most impact. For now and the future.

For us it is the first step into integrated steering, reporting and compliance to the CSRD (Corporate Sustainability Reporting Directive) legislation. This way, we are carrying impact.

Ingrid Faber
CEO Faber Group

CHAPTER 1: ABOUT FABER GROUP

We bring circularity into logistics

Faber Group is an international family business specialised in circular load carrier services. Our group consists of several specialist pooling businesses (IPP, PAKi, PRS and vPOOL), and a sustainable timber supplier (Satim). We have a robust, agile, and sustainable network across Europe to streamline the supply chain. With a workforce of over 600 dedicated employees, we provide sustainable, reliable, cost-effective pooling services for pallets and boxes to all industries throughout Europe.

It's our ambition to have a positive impact with our logistic solutions for supply chains. We bring circularity into logistics and make it a service in a shared economy. Sustainability is part of our very DNA. Since our foundation in 1891, we strive to conduct our business in a responsible way; taking diligent care of resources and people has always been a main priority. To further improve our sustainability performance, a groupwide sustainability program has been set-up and implemented in 2022 (more on page 11).

Our 2022 financial results

2022 has been a strong year for Faber Group, despite challenges which impacted the European economy, such as the COVID-19 outbreak and the war in Ukraine, both of which led to high inflation in 2022. We have been able to overcome these challenges by price indexation and improved efficiency of our operations. Faber Group achieved a net turnover of € 425 million in 2022, compared to € 349 million in 2021.

Our total load carrier movements have grown with 13million in 2022 to approximately 125 million, from 112 million in 2021. In 2022, the workforce consisted of 567 employees measured in full time equivalent (FTE), compared to 511 FTE in 2021. An increase that is explained by significant growth and further professionalisation of the organisation.

Our business strategy

At Faber Group, we strive for both sustainable growth and value creation, by balancing purpose and profit. The nature of our core business, providing circular load carriers on a pay-per-use basis, drives sustainability and profit at the same time: the more customers choose for our services, the more impact we create by improving their supply chains' sustainability. Of course, we strive to optimise the sustainability of our own operations as well. Therefore, we have an ambitious ESG (Environmental, Social, Governance) strategy in place with the goal to become a 'net-zero' company by 2045 (more on page 13).

FABER GROUP STRATEGY

PURPOSE: CARRYING IMPACT



DIGITALISATION

Carrying insights
by using, connecting
& enriching supply
chain data



CURRENT BUSINESSES

Value creation through
related services and
geographic expansions
as well through
organisational & human
capital development



ACQUISITIONS

Value creation through
acquisitions either
building on current
platforms or on new
business



SUSTAINABILITY

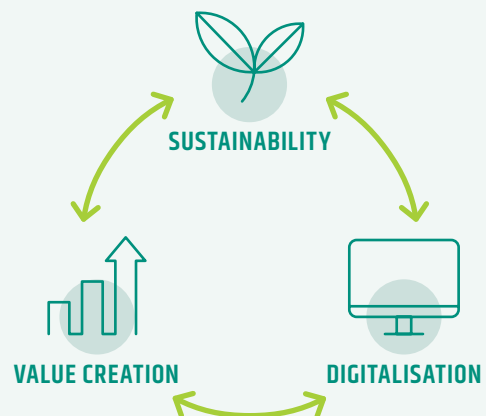
Carrying impact
by an ambitious
Environmental,
Social & Governance
(ESG) program

FABER GROUP POOL Shared knowledge, experience, funding

A key enabler for both value creation and sustainability is digitalisation of our business. We have started creating 'smart' load carriers, which enable us to capture valuable supply chain data. It will help to keep track of the whereabouts of our assets, increase the number of rotations per pallet and to use these data to optimise our own logistic processes. This drives our sustainability ambitions and the capability to measure our sustainable impact. A next step in our digitalisation journey is to provide supply chain data of our smart load carriers to our customers, to enable them to further optimise their logistic processes and sustainability goals.

We create sustainable value from both our current business and potential future acquisitions. In our current business we create this value by either geographic expansion or increasing our network density, in acquisitions by either building on our current platforms or on entering new business, always related to our purpose 'Carrying impact.'

BUSINESS STRATEGY



Our circular business model

Our circular business model provides load carriers, such as pallets and boxes, on a pay-per-use basis to customers in many industries throughout Europe. Instead of owning these assets, our customers can free up resources to invest in their core business. The Faber Group companies in turn specialise in providing customers with quality load carriers. Our core business is to make sure these load carriers are being used as often as possible. We optimise their lifespan by timely repairs and optimise our own operations by increasing efficiency and reducing the footprint of transport and storage in depots, for which we collaborate with specialised partners. Our IPP and PRS divisions provide closed pooling services, whilst PAKi and vPOOL provide open pooling.

CLOSED POOLING

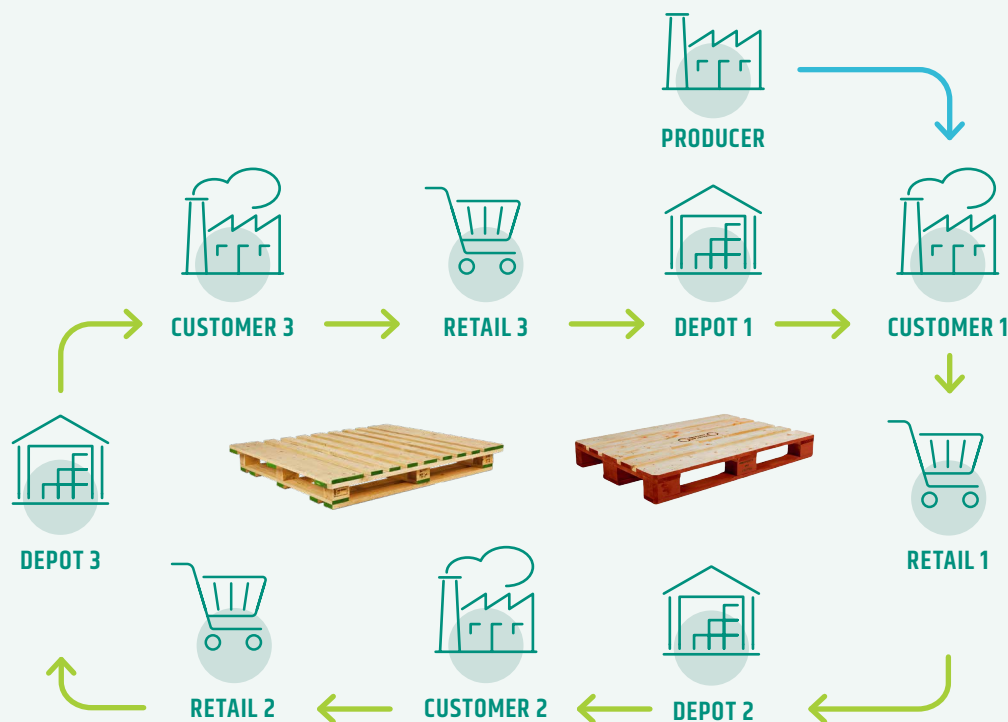
In our closed pooling environment, load carriers are owned by IPP and PRS. IPP mainly collaborates with consumer goods producers throughout Europe, where PRS provides their load carriers to the European polymer industry. These

customers use several types of load carriers on a pay-per-use base, with various service level offerings. The load carriers are built to last for a long lifetime, using FSC/PEFC certified timber and are maintained by our depot partners to optimise their lifespan. Eventually they are disposed in a sustainable way to close the loop.

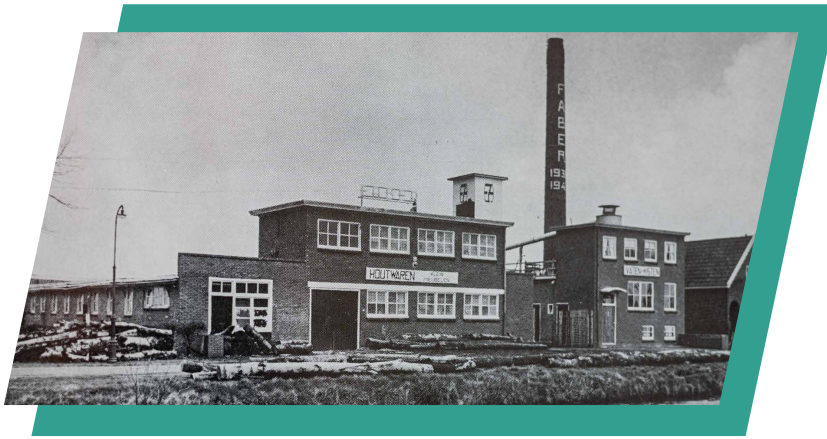
OPEN POOLING

In an open pool environment, ownership of the asset changes at the moment of exchange, like a deposit system. Our PAKi and vPOOL companies basically function as bank, market maker and intermediary business for standardised load carriers. These are mainly Euro pallets and Gitterboxes (PAKi) and E1 and E2 meat boxes (vPOOL). Typical customers for PAKi are hauliers and producers in the food-service industry; typical vPOOL customers are engaged in the meat industry. Customers pay a fee per exchange, a daily hire fee, or a combination. PAKi and vPOOL do not own products, except for a brief interval when matching supply and demand.

CLOSED POOLING

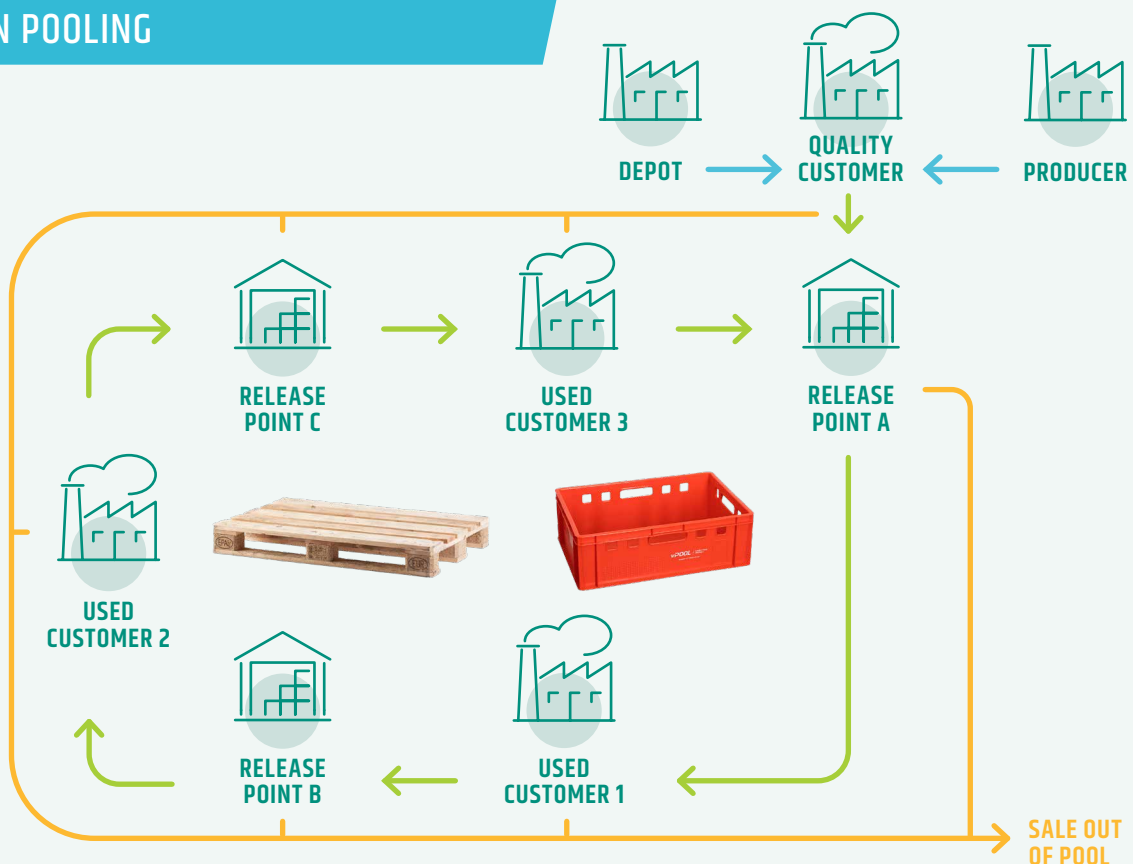


Closed pooling is a system for re-use in which reusable load carriers are circulated by IPP & PRS without change of ownership, meaning that IPP & PRS remain owner of the load carriers.



THE HISTORY OF FABER GROUP DATES BACK TO 1891 WHEN THE DUTCH HALBERTSMA FAMILY started producing wooden butter barrels, and to 1935 when the Faber family started a similar business in Assen. Around 1950, the allied forces introduced forklifts in Europe which created demand for wooden pallets. Pallet production eventually became the core business for both families, who merged in 1992 to Faber Halbertsma Group. Changes to environmental legislation soon led the group to discover a new angle to the pallet business: pallet pooling. After a number of acquisitions, in 2020 the group decided to terminate pallet production to fully focus on circular load carrier pooling. In 2021 the company was renamed to Faber Group. That year we also introduced our purpose 'Carrying impact' and revamped our company values 'Care, Dare and Deliver.'

OPEN POOLING



Open pooling, used by PAKi and vPOOL, is a system for re-use in which reusable exchangeable load carriers circulate amongst unspecified number of system participants. Due to the exchangeability of the load carriers, 'normal' ownership is replaced by the 'right of return' of a similar load carrier.

“

Digitalization will support us to make our pool more efficient and therefore more sustainable. And imagine what we can do more with digitalization beyond optimizing our own and our customer's supply chain. For example, we can offer customers the opportunity to order pallets at the moment which has the least sustainability impact, and even offer them insight in their footprint per trip.”

Frank Dobbelsteijn,
Business Development Director Faber Group



“

It is very important to me that future generations have the same resources and opportunities available to them as previous generations. Our Sustainability Program is already contributing to the UN's 2030 Sustainable Development Goals across all the countries where we operate. A recent example is our EcoVadis Platinum Award.”

Giuseppe Zangaro,
Manager Operations Italy/Benelux/Northern Europe PAKi



CHAPTER 2: MATERIALITY MATRIX AND STAKEHOLDERS

Significant sustainability

We conducted a materiality assessment to help us identify and prioritise the most significant sustainability issues that affect our business and stakeholders. But also, to develop a sound sustainability program. Engaging with a range of stakeholders allowed us to gain a deeper understanding of their expectations and concerns regarding our sustainability performance.

We evaluated the issues raised by the stakeholders based on their potential impact on our business and the environment. Through this evaluation, we identified the most material sustainability topics that require our attention and action. These topics are translated to relevant Sustainable Development Goals (SDGs) and on the level of importance to our stakeholders and to the Faber Group itself.

Faber Development Goals

Our materiality assessment identified six SDGs that were most important. All six are considered in our sustainability strategy and program. To create additional focus, three (12, 13 and 17) of them form the basis of our 'Peak program'. We embrace those goals as 'Faber Development Goals'.

Continuous improvement

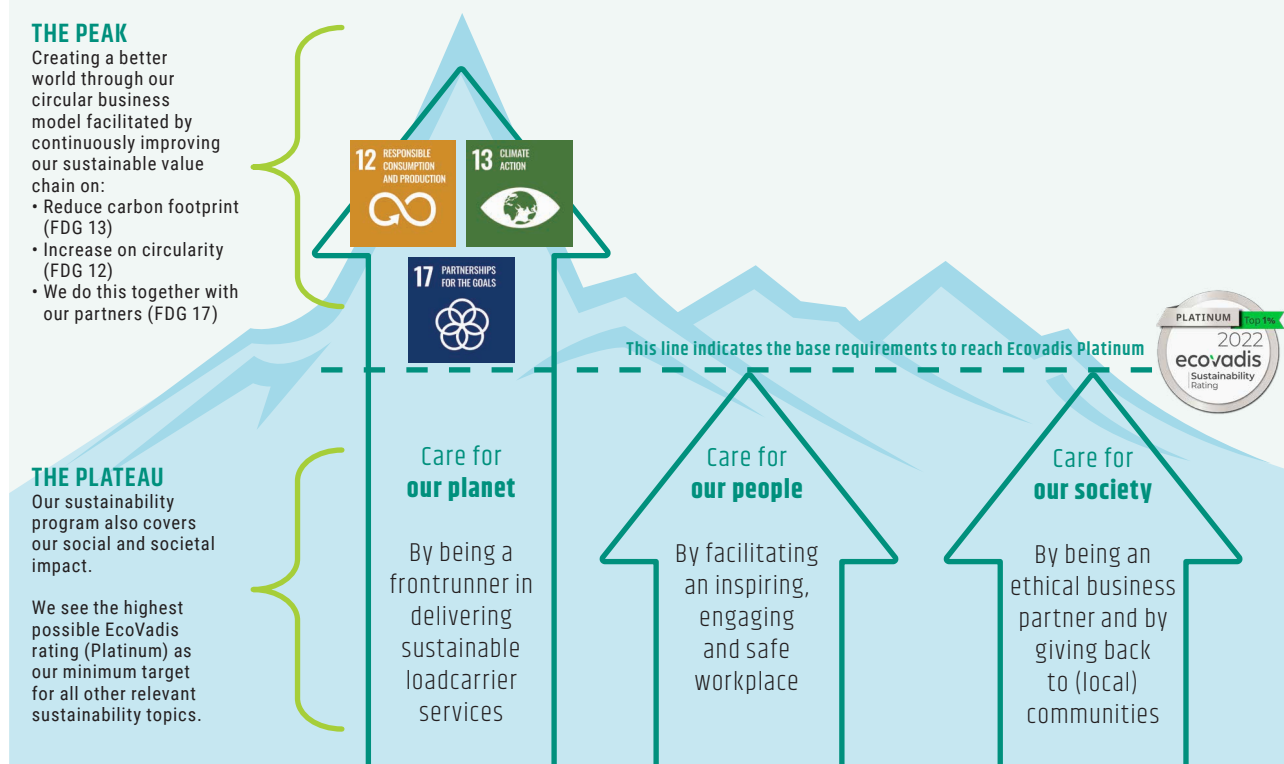
We recognise that our sustainability journey is ongoing and requires continuous improvement. Therefore, we will continue to engage with our stakeholders and review our materiality assessment regularly to ensure that we remain aligned with their expectations and address the most significant sustainability issues.



CHAPTER 3: OUR SUSTAINABILITY STRATEGY AND GOALS

How We care

SUSTAINABILITY PROGRAM 2025 HOW WE CARE



As sustainability is at the core of our business and close to our hearts, we have developed a comprehensive sustainability strategy, covering all areas of ESG (Environment, Social and Governance). The sustainability program is divided in a Peak and Plateau program as can be seen in the overview.

The 'Plateau' program focusses on all relevant labour, social, environmental (office related) and ethical topics and contains dedicated policies, KPIs and projects. The 'Peak' program focusses on improving our environmental footprint and by doing so strongly contributes to Sustainable Development Goal 12 (Responsible Consumption and

Production), 13 (Climate Action) and 17 (Partnerships). We are participant of the Ecovadis Sustainability rating. With 81/100 points we maintained our Platinum rating in 2022, which is the highest rating possible. We consider this Platinum level as the basis of our sustainability ambition, in the picture marked as the 'Plateau' of the mountain.

Our major goals

From our materiality matrix and having assessed the footprint of our business – of which 85% origins from our (purchased) load carriers and transportation – we selected the sustainability topics that offer us the opportunity to make the most impact. Taking the United Nations Sustainability Goals (SDG) as a reference, we defined the Faber Development Goals (FDG) with concrete projects and KPIs to track our progress towards these goals. These goals are a translation of the SDGs and marked as 'Peak' of the mountain – this is where we want to stand out. The goals are:



12 RESPONSIBLE PRODUCTION & CONSUMPTION

Our targets are related to the entire life cycle of the load carrier, spanning from sustainable procurement to extending its pooling phase and maximising high-value processing at its end-of-life stage. We contribute to sustainable sourcing of raw materials to produce load carriers and maximise the usage of our circular load carriers by customers and partners. Furthermore we maximise the lifespan of our load carriers over time, and commit to high-value processing at the end of their end-of-life stage.



13 CLIMATE ACTION

We contribute to minimising the carbon emissions of our customers and partners by using our load carriers. And we minimise the CO₂e emissions of our own logistic operations and at our depots. We strive to reduce our scope 3 footprint per trip by 30% in 2030.



17 PARTNERSHIP FOR THE GOALS

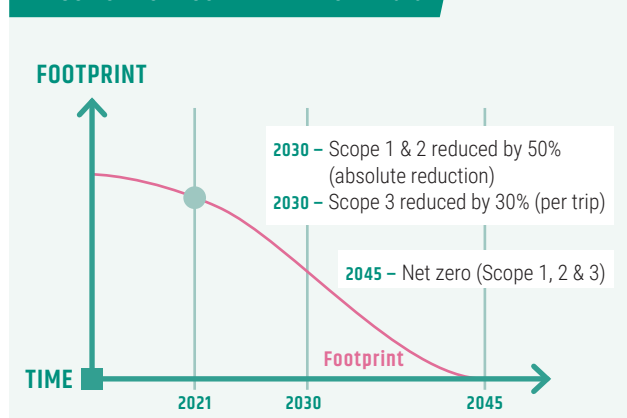
Being part of supply chains, we realise our goals in cooperation with our customers, retailers, and business partners such as load carrier manufacturers, logistics service providers and depots.

Our approach

To be able to achieve our sustainability targets, involvement and commitment throughout Faber Group is needed (e.g., operations, procurement, finance). The integration of the sustainability program in the different layers of the group started in the course of 2021. Several projects have been launched on group level and each division defined their own sustainability action plan to contribute to the overall sustainability targets.

To ensure structural integration of sustainability into the organisation and decision making, we have established a Sustainability Community. This community has the objective to further integrate sustainability into our organisation, boost initiatives throughout our entities and to engage all colleagues to embrace sustainability into their daily work. From each division – and within IPP for each business-unit – a colleague has been selected to become the Sustainability Driver. All members of the Sustainability Community have in common that they are true believers in sustainability, are enthusiastic about it and want to take an active role in further engaging our organisation. The Sustainability Drivers are responsible for the coordination of the local sustainability agenda and meet on a regular basis to share ideas and best practices, to discuss progress and take the next steps. To ensure structural follow-up, the sustainability program progress will also be part of the division board responsibility and agenda.

OUR TIMELINE FOR CARBON FOOTPRINT REDUCTION TO BECOME 'NET ZERO' IN 2045



Faber Group Sustainability Community

“

Real and honest marketing is essential in business-to-business, especially for products that are not appealing at first glance, like standardised pooling crates. Solid information, know-how and experience are key in order to convince (potential) customers. My job is to make this honesty visible, internal and external. The same applies to sustainability in companies - no greenwashing, but authentic living. This can be found at vPOOL and Faber Group. Small but tangible steps towards real sustainability create more visibility.”

Carla Gögelein,
Marketing Manager of vPOOL Logistics GmbH



“

The re-use of pallets and the design for long term use have been the core of PRS' sustainable mission. Now, more than ever, we are at the page to make a difference with our choices for future generations. This is not easy and very challenging. But the fact that we don't bury our heads in the sand and try to make a sustainable impact for the long term is what sustainability at PRS means to me.”

Nikéh Schulpen,
Business Development Manager PRS



“

The core of sustainability includes sharing, reusing and recycling resources. As a pool company, we have as a main characteristic the reuse of the same pallet several times by different participants in the supply chain. Within this process, the role of the Operations team is important, since we take care of the efficiency and optimization of all logistics processes, and at the same time we ensure that our asset does not generate a loss or waste before the estimated time.”

Sergio Esteban,
Quality Manager IPP Iberia



CHAPTER 4: ENVIRONMENT

Reducing our footprint



As starting point for our sustainability strategy and program, we have assessed the carbon footprint* of our organisation. These insights have enabled us to set priorities by defining our 'Peak program' and the selection of the Faber Development Goals: Climate Action (13), Responsible Consumption (12) and Partnerships (17) as we collaborate with suppliers, customers and other stakeholders throughout the supply chain to realise our sustainability targets.

Our impact

In 2021 we conducted a baseline measurement of the groupwide footprint. We are currently monitoring it on a regular basis and are measuring our footprint in the three scopes of the Greenhouse Gas Protocol (GHG). Next to this, we are also working on the quantification of our Scope 4 (more on page 16). One of our focus points is improving the data quality of our environmental data. To do so we are continuously working on getting more accurate and representative data. Last year we started with an internal audit team who is assessing our data quality on a yearly basis. Next year we will also integrate other (new) entities, such as Pool Service and Connected Load Carrier.

Scope 1: The direct emissions. These emissions are generated by our office buildings and company cars. Examples are gas usage for heating and fuel consumption of company cars.

Scope 2: Indirect emissions. The carbon emissions that are caused by generating electricity that we purchase and use in our own office buildings or company cars.

Scope 3: All other indirect emissions. Emitted in the value chain of the organisation. A distinction is made between upstream and downstream emissions.

*Our carbon footprint accounts for all relevant greenhouse gasses and expressed in CO₂ equivalents (CO₂e).

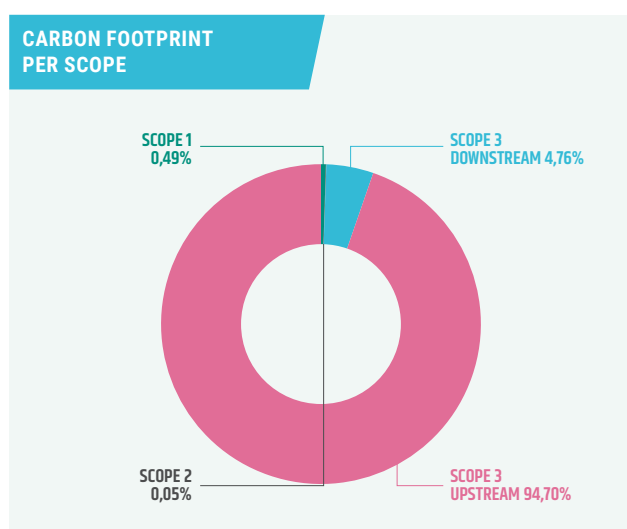
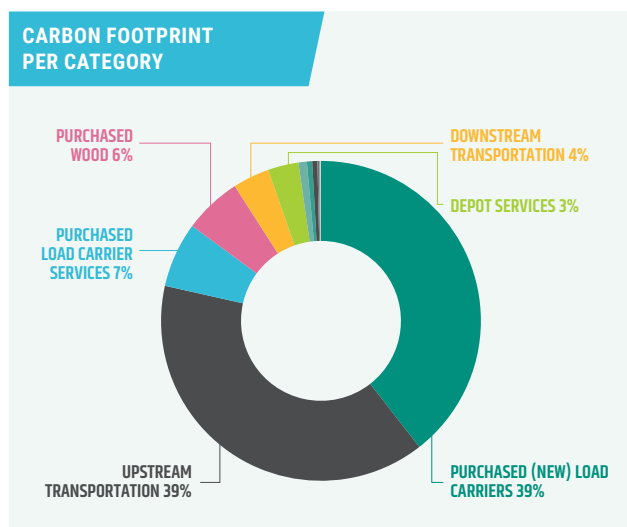
POOLING ACTIVITIES



OUR FOOTPRINT IN THE THREE SCOPES OF THE GREENHOUSE GAS PROTOCOL (GHG)

Our carbon footprint

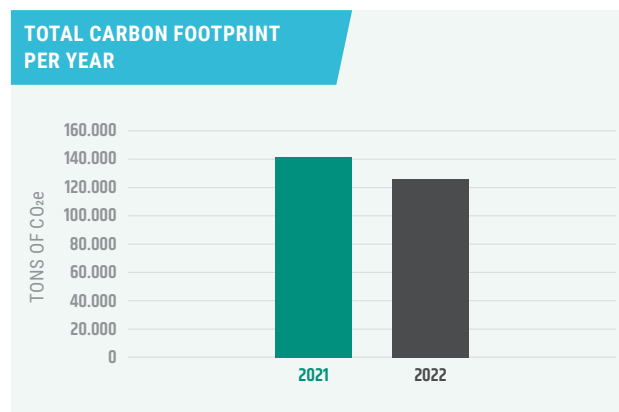
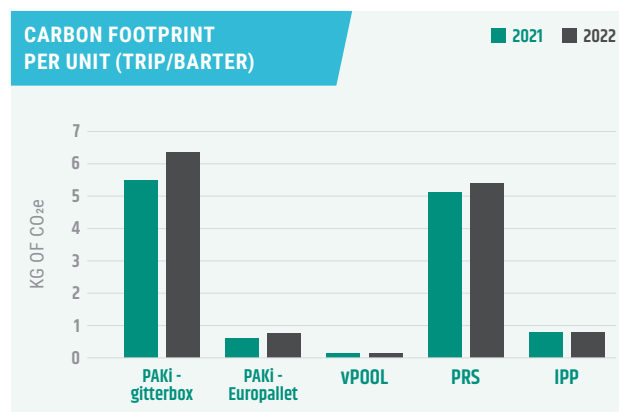
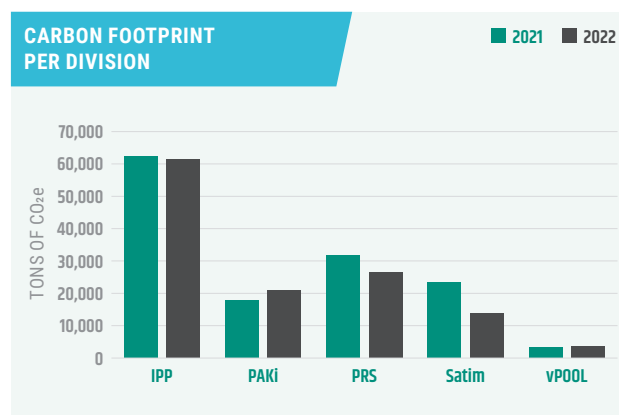
The main impact of our total footprint in 2022 is caused by the production of new load carriers and upstream and downstream transport. Only a very small percentage comes from scope 1 and 2 and supporting activities, such as our offices. As the potential footprint reduction in transport is obvious, it's important to emphasise there is substantial potential in footprint reduction by lowering the need to purchase new load carriers. This can be done by optimising the usage of the existing load carrier pool through increasing rotation speed of load carriers and avoiding loss through digitalisation and tracing load carriers. Optimising the life span of load carriers through proper care, repair and maintenance, will also contribute. The less new load carriers we need to purchase, the less our impact on the need of timber or other materials to produce them.



ABSOLUTE CARBON FOOTPRINT OVER 2022

Footprint per division

We have realised an overall lower footprint for our divisions PRS, vPOOL and Satim, but an increase in absolute CO₂e emissions for PAKi and IPP. Since we are growing in number of trips and business, it is important to not only look at the absolute footprint, but also look at the footprint per unit (per trip, barter or m³ wood). This is a better indicator for the improvements we realise in our value chain.

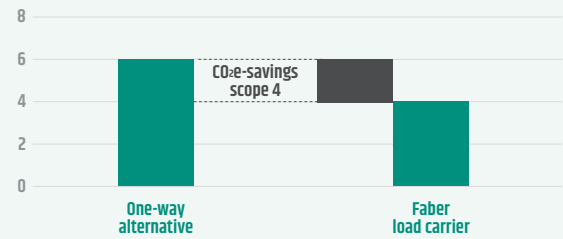


Scope 4

The before refers to what is known as footprint Scope 1, 2 and 3. However, as Faber Group we make most impact by reducing the carbon footprint of our customers when they choose using a pooling system instead of a one-way pallet system, which is still widely used in the market today. The reduced footprint, or avoided emission, achieved by using a pooling system is also called 'Scope 4'. So, a growth in pooling trips will lead to an increase of Scope 4. To get a better understanding of Scope 4 we are currently conducting comparative Life Cycle Assessments (LCAs) according to ISO14040/44. The IPP LCA has been executed in the course of 2022.

CARBON FOOTPRINT PER TRIP IN KG OF CO₂e

■ SCOPE 1, 2 & 3 ■ SCOPE 4



THE EFFECT OF SCOPE 4 VISUALISED FOR THE CO₂e FOOTPRINT;
NUMBERS ARE FICTIVE

Peak program

The strategy of our Peak program is two-folded. First focus is to increase Scope 4 (impact area 1 and 2) and secondly, we want to decrease Scope 1, 2 and 3 (impact area 3 to 7). Each impact area delivers a contribution to at least one of the Faber Development Goals. The Peak program contains seven

impact areas that enable us to minimise the carbon footprint, maximise reuse and engage in strategic partnerships to reach the sustainability targets. In 2022 each division defined projects to contribute to these areas.

7 IMPACT AREAS

OUR CUSTOMERS SUSTAINABLE VALUE CHAIN IMPROVING SCOPE 4



1. Avoid CO₂e emissions

Minimise carbon emissions for our customers and partners



2. Increase circularity

Maximise load-carrier reuse for our customers and partners

OUR OWN SUSTAINABLE VALUE CHAIN REDUCING SCOPE 1, 2 & 3



3. Transport

Minimise CO₂e emissions related to transport



4. Depots

Minimise CO₂e emissions at depots



INFLOW

POOLING

POOLING

OUTFLOW



5. Procurement

Maximise % certified and/or sustainably sourced wood/other material



6. Pooling (use phase)

Maximise lifetime of load-carriers over full lifetime



7. End-of-life

Maximise high value processing at end-of-life stage

IMPACT AREA 1 AND 2:

Avoid CO₂e emissions and increase circularity for our customers

Our main goal in this impact area is to increase the amount of CO₂e emissions we avoid in the supply chain of our customers. These avoided emissions we call our 'avoided emissions/Scope 4' impact: we want to maximise the carbon savings that our customers realise by choosing a pooling system instead of using a less sustainable alternative (such as one-way pallets).

WE INCREASE OUR SCOPE 4 IMPACT BY:

1. Growing our business and helping customers to make use of pooling instead of less sustainable alternatives such as one way load carriers.

2. Introducing pooling innovations in one-way load-carrier markets, for example RUDi, the ReUsable Display by IPP Germany.

PROJECTS

Currently we are performing comparative Life Cycle Assessments for all our main pooling services. By doing so, we will get a better understanding of the environmental impact as well as the avoided emissions we realise for customers.



RUDI IS THE SUSTAINABLE ALTERNATIVE FOR SINGLE-USE STORE-DISPLAYS which is based on either a quarter pallet or a moveable dolly and can be built with sockets in various heights to present all kind of consumer goods. Just a limited amount of cardboard is still needed to brand and finalise the display, so RUDi reduces both costs and footprint drastically compared to single-use display units. The units are also equipped with barcode, QR-code and RFID so they can be tracked and traced to optimise supply chain and logistics.

IMPACT AREA 3:

Reducing transport emissions

Since transport is responsible for a big share of our footprint, we are working on several initiatives and projects to reduce transport emissions. One important driver is improving efficiency, not only by increasing utilisation rates, but also by optimising our transport network.

TARGET

REDUCE OUR CO₂e EMISSIONS PER TRIP BY 30% IN 2030 COMPARED TO 2021



Projects and achievements

IPP – FIRST ORGANISATION WITH EUROPEAN TWO-STAR LEAN & GREEN RATING

IPP was one of the first companies to join the European-

wide Lean & Green program in 2020, and end of 2022 the first one to receive a two-star European Lean & Green rating. Lean & Green is the leading European program for sustainable logistics and stimulates organisations to reduce their environmental footprint by optimising their logistics organisation, driving both cost savings and efficiency at the same time.

Back in 2017, IPP Iberia had already joined the local Lean & Green program. Our Spanish colleagues' pioneering work has been an inspiration; their continuous efforts resulted in a local 3-star Lean & Green rating. Mark Hulland, European Pooling Director IPP: "We wanted to show that we can make real change rather than just compensate for our CO₂e emissions. While we do have our compensation plans in place, it is good to make real change. Our



focus is on trying to gain insight into our business and understanding how we can make a difference. We aim to reduce kilometres, increase load capacities, and look at alternative fuels and vehicles. Lean & Green adds focus to such aims. We are encouraging our suppliers to collaborate with us; we want to know from our hauliers about their fuel consumption, about their own measures to increase fuel efficiency, and their initiatives to adopt alternative fuels or vehicles. We are in the process of finding out what is going on, filling the gaps in our data, increasing our understanding of how modalities work. The picture is getting clearer – and we are about to start reporting on our progress, too.”

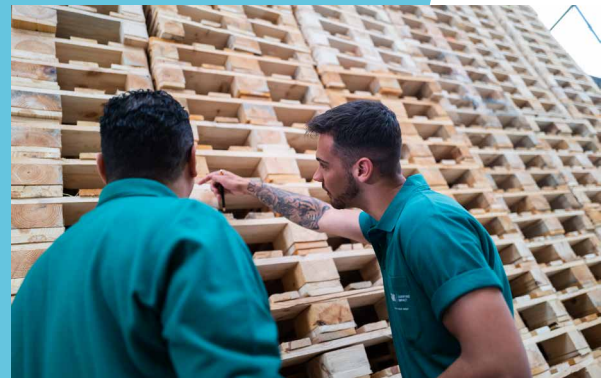
Lean & Green shows that IPP is a benchmark company. For its investments in alternative fuels, for the way it manages its network, for the goals it continues to set for itself and its suppliers. And even though fuel prices and alternative fuel prices are going up due to the war in Ukraine, IPP is still able to balance financial sustainability with carbon footprint sustainability. Mark: “Lean & Green proves that we are doing a business in a sustainable manner. We are pleased that our natural approach is sustainable. There’s room for improvement, especially in transport, but we are in a good place.”

PAKi’S EMPTY RUN PREVENTION INITIATIVE



PAKi Logistics is currently making great strides in preventing ‘empty runs’ all over Europe. An especially good example can be found in France. Collaborating closely with its partners, PAKi is making sure that transports returning from deliveries in the south of France, can take PAKi’s pallets on their way back to Brittany in the West of France. This way, PAKi is making sure that transport capacity is used optimally. As such, PAKi helps to reduce the carbon footprint of transport.

As it is, the total saving PAKi achieves is not being measured. But with extended reporting and the setup of a Life Cycle Analysis, PAKi is determined to change that situation. David Canal, Senior Manager Operations France/Iberia: “Every month, we have a volume of approximately 135 trucks on this specific flow. So, we know exactly what volume we can shift through what otherwise would be empty runs. Together with our partners, we are going to establish the carbon footprint reduction we are achieving thanks to this.”



PAKi BEST MATCH CONTRIBUTES TO SUSTAINABLE DEVELOPMENT

Best Match is the next major step in the digital and sustainable development of PAKi Logistics. Until now the allocation of the best combinations of load carrier movements was covered by the experience and know-how of our employees. Best Match simplifies the decision-making process by supporting the employees in the first step with a decision-making algorithm for the selection of the optimal matches of orders and releases. From a sustainability point of view, the criteria point of distance is the most important. Basically, the shorter the distance on a transport-friendly route, the less fuel is consumed, and the fewer CO₂e emissions are produced. In this way, Best Match helps to keep CO₂e emissions at the lowest possible level and to plan the route optimisation in advance in the most sustainable way.

IMPACT AREA 4:

Reducing emissions of depot activities

Depot partners play a vital role in our supply chain. These partners store, sort and repair our load-carriers. Our goal is to help depots in becoming more sustainable and reduce their footprint.

TARGET

**REDUCE OUR CO₂e EMISSIONS PER TRIP
BY 30% IN 2030 COMPARED TO 2021**



IMPACT AREA 5:

Sustainable procurement

We believe partnerships and circularity are key to offering our customers an effective and sustainable pooling network. That is why we are creating a sustainable and ethical supply chain with strong suppliers and partners. We do this by stimulating our (new) suppliers to act and improve on sustainability and social topics. But also by sourcing in a sustainable manner.

Of the pallets purchased by our closed pooling divisions IPP and PRS in 2022 respectively 88% and 72% were made of certified wood. Currently we are stimulating and helping our suppliers that are not certified yet, to get a PEFC or FSC certification. The part of our purchased wood that is currently not certified comes from controlled origins.

TARGET 2025

- A MINIMUM OF 80% CERTIFIED WOOD (VERIFIED SUSTAINABLE)
- 100% OF KEY SUPPLIERS SIGNED OUR CODE-OF CONDUCT



Projects

Via our supplier sustainability policy, we stimulate good practices and work towards an inclusive and sustainable supply chain. For this we have a supplier code-of-conduct in place and ask our suppliers to work on sustainability goals together. We periodically assess the level of sustainability of our (key) suppliers and help them improve on sustainability related issues.

IMPACT AREA 6:

Extend the usage and lifetime of our load-carriers

One of the most important drivers of our sustainable performance is the lifetime of our load-carriers. How can we make most use out of a load carrier and how long can a load-carrier stay in the pool? The longer we can repair and reuse each pallet the better our sustainability performance. Therefore we continuously improve the lifetime of the pallet. For example, by reducing lost percentages or repairing pallets.

A crucial step in this process is the digitalisation of our assets. Together with our joint-venture Connected Load Carrier, we are currently providing load-carriers with devices which enable track and trace. This supports us in preventing

loss of assets and optimising supply chains based on data from our load carriers. Not only ours, but also of our customers. We also use other solutions to give our assets unique identifiers, such as RFID, QR and barcodes in order to have better control over usage and whereabouts of our pallet pool.

TARGET

**REDUCE OUR CO₂e EMISSIONS PER TRIP
BY 30% IN 2030 COMPARED TO 2021**



Projects and achievements

PRS MAKES SUSTAINABLE IMPACT OF ITS LOAD CARRIERS VISIBLE TO CUSTOMERS

PRS is determined to further improve its sustainability – and its potential to contribute to the sustainability goals of its customers. Next to the current PRS Green Label which recognises partners for efforts to maximise re-use of the load carriers, PRS adds a 'tree counter' to the customers' personalised Green Label web environment. This way, customers are able to keep track of the number of trees they have saved by working with PRS. In addition, the PRS CO₂e calculator – which gives insight in the footprint reduction by using pool pallets – is being updated and undergoes a strict verification by a certified company, so that customers can rely on its accuracy.



IMPACT AREA 7:

End-of-life processing

Even while we are extending the lifetime of load-carriers, they will reach the end of their life span someday. It is our goal to make sure these decommissioned load-carriers are processed in the best way possible. This means, for example, reusing certain parts as repair material for other pallets.

TARGET

0% OF OUR DECOMMISSIONED
LOAD CARRIERS GONE TO LANDFILL



OTHER ENVIRONMENTAL OBJECTIVES

Our group sustainability program has ambitious targets to improve our environmental footprint. The focus of this program is to improve the level of sustainability of our operation and value chain. This is described in the Peak program and seven impact areas that are related to the areas in which we can make the biggest impact (e.g. transport, reuse of load-carriers). Next to this Peak program, we want to maintain a high standard of reducing the environmental impact of our supporting activities, such as our office buildings and car fleet. Also, we contribute to a more sustainable world through donating to tree planting initiatives. Via our partnership with Landlife Company, we have planted 25.000 trees per year in several reforestation projects in Germany and Spain during 2020-2022. Via these initiatives we offset a part of our carbon footprint.

TARGETS AND PROJECTS

- WORK TOWARDS SUSTAINABLE AND CARBON-NEUTRAL SUPPORTING ACTIVITIES, WHICH INCLUDE OUR OFFICES, LEASE CARS, COMMUTING OF OUR EMPLOYEES AND SUSTAINABLE PROCUREMENT OF OFFICE RELATED SUPPLIES
- HELP RESTORE LAND AND NATURE VIA SUPPORTING LAND LIFE COMPANY TREE PLANTING PROGRAMS



“

We want to support our customers throughout their supply chain to become more sustainable by using our circular pallet pooling solutions. Lean & Green provides the perfect program to reduce our carbon footprint in the logistic operations we undertake with our transport partners.”

Eric Schrover,
CEO IPP Pooling



“

Being able to deliver on sustainability targets requires commitment, focus and action from many parts of the organization. It is great to see so many colleagues throughout the group being motivated to contribute to these targets. This in combination with our groupwide sustainability program I truly believe we have a solid foundation to take major steps in the next years!”

Koen Sluys,
Sustainability Manager Faber Group



“

Deliver for me means ‘reliability in the chain’. Being successful starts with reliable pallet requirement forecasting, reliable pallet deliveries, reliable pallet production, reliable wood deliveries that need to be provable and verified sustainable; FSC- and PEFC-certificates can guarantee this. That requires cooperation, trust and commitment between Faber Group and our partners.”

Pieter Krook,
Director SATIM



CHAPTER 5: PEOPLE AND SOCIETY

Positive social impact



At Faber Group, we care for our people and society. We offer our employees a safe and inspiring work environment and provide growth and development throughout their career. We also ensure a diverse and inclusive working place in which people can be themselves, feel respected and share their opinion.

Regarding society, Faber Group ensures to do business in a fair way and consider all its stakeholders. We have a number of policies and programs in place to safeguard this.

Career management

Creating opportunities for employees to further develop themselves is an important topic within Faber Group. We enable this in multiple ways through our 'People cycle', for instance through the appraisal process where we specifically ask about ambitions and 'People reviews' where we identify talents as well as successors for key positions.

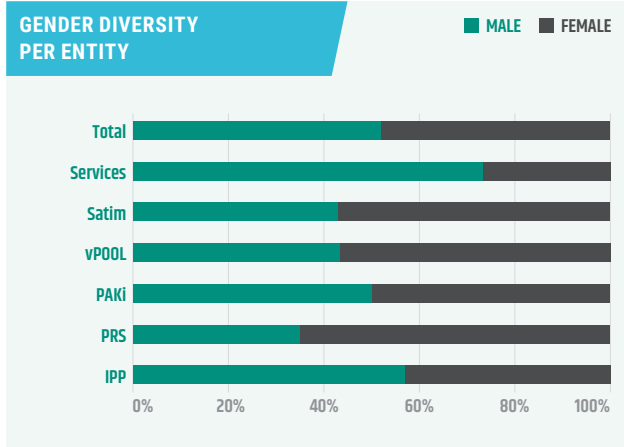
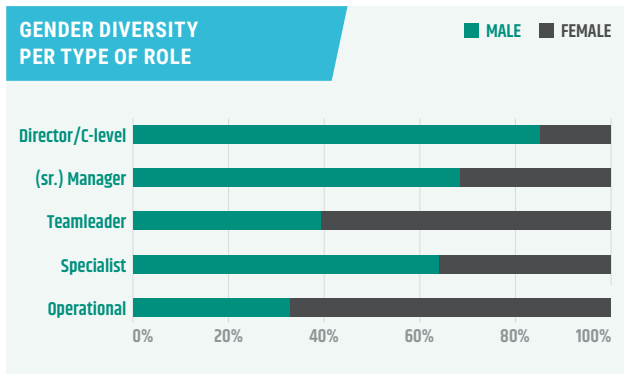
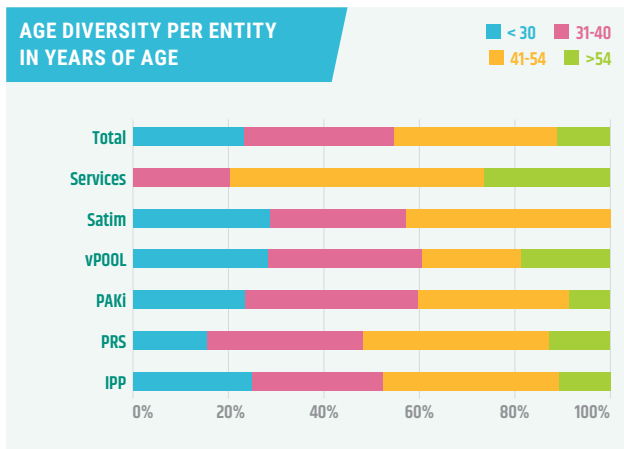
Employer branding

During 2022 we have developed an employer branding campaign and career page where we publish our job opportunities for both internal and external candidates. We started monitoring the percentage of internal promotions

for every vacancy that we filled, and we work towards local target setting on internal promotions. Most of our vacancies are currently being filled externally due to the transition we are in throughout the company and the new competencies required, such as business analytics, change and project management.

Training and development

We are establishing a more pro-active approach on training with significant higher budgets for training and development – and more importantly, a KPI established of 100% training budget delivered in 2023. A training catalogue has been created in multiple entities to drive organisational and personal development. Across the group we focussed on developing management skills, language training and personal effectiveness next to wellness programs that focus on both mental and physical health.

GENDER DIVERSITY
PER ENTITYGENDER DIVERSITY
PER TYPE OF ROLEAGE DIVERSITY PER ENTITY
IN YEARS OF AGE

Employee engagement

In our dynamic and growing pooling business we believe that our success goes hand in hand with employee engagement. And, in the current labour market it is vital to attract new talent. Therefore, we are monitoring employee satisfaction closely to ensure that we continue doing what works and further improve where possible. In the beginning of 2022, we organised an employee engagement survey, in cooperation with an external company, Effectory. We received the following overall feedback:

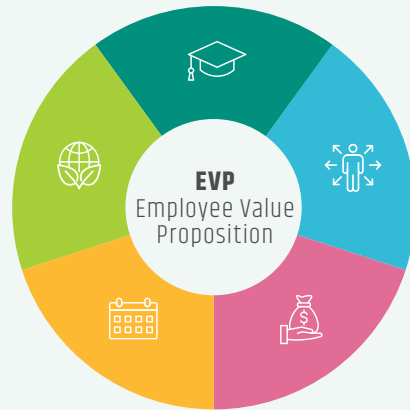
- The employees of Faber Group experience a high sense of work enjoyment.
- Employees in general are very committed, feeling that they fit in and are proud to work for Faber Group.
- Faber Group's employees are very much aligned with the organisation strategy and objectives.
- Employees consider Faber Group as an excellent employer.
- An improvement point is bottom-up involvement, giving employees a voice. Although a very positive growth has been shown since 2019.
- Employees are familiar with our purpose 'Carrying impact', they understand it and support it.
- Employees are familiar with and understand our core values Care, Dare and Deliver. Employees can also identify themselves with these values, especially Care and Deliver.
- The employees of Faber Group also see the organisation act in line with its values and at the same time see room for improvement here.

Based on this feedback different sessions with employees have been organised throughout the organisation regarding our values and working ways. Our CEO and CFO have visited different sites throughout the organisation to explain our strategy and to invite employees to produce ideas and suggestions for further improvement. These interactions have led to many initiatives with regards to hybrid/flexible working and modern workplaces, focus on intercultural awareness and the establishment of the Sustainability Community.

At the end of 2022 we have been awarded the World Class Workplace label for 2022-23. Based on the results of our Employee Engagement survey outperforming the regional benchmarks, our employee listening partner Effectory has recognised us of being a World Class Workplace. This label is only given to organisations whose employees rate themselves above average for engagement and employership. Of course, we understand there are still opportunities to improve, on which we work with management and the HR teams.

The average Net Promotor Score (eNPS) of 71.4 is our benchmark as from now and we are focused on maintaining and even further improving this the coming years.

IMPACT AND EMPLOYEE VALUE PROPOSITION



AT FABER GROUP IT IS OUR AMBITION TO HAVE A POSITIVE IMPACT ON THE ENVIRONMENT, OUR CLIENTS, AND THE WORLD OF LOAD CARRYING – DRIVEN BY THE RESPONSIBILITY TO CARRY WITH CARE. IT IS THE SAME RESPONSIBILITY THAT DRIVES US TO CARE FOR OUR EMPLOYEES. WE WANT THEM TO BE ABLE TO HAVE A MEANINGFUL IMPACT IN THE WORK THEY DO.

- **Professional impact**
Career and personal development
- **Human impact**
Culture and diversity
- **Personal impact**
Salary and benefits
- **Daily impact**
Working environment
- **Sustainable impact**
Contribution to the world



Health and safety

Within Faber Group we focus on creating an inspiring, healthy and safe work environment for all our employees. We measure absenteeism, percentage of total staff that resigned due to health, safety and working conditions and number of accidents. We are establishing measurements on wellbeing. We have seen a higher percentage absenteeism throughout our organisation (7,5% overall), which to a large degree can be explained by COVID-19. In all entities many different initiatives have been taken to support our employees where needed in terms of flexible working arrangement, additional support from occupational health officers and/or for instance mindfulness. Currently our absenteeism numbers are decreasing throughout the organisation.

Creating an inspiring, healthy and safe work environment for all our employees is something we do together and is strongly related to values and behaviour. During 2022 we have rolled out a mandatory e-learning program focused on compliance that covers topics like Business Ethics, Anti-bribery, GDPR and also Diversity, Equity and inclusion and preventing harassment. In this e-learning program we have also included our Code of Conduct as well as our Whistle blower policy. In the Code of Conduct we explain our pledges as an employer with regards to equal opportunities, a pleasant working environment, and open and transparent culture and the fact that confidentiality is key. At the same time, we expect our employees to work safely, no use of alcohol or drugs on the job and to avoid conflicting interests. The Whistle blower policy gives insight into when and how an employee should 'blow the whistle', the confidentiality that will be respected and the protection given.

As a follow-up of this training 'Diversity and inclusion' sessions have been organised throughout the company. We have also started measuring diversity within our organisation in terms of gender and age and are going to define targets on these to create a balanced workforce. In 2022 we have agreed to implement Speak Up during 2023. Speak up is a system that lowers barriers for whistle-blowers to report misconduct and meets the highest security and privacy standards.

During 2023 we will define our KPIs on the different people and society topics. We will also establish a zero measurement. After that we will define our ambitions and targets. This whole process will be a priority in 2023.



Support for Ukrainians

In 2022, the war in Ukraine devastated the daily lives of millions of people. It also impacted the global economy and businesses throughout the world, including ours – as a substantial part of the timber we use for load carriers originated from Russia and Ukraine. Of course, Faber Group respects all international agreements regarding trade restrictions deriving from this situation.

At Faber Group we also wanted to provide support to victims of this war, and therefore organised support initiatives. These were led by our colleagues Mariya Kroll and Oksana Steblo, who both come from Ukraine, together with Marta Bednarczyk of IPP Poland.

Mariya worked together with Marta in supporting a church in Drohobych near Lviv. This church provides shelter to approximately one hundred refugees in local schools. Mariya and Marta also collected and transported supplies to churches in cities in the east of Ukraine, where the needs are most urgent. We supported them with the purchase of these goods.

In the city of Best, near the IPP & PRS headquarters in Eindhoven, a shelter for Ukrainian refugees has been established. Oksana liaised with the city of Best and the local refugee centre, to offer Ukrainian refugees support in their daily needs. We provided vouchers which could be used in local stores in Best, like supermarkets, clothing stores and a second-hand store where people can buy all kinds of used goods – from clothing to furniture and much more. In August, colleagues of our Eindhoven headquarters invited the refugees for a day of fun in the sun. Together, they went to the nearby Dippie Doe and Aquabest leisure area – where the little kids could enjoy themselves in the amusement park and the teenagers and adults engaged in sportive challenges in the afternoon.



“

Best part of working with Faber Group is the drive and passion of our employees which you can feel in every part of our organization. The opportunity to try new things and really co-built this organization.”

Jolien Dirne,
HR Director Faber Group

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Growing up, whether in Togo in my early years or in The Netherlands in the past few years, I've seen how awful the consequences of global warming and pollution can be. And I cannot stand still while it's getting worse everywhere. I feel like don't having a choice but to play my part in restoring our Mother Earth. This was one of the most important motivations while applying for a job at the Faber Group. A company which core business is circular by nature. A company where I am given a purpose, the opportunity to contribute to a greater future for all. That feels awesome!”

Kemane Aufoh,
Assistant Financial Controller IPP & PRS



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For me, sustainability in relation to working at Faber Group means working together to achieve objectives without it being at the expense of future generations. Take, for example, the timber that is used for making our pallets. The forests that serve this purpose are not just raw material, but also serve as CO₂ storage and the quantum is therefore maintained at least at same level. The services of PRS have been circular for more than 25 years and we save 450,000 trees every year. This appeals to me enormously and is a driving force for achieving further growth.”

Robbert de Jong,
Sales & Key Account manager PRS



CHAPTER 6: GOVERNANCE ON SUSTAINABILITY PROGRAM

Transparent and accountable



Faber Group leadership team

We recognise the importance of good corporate governance in achieving our sustainability goals. That is why we have implemented a robust governance framework that ensures effective oversight, accountability, and transparency in our operations.

The implementation is done in several ways:

First, we developed clear policies and procedures for decision-making, risk management and ethical business. For example, by making sustainability part of the general risk management assessments and meetings. But also, by the development of our group code-of-conduct as well as the code-of-conduct for our suppliers.

Secondly, we defined clear roles and responsibilities in our sustainability program. The Faber Group board is responsible for determining the group sustainability strategy and setting the sustainability targets. Each division board is responsible for implementing this strategy and delivering results on these targets. On a quarterly basis the progress and results are evaluated between the group and division board. Each division has a sustainability lead who is responsible for the coordination of the local sustainability program. Together with the group CSR Manager the sustainability leads form the Sustainability Community as described in chapter three.

Thirdly, in 2022 we defined the roles and responsibilities related to sustainability reporting, both the finance team and the divisional sustainability lead work together to report on a monthly basis on sustainability KPIs. Next to this, a steering committee is installed in which the CFO and finance director of each division take place. This steering committee oversees the implementation of the sustainability reporting process. On a yearly basis sustainability progress and reporting is also part of the Supervisory Board meeting.

Lastly, we have aligned our policies and reporting with several international standards and frameworks such as the United Nations Global Compact and the Sustainable Development Goals.

With the above measures we aim to build trust and credibility with our stakeholders, and contribute to a more sustainable and responsible business environment.

Our purpose is to carry impact

OUR VALUES ARE

Care

We feel responsible for people, products
and the environment

Dare

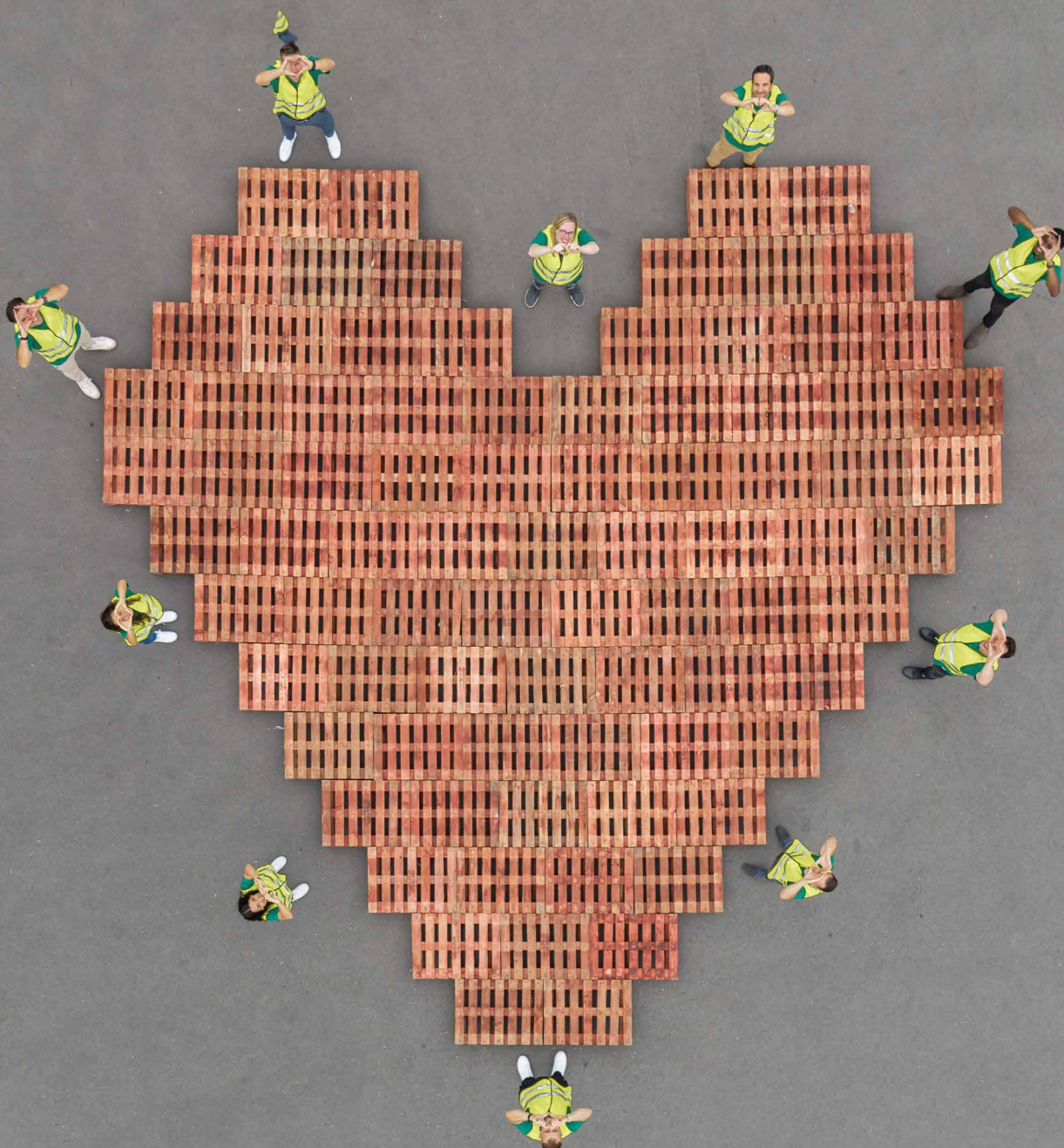
Entrepreneurship, passion and teamwork
challenge us to go further

Deliver

We are motivated to simply deliver
sustainable results

FABER GROUP
SUSTAINABILITY REPORT

2022



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