

NEVEON

The Future of Foam



BE

AMBITIOUS

**FOAM IN SERVICE
FOR IMPACT**

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INTRO- DUCTION

"We are committed to drive the sustainability transition in the foam industry. We're building foam for a better planet, for a better life, for the future!"

Oliver Bruns
CEO NEVEON

A MESSAGE FROM OUR CEO

Thank you for your interest in our social, environmental, and governance commitments and strategy – NEVEON’s very first Impact Strategy. In line with Greiner AG’s Blue Plan, we at NEVEON are aware that we need to go beyond our limits and set our own ambitious goals and standards.

I am proud to present the work NEVEON has been involved in and the goals we have set to help create a better world. We are sharing our strategy against the backdrop of the COVID-19 pandemic, a global climate crisis, and systemic inequities in our society. The world is calling on us all to learn, act, and do better for future generations.

In formulating our Impact Strategy, we started with a simple but challenging question: How can we set meaningful, positive impact in motion and move it forward? Grounded in a holistic approach that reflects who we are at NEVEON, our strategy is based on three interconnected pillars that establish how we intend to create a more sustainable, compassionate future: Our Planet, Our People, and Our Responsibility.

I am grateful to all our colleagues from various functions and regions who have contributed their knowledge, expertise, and

experience to help us define our approach. A special thanks goes out to NEVEON’s Sustainability Team for their leadership and their dedication to these efforts. This strategy would not exist without their energy, passion, and hard work. As a global foam company, as an industry, and as individuals, we all have a part to play, and we have considerable work to do. When all is said and done, we are better together.

Our Impact Strategy is more than just a set of commitments. It embodies who we are, guided by our aim of helping to improve the world by realizing the full potential within every one of us. It is achieved through critical questions and making mindful choices on an everyday basis and is rooted in the belief that our collective actions drive meaningful impact.

I know that this journey will not always be smooth and that we don’t have all the answers yet. However, we accept that we are accountable: we are committed to continuous progress, adapting in response to new findings, and welcoming opportunities for dialogue and perspectives that provide input for future action.

Oliver Bruns
CEO NEVEON



OUR IMPACT STRATEGY

Foam in Service for Impact

At this time, we see the possibility within each of us to reflect on our priorities, evolve our strategies, and act boldly to contribute to a better world. The costs of inaction are high. The global community must become more resilient in the face of global crises, including addressing inequity and turning the tide on climate change.

To achieve a better and more sustainable future for all, we must accelerate progress in meeting the global challenges we all face, as outlined by the United Nations Sustainable Development Goals for 2030.

That is why we are bringing a new level of ambition to our impact work: acting responsibly and doing what is right. We need to act now, and toothless commitments are not enough. We must hold ourselves accountable by activating the innovators and enabling the doers.

This Impact Strategy is our stake in the ground toward a more equitable, sustainable future. Developed through internal and external involvement, it is rooted in the social and environmental contexts in which we operate and the societal issues that matter most for our business and industry. As a group of companies, we are committed to the sustainability goals outlined in

Greiner AG's Blue Plan. However, recognizing that impacts vary across Greiner's divisions, we have set tailored goals relevant to our core industry. NEVEON's vision is to help achieve a better and more sustainable future for all. We are thus aware that we need to be even more ambitious.

Our Impact Strategy is organized into three interconnected pillars that are based on environmental, social, and governance ratings. Each of these includes a vision for success, a series of goals, and a set of commitments and strategies for improving environmental impact, contributing to a healthier future, and creating long-term value:



OUR PLANET

Our products and actions avoid environmental harm and contribute to restoring a healthy planet.

OUR PEOPLE

Our people succeed because we create an environment that is equitable, inclusive, and fosters growth.




OUR RESPONSIBILITY

Our economy thrives because we contribute to conditions that are fair, act responsibly, and observe clear ethical principles.

We are all involved. We have a long way to go to meet our goals. However, we will evaluate our successes, learn from our setbacks, and report on our environmental, social, and governance progress or challenges at least once a year.

Together, we will learn from today and build a healthier future – for ourselves, for our communities, and for our planet.

A DOZEN

GOALS FOR THE FUTURE



These are some of NEVEON's goals going forward. We do not limit ourselves to NEVEON's dozen goals alone; however, they are aimed at covering our most important focus areas. Together with the objectives we have committed to as a Greiner division, these goals are the foundation of our strategic vision of minimizing negative impact and contributing to a healthier future.



OUR PLANET

01 BOLD CLIMATE ACTION

Commit to be climate neutral (Scope 1&2 emissions) by 2025 and net carbon zero across all three scopes by the latest in 2040.

02 RENEWABLES

Source 100% renewable energy to power our own operations by the latest in 2025.

03 ENERGY EFFICIENCY

Use energy more efficiently and reduce absolute energy consumption by 30% by 2025.

04 CIRCULAR ECONOMY

Maximize the reuse of finite resources across our operations, products, and supply chains by 2025.



OUR PEOPLE

05 INCLUSION, DIVERSITY AND EQUALITY

Guarantee everyone the same opportunities no matter who they are or where they come from by the latest in 2025.

06 EMPLOYER ATTRACTIVENESS

Be a diverse, global and inclusive workplace that attracts and develops the best talent.

07 EMPLOYEE, LEADERSHIP AND OPPORTUNITIES

Be the place where people come to develop and grow as leaders for the world.

08 WELLBEING FOR ALL

Provide access to wellbeing tools for all our employees by 2023.



OUR RESPONSIBILITY

09 PURPOSE-DRIVEN COMPANY

Express the means by which NEVEON proposes solutions to economic, environmental and social issues in 2022.

10 BEING ETHICAL

Reflect and continuously refine our responsibilities in our code of conduct with employees, suppliers and partners.

11 SUSTAINABILITY GOVERNANCE

Establish a Sustainability Steering Committee by 2022.

12 MITIGATION

Assess financial implications and other risks and opportunities by 2023. Ensure reduction of these risks by the latest in 2025.



OUR PLANET

**Our products
and actions
avoid
environmental
harm and
play a role
in restoring a
healthy planet.**

OUR RATIONALE

We envision a future where we thrive within the limits of our planet – after all, there is no Planet B. This is why we avoid environmental harm and do our part to help restore a healthy planet. At NEVEON, we are aware that we create products that produce emissions and currently do not live up to their full recyclability potential. With that in mind, we are working on creating circular business models based on principles aimed at rooting out waste through smart design, eliminating pollution, prolonging product life, and closing the loop by reusing raw materials, all fueled by green energy. This is driven by the need to act on climate change, and we have set ambitious targets.

We are committed to the Science Based Targets initiative and are currently in the process of creating science-based targets approved by this initiative to help move toward the Paris Agreement's 1.5°C goal.

By transforming our materials, products, and supply chains and by collaborating with partners, suppliers, and industry stakeholders, we take responsibility for helping our industry to evolve toward a more sustainable future – one that is truly better for our planet. We know we have a long way to go, but we are committed to accelerating our progress and being part of the solution.



01 Bold Climate Action

Net zero. Climate change is the most important challenge of our time. Humans produce more carbon dioxide than nature can absorb, and our industry contributes to this problem. We are working toward a carbon-neutral future, starting with cutting our own emissions across our value chain and supporting a global movement for action.

By implementing strategies to invest in the transition to renewable energy, we are reducing carbon emissions and enhancing energy efficiency across our value chain as

well as collaborating across industries to make progress. **We will be a net-zero-carbon organization by no later than 2040.**

The need to act on climate change is our underlying motivation. In order to create the most significant impact, we are in the process of setting ambitious science-based carbon targets, linked to all Our Planet Goals. By 2025, we will meet our science-based targets by implementing strategies across our value chain to drive carbon reduction and energy efficiency.

02 Renewables

Within our supply chain, we are focusing on a three-pronged strategy: we aim to source more sustainable raw materials, we commit our manufacturing partners to achieving energy efficiency improvements in manufacturing processes and transitioning toward renewable energy, and we are optimizing logistics. **By 2025, 100% of our energy for our own operations will be renewable.**

Renewable energy. We will achieve this push by focusing on green energy, which we consider one of our top priorities. By 2022, we will have **deployed photovoltaic systems** at our three Austrian locations (Enns, Kremsmünster, and Linz). We already have concepts in place for the produc-

tion sites we own in Hungary, Poland, and Romania, which will be rolled out by 2023. We will continue to carry out analytical studies, and all our production sites will follow suit and be equipped with PV systems wherever feasible.

Green energy and biogas are also our way of powering our future. We are actively switching to renewable energy sources to further increase our impact. Our production sites in Kremsmünster, Enns, and Dörfles-Esbach are already equipped with EV charging stations. By 2023, there will be **EV charging stations at all NEVEON's locations globally. By 2025, all our company cars will be fully electric, infrastructure permitting.**

03 Energy Efficiency

Efficiency transition. In terms of our own operations, we achieve energy efficiency by investing in state-of-the-art machinery, innovative energy projects,

piloting energy management systems, and building on existing initiatives like transitioning to LED lighting.

O4 Circular Economy

Closed loop. Circularity inspires a whole new way of creating and accessing products – away from a linear approach and toward a creative and regenerative model that gets customers involved and keeps materials in use as long as possible.

We are in the early stages of transforming toward a circular ecosystem. It is a significant challenge, but it is also an enormously exciting opportunity to stimulate creativity and innovation across our value chain and the markets we operate in – we can only be successful by engaging in partnerships and evolution within the industry.

Creating circularity through new business models. Progressing toward circularity requires new systems and rethinking how we do things – internally and externally. We will improve infrastructure, making it possible to recover used products and recycle materials, giving them a valuable next life. Internally, this requires updating our logistics and processes so that we can take back products and offer extended life solutions. Externally, this requires material collection and processing infrastructure that enable products to be upcycled for their next life at scale.



We will involve innovators and technical experts in bringing circularity to life through training tools and innovation labs. By focusing on product composition from the beginning, we can take products to the next level and apply design solutions that account for impact throughout the product life cycle. When it comes to our mattresses, we are putting our vision into practice. We are actively addressing the prevalent issue of an ever-increasing number of end-of-life products and introducing responsible, solution-based initiatives. To continue reducing our impact, we are in the process of giving mattresses an afterlife. Our products will be collected and reintegrated into our production process, providing a more circular manufacturing workflow. This is just the beginning, with more to come on our journey toward circularity. We will offer our customers new options to resell, repair, and/or recycle our products, extending their life cycle.

In our industry, we have opportunities to reduce waste across our value chain – in manufacturing, at distribution centers, in our shipping and product packaging, but also in our offices. We are committed to finding the best reuse solutions for our products by continuing to develop and implement solutions that avoid waste. One solution already in place is our innovative machinery, which eliminates waste where possible and uses the most efficient production process possible. **At NEVEON, we want to make waste a thing of the past.** Our waste prevention measures include the reuse of by-products and integration of machinery. This enables us to handle certain waste materials more efficiently, decreasing the volume of waste and in turn creating a less frequent waste transportation flow. **By 2025, we will have reduced single-use plastic packaging by 50%.**

Rebonded foam. NEVEON is one of the market leaders in mechanical recycling in Europe. A special process is followed to convert production waste to raw material used for the production of essential industrial components, from sound suppressors to cow barn matting.

Cork recycling initiative. We use old corks to create acoustic insulating material that can be further used for the creation of door panels and other items.

Finite raw materials. NEVEON develops products with sustainable materials as an essential step in reducing the industry's use of fossil fuels and lowering its climate impact.



OUR

PEOPLE

**Our people
succeed
because we
create an
environment
that is
equitable,
inclusive, and
fosters growth.**

OUR RATIONALE

We envision an equitable world.
A collective of likeminded individuals at heart but diverse in experiences is what forms the foundation of an inclusive environment. We acknowledge that inequity is a major concern that is yet to be resolved. At NEVEON, we support our employees in their unique journey to realizing their full potential. We are taking tangible steps to create an inclusive work environment so that everyone has equitable access to opportunities and feels welcome, respected, and valued. Through this work, we will live up to our aim and empower a diverse, thriving group of people to make a bold impact on the world.

We aspire to create an environment where everyone can flourish, make an impact, and be celebrated. A diverse, inclusive, and equitable global organization leads to better decisions, individual and shared growth, increased resilience and adaptability, and a deeper understanding of the communities we serve. We are committed to meaningful transformation, which means we are not just checking boxes. We are focused on shifting our own mindsets and behavior so that we stay true to our core value of inclusion every single day.

O5 Inclusion, Diversity, and Equality

Reflect the diversity of our communities. We will increase diverse representation among our senior leaders and employees to reflect the communities we serve and operate in around the world. Increasing representation starts with understanding employee and community demographics. **We will regularly assess and publish this data.**

Pay equity. Globally, we will expand gender pay equity to full pay equity by 2025. As a global organization we are aware that gender pay equity is imperative. We also know that full pay equity goes further than gender and also includes characteristics such as race and sexual orientation. **By 2025, we will achieve full pay equity and commit to maintaining it moving forward.**



O6 Employer Attractiveness

Attracting the best talent. At NEVEON, we aim to hire the brightest minds and not the most convenient. When it comes to recruitment and hiring, we are training our teams to curtail unconscious bias, and we require a diverse pool of candidates to be interviewed for each role. For us, the brightest minds are people who best fit with NEVEON's core values and approaches.

By giving our employees the necessary tools, training, and flexibility, we make sure to also leverage the potential that each and every employee brings to the job. We are committed to supporting the career progress of our diverse talent, increasing access to internal opportunities and professional development, as well as attracting talent through a global internship program in partnership with educational institutions.

We strive to generate a common understanding of not just our immediate impact, but our role as NEVEON in the wider context of society, environment, and social responsibility. For all of this, we all need to be on the same page, ready for the next page to be turned.

Support for working parents. We empower parents of all genders to take time off to focus on new family members. This can be in the context of a rotation program. We are also intent on developing a parenthood program, i.e., a gender-neutral benefit providing flexibility for all – from the shop floor to the CEO – to stay home with new family members.



07 Employee, Leadership and Opportunities

Leaders of the future. We will be the place where people come to develop and grow as leaders of the future. We invest in every employee and team to create conditions that enable people to discover their purpose and put it into practice, be it at NEVEON or beyond. We care for and support the whole person, wherever their journey takes them. Our commitment to developing leaders for the world has three

components. First, we build from a place of strength; our development offerings begin by supporting people in uncovering and appreciating their strengths and uniqueness. Second, we invest in team co-creation with the belief that diversity of experience, skill, and perspective leads to meaningful innovation. And third, we create targeted opportunities for people to discover how they can leave a legacy for the future.

08 Wellbeing for All

Ensure the safety and wellbeing of our employees. NEVEON sets out mandatory requirements for safety standards and requires regular activities to promote occupational safety at all our locations. Creating safe, healthy, and equitable environments that support the wellbeing of the people who make our products is of utmost importance. Guided by our mantra

of “every accident is one too many,” we take occupational safety seriously. Safety initiatives include NEVEON’s group-wide Health, Safety, and Environment (HSE) Guidelines, our annual HSE day, manager and employee training, our blind spot strategy, aiming to identify potential risks at sites through peer-to-peer reviews, and our 1-5-20 rule (1 day to report the accident,



5 days to detail what happened, 20 days to find solutions). **NEVEON’s clear vision: 0 work-related accidents.**

Mental health. We will offer industry-leading mental wellbeing training and benefits to all our employees globally by 2025 at the latest. We take a holistic approach to supporting mental health. Our Emp-

loyee Assistance Program offers professional support for employees. We also offer personal resilience tools to employees and support open and honest conversations in the workplace. Recognizing that different groups of people require varying levels of support, we continually review and calibrate our tools to offer inclusive approaches for enhancing wellbeing.



OUR RESPONSIBILITY

Our economy thrives because we help to create conditions that are fair, act responsibly, and uphold clear ethical principles.

OUR RATIONALE

We take seriously our responsibility to run our business in an ethical way, a responsibility that extends to our partners and suppliers. To ensure a smooth transition, accountability and transparency must prevail throughout every step we take in order to invest where it is most needed: namely, in our stakeholders and the environment. We acknowledge our large-scale impact and crucial role in implementing

wide-ranging measures, which involves us embracing our social and corporate responsibility. By actively contributing to the relevant discourses and letting our voice be heard, we want to create impact and drive change. We uphold robust standards, collaborate in addressing systemic challenges, and support the safety and wellbeing of our employees.

09 Purpose-driven company

Purpose-driven companies outperform peers in terms of shared value and are better positioned to address and deliver economic, environmental, and social impact. The more we can link our purpose and core business, the better we can deliver long-term value for all stake-

holders, including our shareholders. **NEVEON's purpose** will be clearly defined; it expresses how we propose solutions in our three interconnected pillars.



10 Being ethical

Code of Conduct for Suppliers. A responsible supply chain starts with the decisions we make. Our Code of Conduct for Suppliers is the foundation of our supplier partnerships. The code adheres to international standards for working condi-

tions, workers' rights, and environmental protection, and its implementation focuses on prevention, monitoring and improvement. **The Code of Conduct is to be signed by our suppliers.**

NEVEON's Code of Conduct for Suppliers covers the following impact areas:

- | | | |
|---|--|---|
| <p>1</p> <p>Social policies and principles (human rights/equal opportunities and non-discrimination/freedom of association/health and safety in the workplace/ minimum wage and working hours)</p> | <p>2</p> <p>Environmental policies and principles (environmental protection/energy and resource efficiency/waste and recycling/conflict materials/chemicals/product safety)</p> | <p>3</p> <p>Ethical policies and principles (legal requirements/corruption/bribery/money laundering/import and export controls/competition/conflicts of interest/data, commercial secrets, and company assets)</p> |
|---|--|---|

Code of Conduct for Compliance. NEVEON's Code of Conduct for Compliance is ISO 19600 certified and consists of eight key pillars emphasizing our commitment

to live by our values, adhering to the highest legal and ethical standards. **It serves as the foundation for our stakeholder relationships.**

NEVEON's Code of Conduct for Compliance Pillars are:

- | | | |
|---|--|---|
| <p>1</p> <p>We are committed to complying with all legal standards and operating our business in keeping with our values.</p> | <p>2</p> <p>We respect the members of our workforce as essential partners in ensuring the commercial development of our group of companies.</p> | <p>3</p> <p>We promote free and fair competition.</p> |
| <p>4</p> <p>We are opposed to any form of corruption.</p> | <p>5</p> <p>We are committed to handling our own property and the property of others responsibly.</p> | <p>6</p> <p>We differentiate between professional and private interests.</p> |
| <p>7</p> <p>We endeavor to keep the negative social and environmental impacts of our business activities to an absolute minimum.</p> | <p>8</p> <p>We handle personal data, confidential business information, and trade secrets responsibly.</p> | |

11 Sustainability Governance

Governing transition. NEVEON's **Sustainability Committee** will not only be a core part of good governance; we also see it as an integral body for linking both business and sustainability priorities, in turn enabling us to thrive. NEVEON will ensure that there is sufficient backing

from key decision makers to develop and sustain the company's efforts to improve its environmental and social practices. We will be setting up our Sustainability Committee in 2022, which will be gender-balanced, include international experts, and be chaired by our CEO.

12 Mitigation

Responsible choices. Considering the relatively disappointing outcomes of COP 26, we are aiming to drive further change and are actively pushing ahead with efforts to rapidly prepare for upcoming legislation, such as extended producer responsibility and the German Supply Chain Due Diligence Act. Plus, redefining our understanding of business as usual will represent another step forward as we change course toward meaningful impact.

Internally, we also **decide on and implement risk-mitigating measures.** We believe in innovation in action, meaning we celebrate **sustainability in product development.** Creating products that are better in every way requires an unwavering commitment to sustainable innovation, something NEVEON is proud to represent. In addition, we take our responsibility to lead by example seriously.



WE ARE ALL INVOLVED

We do not exist in a vacuum. The actions of every individual, both public and private, are deeply intertwined - so it is essential that we act immediately and get everyone on board to pave the way for a better future. The global pandemic we are experiencing, climate change, and systemic inequities in our society are not new. Together with all NEVEON employees, Team Sustainability at NEVEON has solutions, knows who to work with, and has the expertise to turn this around.

We are ready to act boldly, and we have tireless interest in and enthusiasm for NEVEON's opportunities to create Foam in Service for Impact. It is up to every single one of us, but one thing is certain: we are committed, and we take accountability. We are ready to act.

Real change happens together, through collective action, and we appreciate you taking the time to read our Impact Strategy.

Want to chat?
Drop us a line at sustainability@neveon.com



OUR PARTNERSHIPS AND COMMITMENTS

Viva con Agua.

Viva con Agua is a non-profit association and international network that campaigns for clean drinking water worldwide. As of May 2021, NEVEON has been supporting the Malawi WASH in Schools & Communities project (Malawi WINS & Co), ensuring a long-term stable and sustainable water supply for 20,000 people in Dedza District, Malawi.

UN Global Compact.

We have voluntarily committed to complying with various domestic and international standards. For example, we have undertaken to observe the ten principles of the UN Global Compact and the Sustainable Development Goals (SDGs).



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World Economic Forum New Champions Community.

By being a part of the WEF's New Champions Community, an international organization for public/private cooperation, NEVEON actively cooperates with the foremost political, cultural, and business leaders in today's society to address inequality and climate change. Together, these partners contribute to a healthier future by developing solutions to the world's biggest challenges.

Waste Free Oceans.

An environmental organization that collects and transforms ocean plastic. Waste Free Oceans (WFO) and NEVEON are joining forces to combat pollution of the world's oceans and rivers.

Diakonie Kork.

For our cork recycling initiative, we actively work together with Diakonie, which employs people with disabilities to collect used corks for us.



END NOTES

This Impact Strategy, its content, and any related information are intended to explain the commitment, efforts, goals, and plans of NEVEON Holding GmbH and its affiliates (“NEVEON”) to create an equitable, inclusive, and healthy environment. However, this Impact Strategy, its content, and related information have not been independently verified, so the fairness, accuracy, completeness, and correctness of information or opinions contained in this Impact Strategy have not been asserted or guaranteed, either expressly or implicitly, and no reliance should be placed on this being the case.

The implementation of this Impact Strategy is further linked to several uncertainties that may directly affect the outcomes of NEVEON’s Impact Strategy, including but not limited to the current COVID-19 coronavirus pandemic and related government

and other stakeholder responses, as well as our reliance on and control of third parties.

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