



FIBERTEX NONWOVENS

ESG Report

2021

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INTRODUCTION TO THIS

ESG Report



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

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

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

”

MESSAGE FROM THE

CEO



Long-term responsibility

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

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

Vision

World leader in advanced nonwovens and high-performance solutions.

Mission

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

Our Purpose



At Fibertex Nonwovens, we pioneer and innovate the way industries work with nonwovens and performance materials.

We enable our customers to create high-performance and sustainable solutions, that improve the quality of life for people.

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

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

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

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

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

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

FIBERTEX NONWOVENS

Our Values



Clarity and trust

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

Customer-centric

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

Agility and exploration

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

People excellence - results are created by people

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

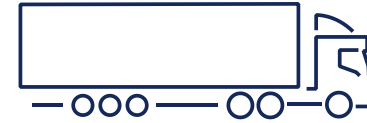
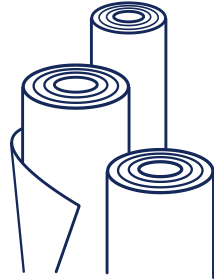
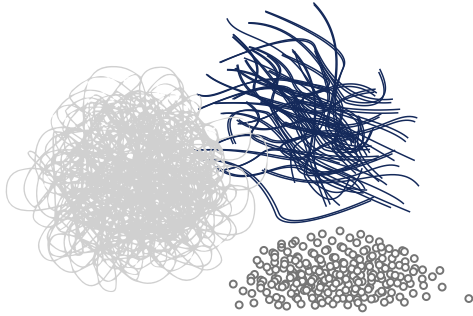
Integrity and responsibility

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

Sustainability

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

Business model



Fibertex Nonwovens is a globally leading manufacturer of nonwovens, i.e. engineered fabrics made from fibres produced on high-tech processing facilities. Nonwovens have a large number of applications, for which the material provides unique properties, and it can form part of an end product or be integrated in a customer's manufacturing process. Nonwovens may be used to reduce noise and improve comfort in cars, or for acoustics solutions in construction and to produce less resource-intensive wind turbine blades and filtration solutions to improve the indoor climate.

PROCUREMENT

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

PROCESSING

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

LOGISTICS

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

CUSTOMERS

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

Materiality assessment

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

Importance to stakeholders			Employee health, safety & well-being	Product quality & safety	Product development and design
		Natural fibres	GHG Emissions	Individual talent development Diversity, inclusion & equity	Waste management Recyclability Energy management
		Life cycle management Circular economy			Responsible supply chain management
	GDPR		Water management Human rights		
		Anti-corruption		Data security	
	Biodiversity				
Impact on business goals					

2030 Ambition



Environment

Ambition

Benchmark in environmental footprint reductions

Levers

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

Raw material: Increase recycled* content by 25%

**Recycled, biodegradable, natural fibers*



Social

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

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

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



Governance and Innovation

Innovate to enable sustainability

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

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

ESG House 2021

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

Benchmark in environmental footprint reductions

Reduce cradle to gate GHG-emissions by 20%

- Introduce state-of-the-art technology
- Capacity upgrades leading to reduced energy consumption
- Energy reduction initiatives (optimization and investments)

Increase recycled/sustainable content by 25%

- Develop product range based on 100% recycled content
- Develop products based on biodegradable fibers
- Identify and qualify new suppliers of recycled and sustainable fibers

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

Support individual development and focus on diversity

- Set targets and ensure fulfillment of gender and age diversity
- Employee turnover rate below 15%

Secure a healthy and safe environment

- LTIFR below 5
- knowledge sharing and implementation of best practices
- Certify ISO 45001 at all operational sites

Innovate to enable sustainability

Enable our customers to create sustainable solutions

- Develop next level high-performing products supporting sustainable solutions
- R&D in frontline. Engaging with customer on sustainability agenda

Promote circular economy

- Establish closed loop systems through strong partnerships
- Design for recyclability
- Improve internal waste management (reuse and repurpose)

Human Rights • Anti-Corruption and Business Ethics

Fibertex Nonwovens is actively supporting the principles on human rights, labour standards, the environment and anti-corruption as expressed in the UN Global Compact.



Actions and results for 2021

The production of nonwovens is a resource intensive process, in terms of both raw materials and energy. Therefore, being focused on environmental improvements, reducing resource consumption and enhancing processes at all the company's production units is nothing new to Fibertex Nonwovens. As far back as 2001, the company embarked on the process of becoming certified to the ISO 14001 environmental management standard, which most of the group's production units have now been certified to.

Future-fit with a catalogue of initiatives

The focus in 2021 was primarily to build a shared platform for the production units for the purpose of structuring and prioritising future environmental efforts, ensure knowledge sharing and create greater awareness and climate consciousness across the organisation.

The platform embraces two types of project. One is initiatives that can be readily implemented without in-depth prior analysis. The other is initiatives requiring special investigations into investment and anticipated benefits. The work on environmental improvements in 2021 centred specifically on reducing wastage in production, better filtration of wastewater, optimising boiler operations, introducing electric forklifts and installing LED lighting. Combined, these initiatives have provided annual energy savings of about 600 MWh.



Actions and results for 2021

Energy consumption and GHG emissions

The ambition of a 20% reduction in the cradle-to-gate GHG emissions by 2030 sets the stage for a number of ambitious and wide ranging initiatives over the coming years. New energy-enhancing initiatives will be introduced, and several of the company's factory sites will switch to renewable energy.

The greatest improvement, however, will be achieved through the raw materials used, including, for example, by switching to recycled polyester. The target is to increase the volume of recycled raw materials by 25% by 2030. Work is also ongoing to standardise and develop a systematic approach at the different production units, so initiatives can be started up and introduced quickly and efficiently.

Fibertex Nonwovens' overall GHG emissions were largely constant in 2021 relative to 2020, reducing marginally from 40,704 tonnes in 2020 to 40,434 tonnes in 2021. This development occurred in a year characterised by considerable fluctuations. Production ran efficiently early in the year, but in the second half, demand softened leading to reduced efficiency and energy consumption utilisation. The company's GHG emissions fell marginally, however, as emission factors in the areas of a number of production units were lower in 2021 than in 2020.



ENVIRONMENT

Recycled polyester provides reductions of GHG emissions

Fibertex Nonwovens is able to use a wide range of different fibres in its production processes to create products with a significantly smaller GHG footprint. One example is the carpet backings Fibertex Nonwovens manufactures and supplies. By using 100% certified recycled polyester, it is possible to reduce the GHG emissions of the raw materials from 2.15 CO₂e kilograms per kilo to 0.45 kilogram CO₂e per kilo of raw material.

This remarkable saving of 79% enables Fibertex Nonwovens to implement extensive changes in collaboration with customers thereby reducing the overall climate impact of the end product by a very significant margin.





Actions and results for 2021

Focus on the social area in 2021 is centred on initiatives relating to work procedures and processes. Policies and guidelines were updated, and new approach to reporting was implemented across the organisation.

Also, the course towards 2030 has been charted with targets for employee satisfaction and diversity as well as occupational health and safety. Increasing awareness of these ambitions and making them more specific is an ongoing effort.

Health and safety and focusing on preventing industrial accidents

In 2021, Fibertex Nonwovens rolled out an updated occupational health and safety policy showing the company's commitment to a safe and healthy working environment for all employees. The policy sets out what is required and expected of management and employees in order to create a safe and healthy working environment. Concurrently with rolling out the policy, the company was focused on safety at work and on improving knowledge sharing between its production facilities. Several of the production units had external risk assessments prepared and worked out catalogues of preventive measures which will be rolled out in 2022.

The LTI frequency rate is an important priority, including as part of the company's ambitions to secure a safe and healthy working environment. This is an ongoing effort, and the LTI frequency rate fell by 4% in 2021 from 19.8 in 2020 to 19.0.



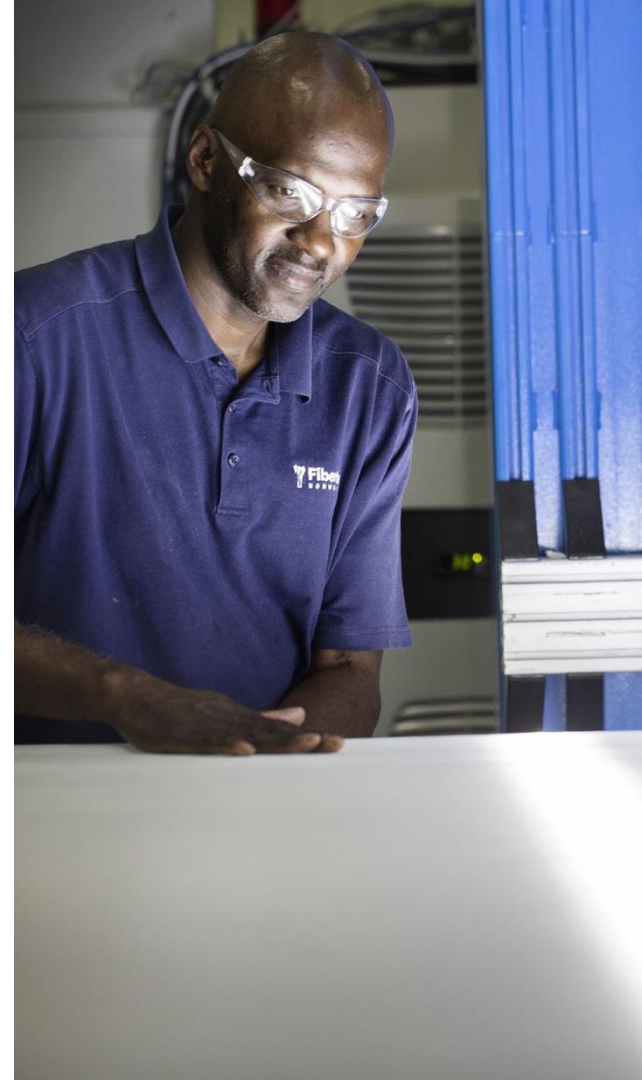
SOCIAL

Employee turnover at Fibertex Nonwovens

Fibertex Nonwovens has generally a low employee turnover, but the company does have a few production units with above-average turnover. In 2021, the employee turnover rate for part-time employees rose from 9% to 25%, but as the percentage covers a very small number of employees, even a small change will indicate a large fluctuation. Retaining employees was a focal area in 2021, and initiatives have been introduced to ensure training and retention, including an e-learning system to be used for employee training. The employee turnover rate for full-time staff fell from 17% to 14% in 2021.

Human rights, discrimination and sexual harassment

Respect for basic human rights is an integral part of conducting business at Fibertex Nonwovens. The company's internal Code of Conduct sets out the way the company and its employees are expected to act in respect of human rights, including how the management and the employees should respond to discriminatory actions and behaviour. In continuation of this work, Fibertex Nonwovens adopted in 2021 a separate policy on sexual harassment, emphasising the importance of this issue. The policy makes it clear that sexual harassment is unacceptable and that all employees must be treated with respect.





GOVERNANCE and INNOVATION

Actions and results for 2021

Innovation in the circular economy

In terms of governance and innovation, Fibertex Nonwovens pursues an ambition to create several closed-loop systems through strong partnerships with customers and suppliers, the purpose being to have plastics collected and reused within the same system. Through incentives to recycle, the environmental and climate impact can be reduced.

Anti-corruption guidelines

Fibertex Nonwovens has an internal Code of Conduct, applying to relevant employees, dealing with general business ethics and guidelines for fighting corruption. The Code of Conduct is reviewed on a regular basis and updates are implemented across the organisation, ensuring that all relevant employees understand their responsibilities and the company's position on this issue.

In 2021, 100% of the relevant employees formally confirmed that they comply with the policy. Accordingly, the company has ensured that the employees understand how they should act if they feel in doubt in a particular situation or if they wish to report any potential incidents.

Responsible supplier management

In addition to the internal Code of Conduct, Fibertex Nonwovens has an external Code of Conduct which applies to suppliers and other relevant business partners. With this system comes risk assessments and individual supplier classifications. In 2021, 90% of suppliers had signed the company's Code of Conduct. In 2021, the coronavirus pandemic made it challenging to conduct physical audits, though some were carried out in areas where possible subject to travel guidelines and other restrictions.



Environmental reporting 2021

	2021	2020
General production data		
Number of reporting sites	8	8
Nonwovens production (tonnes)	67,269	69,387
Fibre production (tonnes)	7,985	6,473
Total production of nonwovens and fibre (tonnes)	75,254	75,860
Environmental performance data		
Scope 1 (tonnes CO ₂ e)	13,174	12,839
Scope 2 (tonnes CO ₂ e)	27,260	27,866
Total greenhouse gas emission (tonnes CO ₂ e)	40,434	40,704
Total greenhouse gases per produced ton (tCO ₂ e/produced ton)	0.54	0.54
Direct energy consumption, scope 1 (MWh)	64,513	62,900
Indirect energy consumption, scope 2 (MWh)	98,885	98,038
Total energy consumption (MWh)	163,398	160,938
Total energy consumption per produced ton (MWh/produced ton)	2.17	2.12
Total water consumption (m ³)	181,907	210,385
Number of ISO 14001 certified sites	5	5
Number of ISO 50001 certified sites	1	1

Social and Governance reporting

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

WE SUPPORT UNITED NATIONS'

Sustainable Development Goals

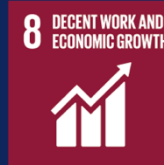
We at Fibertex Nonwovens believe that the Sustainable Development Goals (SDGs) adopted by the United Nations, are a long-term responsibility to making the world a better place. We are committed to protecting our environment and ensuring the highest standards of working conditions.

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



SDG No 3 Good health and well-being

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



SDG No 8 Decent work and economic growth

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



SDG No 9 Industry, innovation and infrastructure

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



SDG No 12 Responsible consumption and production

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



SDG No 16 Peace, justice and strong institutions

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



CORPORATE RESPONSIBILITY

We act in a socially- responsible manner



Responsibility Policy

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

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

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

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

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

The Ten UN Global Compact principles

Human Rights

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

Labour Standards

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

Environment

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

Anti-Corruption

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

RESPONSIBLE

Business conduct

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

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

Grievance mechanism:

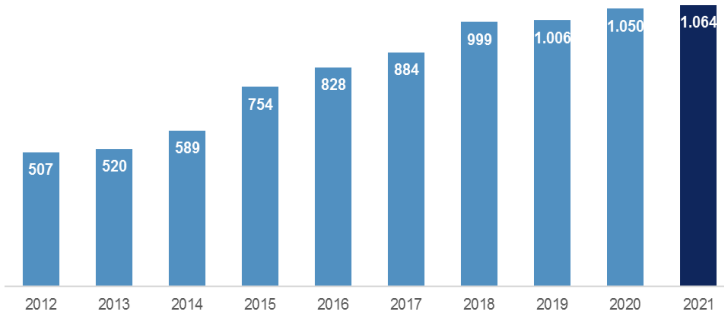
We are also responsible for raising concerns about any potential risks to the company — ideally, before these risks become actual problems.

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

In 2021 Fibertex Nonwovens received 0 claims on ethical breaches.



Employee facts



1064
full-time
employees



We currently
26 employ
different
nationalities

Male
employees

77%



Female
employees

23%



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

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

ENVIRONMENTAL PROTECTION

**We are
committed
to protecting
our planet**



Environmental and energy certificates

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

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

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



Sustainability rating

To continuously improve and demonstrate our dedicated work within ESG and sustainability Fibertex Nonwovens has been assessed and rated by EcoVadis since 2013 and has been awarded a Silver medal in 2021.

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

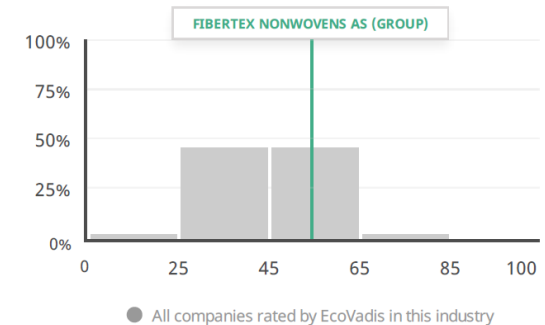
The assessment covers four different areas: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.

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

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



Overall score distribution



Product safety

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

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

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

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

OEKO-TEX®
CONFIDENCE IN TEXTILES

STANDARD 100

64930 DTI Denmark

Tested for harmful substances.
www.oeko-tex.com/standard100



Reporting practice

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

The 2021 ESG Report will continue to build on these performance indicators, now presenting figures for a two-year period. Our aim is to apply the same approach, to ensure that figures are comparable over time.

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

Fibertex Nonwovens ESG Report Rev 1/June 2022

