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# ESG Report

Severotisk s.r.o.



Prošková Iva

SUSTAINABILITY&SYSTEM QUALITY MANGER

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# 1. Foreword from Management

## 1.1. Company Profile

SEVEROTISK s.r.o. was founded in 1993 by the Pasov publishing house with a clear objective – to build a modern printing plant. This ambitious vision began to take shape just two years later, in 1995, when the first LITHOMAN 32 rotary press came into operation, alongside the first bookbinding line for V1. This step marked the official launch of the printing plant and laid the foundations for further development.

In 1997, we further expanded our capacity by commissioning a second LITHOMAN 32 rotary press. This milestone was crucial for our company's continued growth, as it enabled us to meet the growing demand for our printing services.

Another major change came in 2002, when we purchased the building formerly occupied by the newspaper centre and established the Finishing Centre. This new centre, focused on finishing work, enabled us to significantly expand our services and provide customers with more comprehensive solutions.

In 2006, we continued our expansion by commissioning a third LITHOMAN 48 rotary printing press, which further increased our productivity. Two years later, in 2008, we commissioned a new Tempo 22 stitching line, and in 2010 we started operating a Buhrs packaging line, which enabled us to expand our range of mail preparation services.

In 2016, we took a strategic step by relocating the Finishing Centre to the North Video site, which resulted in more efficient operations and better use of space.

In 2018, we made a significant investment in modernising our machinery, replacing our first and oldest LITHOMAN 32 printing press from 1995 with a new, more powerful LITHOMAN 48. This move was further proof of our commitment to constantly innovating and improving our services.

We did not stop there in the following years. In 2020, we commissioned a new UNIDRUM stitching line, which allows us to respond even more flexibly to our customers' needs. Our sewing lines are equipped with Ink Jet technology, which enables us to personalise orders and expands the range of services we can offer our customers. In 2024, we expanded our capacity by launching a Sitma line for finishing, marking another step in our ongoing commitment to providing the highest quality printing and services.

Throughout the entire history of SEVEROTISK s.r.o., our primary goal has been customer satisfaction. Our customers come from all corners of Europe. In 2024, we exported more than 40,000 tonnes of printed matter beyond our country's borders, mainly to Germany, but also to France, the Netherlands, Switzerland, Austria, Italy, Hungary and Poland – in short, to almost the whole of Europe.

## 1.2. Context and Commitment

Sustainability is a key principle for us, running through everything we do – from production and innovation to our relationships with partners and customers. This strategy reflects our values, vision and goals in the areas of **ESG** (Environmental, Social, Governance). Our aim is not only to minimise negative environmental impacts, but also to promote fair working conditions, employee health and safety, whilst building transparent relationships with all our partners.

Severotisk s.r.o. is committed to the systematic improvement of environmental, social and governance aspects, which are essential for long-term sustainability. The ESG strategy is not merely about compliance with regulations, but about our vision of responsible and transparent business practices that contribute to the development of sustainable solutions.

We believe that each of us, whether an employee, a partner or another stakeholder, plays a key role in achieving these goals. By combining our strengths, innovation and responsibility, we will be able to make a truly positive impact on our planet, our community and our business.

## 1.3. Purpose and significance of the report

The Severotisk s.r.o. Sustainability Report serves as a key tool for transparent communication with partners, the public and other stakeholders. Its main purpose is to provide information on the Group's progress and results in the provision of sustainable printing services and responsible business practices, with an emphasis on environmental protection and adaptation to climate change. The report provides a comprehensive overview of the measures and strategies the company is implementing to ensure long-term environmental, economic and social stability. Emphasis is placed on the responsible use of natural resources, ensuring due diligence in the supply chain and compliance with legislative obligations.

# 2. About the company

## 2.1. Description of the business model

The business model of Severotisk s.r.o. is based on providing printing services and post-printing services to customers.

The services cover several key channels

- Printing services – the main area of operation for Severotisk s.r.o. is offering printing services to customers. The group prints more than 4,000 jobs annually Using approximately 40,000 tonnes of paper

- Post-print processing – Severotisk offers post-print processing of printed products, such as inserting, gluing in inserts, packaging, addressing and more.
- Procurement of strategic raw materials – primarily the procurement of paper. Paper is a strategic raw material and is also subject to several European and national legislative requirements regarding supply chain tracking and due diligence.

## 2.2. Company profile

Severotisk s.r.o. is part of the EDS Group GmbH family, which comprises seven companies. These are printing houses in Central and Eastern Europe: Severotisk s.r.o., Svoboda Press s.r.o. and Typos s.r.o. in the Czech Republic, Passavia Druckservice GmbH in Passau, Germany, Eurodruck-Poznań Sp. z o.o. in Poland, EDS Zrínyi Zrt. in Hungary and eds Romania S.R.L. in Romania. The Group employs a total of 1,059 people and is therefore a major employer in the respective regions.

## 2.3. Sustainable Development Strategy

In 2022, Severotisk s.r.o. developed and adopted a sustainability strategy, which is binding on the company. In the strategy, we have committed to fulfilling objectives leading to gradual decarbonisation, energy efficiency savings and the use of green energy, whilst also defining our approach to our own workforce and to workers within the supply chain. The full strategy is available online for viewing and downloading on the company's website: <https://www.severotisk.cz/en/sustainability/>.

## 2.4. Vision

In its day-to-day operations, Severotisk monitors and adheres to its adopted policies and principles of social responsibility, as well as due diligence within the supply chain. The company's goal is to become a leader in the field of sustainable printing.

## 2.5. Scope of reporting

The company's ESG reporting is compiled on the basis of financial control principles. Within the scope of the report, Severotisk publishes data in accordance with the financial statements for the given period. It is also part of the consolidated report of the EDS Group GmbH.

This is the company's first report, covering the period from 1 January 2025 to 31 December 2025 and corresponding to the financial year.

Data on energy consumption, emissions, waste and water are collected at the operational level.

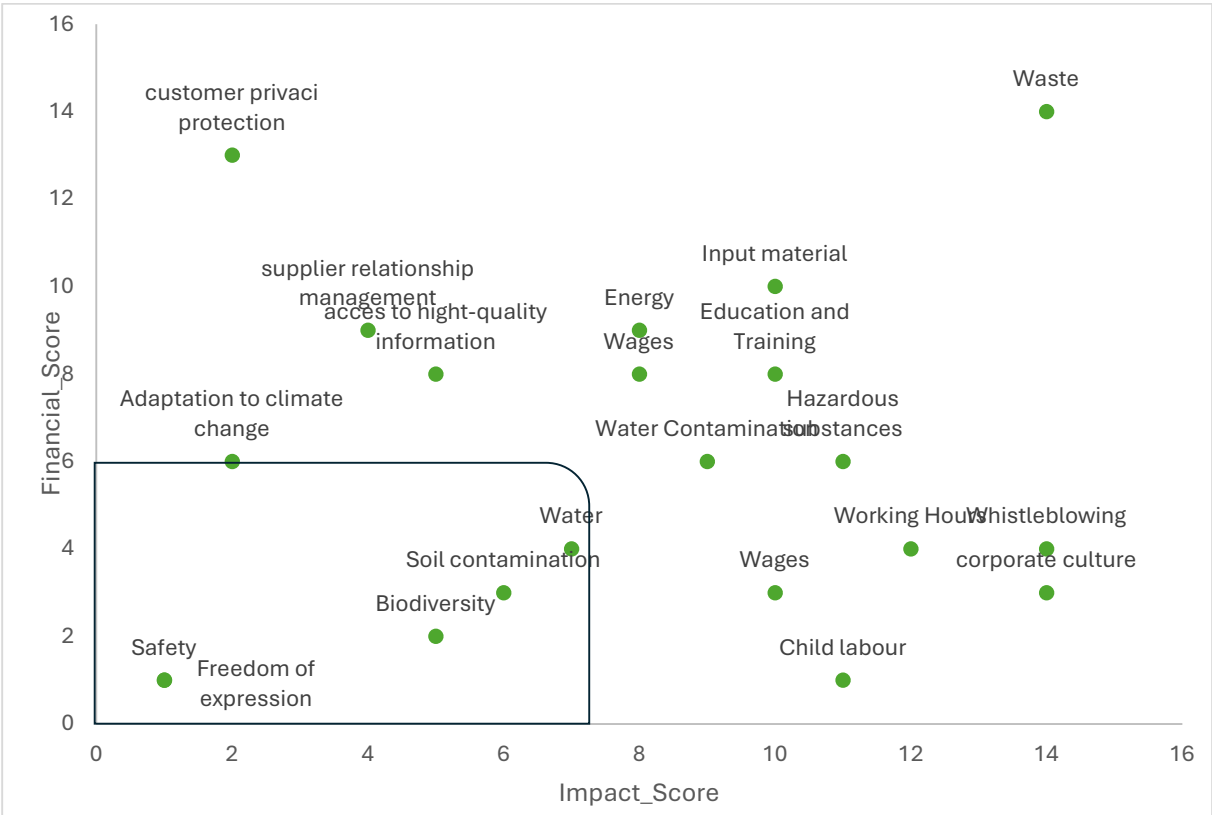
Scope 3 emissions are included to the extent that data is available, primarily in the area of centralised procurement of strategic materials.

### 3. Reporting Fundamentals (ESRS 2 – General disclosures)

This ESG report has been prepared in accordance with the requirements of the CSRD and ESRS standards. In its first year of reporting, the Group is focusing on the gradual implementation of a structure that meets these requirements.

Greenhouse gas emissions are calculated in accordance with the GHG Protocol methodology.

#### 3.2 Double materiality



#### 3.2.1 Assessment methodology

Severotisk s.r.o. conducted a double materiality assessment with the aim of identifying key sustainability issues that are significant both in terms of the company’s impacts on the environment and society (impact materiality) and in terms of potential financial risks and opportunities affecting the Group’s business (financial materiality).

The assessment was carried out using a combination of internal and external inputs and was based on the thematic areas defined by the relevant ESRS standards.

A ten-point scale (1–10) was used to quantify materiality. Assessors assigned a score to each topic based on its relevance, where:

- 1 = very high materiality
- 2–3 = high materiality
- 4–6 = medium significance
- 7–9 = low significance
- 10–15 = insignificant topic

The resulting score was then aggregated and used to determine the materiality threshold.

The rating scale was set to allow for an intuitive prioritisation of topics, with a lower numerical value representing a higher degree of significance.

Topics were considered material if their average rating did not exceed 8 points, or if they achieved high significance in at least one of the dimensions (impact or financial materiality).

### **Stakeholder engagement**

The process included:

- structured interviews with the company’s internal stakeholders,
- discussions at management level,
- face-to-face meetings with strategic suppliers and key customers,
- a questionnaire survey conducted via an online tool, aimed at stakeholders who were unable to attend face-to-face meetings.

Internally, working groups were formed comprising representatives from technical departments, health and safety and fire safety, environmental management, HR, procurement and administrative departments.

The structure of the dialogue was consistent and based on a pre-prepared list of topics corresponding to the ESRS areas.

### **Evaluation of topics**

Each topic was assessed from two perspectives:

1. The extent of the actual or potential impact on the environment and society.

2. The degree of financial risk or opportunity for the Group.

The results of the internal and external assessments were consolidated, compared and subsequently evaluated by the Group's management. Topics that achieved high or very high relevance in at least one of the assessed dimensions were identified as material.

The output of the process is a dual materiality matrix, which identified eight key topics:

1. Employee training and development
2. Occupational safety
3. Water pollution and protection of water resources
4. Soil contamination
5. Water resource management
6. Adaptation to climate change
7. Access to information
8. Energy

These topics form the basic framework of the ESG report and are further elaborated in the relevant chapters.

### **Summary**

The double materiality assessment process is designed to be repeatable and will be regularly updated in light of developments in the regulatory framework, the business environment and the Group's strategic priorities.

The results of the assessment were discussed and approved by the company's management and serve as the basis for the structure of this report, the setting of priorities, the definition of objectives and the development of strategic measures in the area of sustainability.

Material topics are further elaborated in the following chapters through a description of policies, measures taken, risk and opportunity management, and available quantitative indicators.

The detailed assessment methodology, individual stakeholder inputs and the calculation model are archived in the company's internal documentation and are available for verification purposes should the need arise.

### 3.3 Identification of Impacts, Risks and Opportunities (IRO)

Risk categorisation	Risk identification	Hazard – Hazard identification	Significance	
Environmental	Climate change – energy costs	costs incurred as a result of climate change – more expensive energy, charges...	H	We currently pay around CZK 45,000 for the green energy we purchase, which accounts for 30% of our consumption. If we were to purchase 100%, this would represent a cost of around CZK 1,800,000
Environmental	Climate change – water scarcity due to climate change	Ústí nad Labem is an area with low to moderate water stress and a moderate to high risk of drought (VÚV Atlas)	M	The WRI Aqueduct Water Risk Atlas indicates the risk level in Ústí nad Labem as low–medium (10%–20%). If access to water for production is restricted, production will cease. One day of downtime amounts to approximately CZK 1.5 million in gross margin + fixed costs, with approximately CZK 400,000 not covered by production
Environmental	Climate change – shortage of fossil fuels, transition to alternative sources	transition to biogas	L	It is likely that, in response to climate change and the move away from fossil fuels, the company will be forced to switch to alternative gas sources in the future. Specifically, to biogas. At present, it is unclear how financially demanding this change would be. Whether it would involve a change in technology, whether consumption would increase, what the price of this alternative fuel would be, and whether it would be available in the necessary quantities
Environmental	Potential leakage of fuel, lubricants	Potential leakage of fuel, lubricants and other operating fluids from vehicles. Contamination of soil and subsequently water by operating fluids from vehicles	L	Over the past 5 years, the company has not dealt with any issues involving leaks of lubricants or other operating fluids that would have led to financial penalties. In terms of financial impact, only the costs of accident clean-up or fines – estimated fines and costs in the tens of thousands
Environmental	Soil contamination by fuel or other operating fluids	Impact on biodiversity – potential threat to certain species of small animals	L	Over the past 5 years, the company has not dealt with any issues involving leaks of lubricants and other operating fluids that would result in financial penalties. In terms of financial impact, only the costs of accident clean-up, or fines – estimated fines and costs in the tens of thousands
Environmental	Water pollution – leakage of fuel or other operational fluids	Wastewater pollution	L	Over the past 5 years, the company has not dealt with any issues involving leaks of lubricants or other operational fluids that would have resulted in financial penalties. In terms of financial impact, only the costs of accident clean-up, or fines – estimated fines and costs in the tens of thousands
Environmental	Financial penalties in the event of an accident	Inadequate preparedness in the event of an accident involving substances harmful to water. Accidents during the handling of substances harmful to the aquatic environment	L	Over the past 5 years, the company has not dealt with any accidents involving water contamination. The company has drawn up an emergency plan setting out precise procedures to be followed in the event of an accident. Estimated significant fines in the hundreds of thousands, depending on the extent of the pollution
Environmental	Financial penalties for exceeding limits	Exceeding emission limits for TOC, TZL, CO and NOx due to a fault in machinery	M	The fine for exceeding emission limits is set at a maximum of CZK 10 million. The company has not exceeded emission limits in recent years.
Environmental	Increase in costs for purchasing more environmentally friendly chemicals	Certification requirements regarding the environmental friendliness of the chemicals used	M	There is increasing pressure from both customers and certification bodies to use less environmentally harmful chemicals. These chemicals are more expensive – currently, a 1% increase in the purchase price of chemicals represents approximately CZK 800,000

Social	Labour law	Non-compliance with labour rights, strikes	L	The company cannot afford to fail to comply with labour law; it is subject to scrutiny both from regulatory authorities and in relation to its obligations to certification bodies. In the event of a strike, the costs can be calculated in the same way as for a one-day production stoppage – one day of downtime amounts to approximately CZK 1.5 million in terms of gross margin plus fixed costs, with approximately CZK 400,000 not covered by production
Social	Rising staff costs – bonuses, wage equalisation	The gender pay gap, fair pay	M	The company is addressing issues of fair pay and the gender pay gap. The EDS Group will develop methodological procedures to address this issue. Every 1% increase in wage costs represents approximately CZK 2 million per year; however, wage adjustments or bonus increases represent a smaller annual increase (approximately CZK 1.5 million). A positive effect may be an increase in employee motivation and performance.
Social	Investment in employee training – an opportunity	enhancing employee competence, stabilisation and development	M	In recent years, the company has been facing a high turnover rate, particularly in the production department. This represents a significant financial risk that must be addressed. Preventive measures against turnover, enhancing competitiveness, adaptability to the company's technological development
Social	Compensation for health damage	Handling of chemical substances	L	Over the past 5 years, the company has not dealt with any workplace accidents related to the improper handling of chemicals. In the event of harm to health, costs amounting to hundreds of thousands, plus substantial fines and remediation costs
Ethics	Corruption	Corruption, unethical business practices	L	The company has not recorded any corruption scandals in the last five years; nevertheless, it has adopted measures in the form of policies and regulations. A corruption scandal would have a major impact on the workforce itself, but also on the company's reputation due to a potential loss of customers
Reputational	A corruption scandal	Loss of credibility, but also loss of a partner – turnover	L	The company has not yet encountered any reputational risk. We have very close ties with our clients and cannot afford to betray their trust, which is why we take every precaution to avoid any associated risks. A loss of 1 million CZK in turnover represents approximately 150,000 CZK – the loss of a client from the TOP20 represents an average of 15 million CZK – i.e. approximately 2.25 million CZK
Reputational	Reputational risk – loss of a customer due to greenwashing	Loss of credibility, but also loss of a partner – turnover	L	The company has not yet encountered any reputational risk. We have very close ties with our clients and cannot afford to betray their trust, which is why we take every precaution to avoid any associated risks. A loss of 1 million CZK in turnover represents approximately 150,000 CZK – the loss of a client from the TOP20 represents an average of 15 million CZK – i.e. approximately 2.25 million CZK
Reputational	change in consumer preferences	decrease in demand for unsustainable products	M	We must respond to changes in customer demand. We need to constantly demonstrate that our services and the raw materials we use meet high standards of sustainability and certification. This entails higher costs for both services and inputs.
Management	Control systems	Lack of ESG control systems	L	The company established control systems right at the start of ESG implementation, and the entire ESG area is managed as a project. Should the company fail to adhere to the procedures and strategies set out in the ESG area, it faces, above all, reputational risk, a loss of trust and an exodus of business partners.

Financial	Costs of adapting to climate change	Increased investment in green technologies	H	The company is currently under pressure to invest in greener technologies; these investments are tied to capex. The need for investment in this area is high, and priorities must be set given the limited capex budget for the coming year. Consequently, the company may not be able to respond adequately to technological changes.
Financial	Investment risk	Reduced access to capital due to ESG ratings	L	We are already receiving enquiries from banks and completing ESG questionnaires; we do not yet have direct experience of having our ESG rating assessed, but investors insist on regular reporting on ESG issues. It is likely that, in the event of shortcomings in our ESG rating, a loan or investment may not be approved.
Financial	Financial costs associated with a cyber attack	data recovery, enhanced security	H	In 2024, one of the companies in the EDS Group faced a cyber attack that paralysed it for several days. In response to this attack, the other companies took preventive measures. Restoring backed-up data takes approximately 5–7 days, during which the company cannot operate; the loss incurred during a 7-day shutdown amounts to a loss of orders worth CZK 8.5 million at the gross margin level plus fixed costs, with approximately CZK 2.75 million not covered by production.

### 3.4 Sustainability Management

The management of Severotisk s.r.o. is committed to the adopted goals and values contained in the ESG strategy. It actively participates in communicating the significance of the adopted strategy and values to the broader management of the company’s individual departments. Management is regularly informed of developments in the ESG area. The Sustainability Manager is responsible for coordinating ESG reporting, consolidating data and preparing reports. The Sustainability Manager collaborates with internal teams that provide the necessary data and information: environmental data (energy, emissions, waste) is provided by technical and operational management; social data by the HR department; and compliance and governance by company management.

At the same time, the Sustainability Manager communicates on ESG and compliance matters with customers and other stakeholders.

The accuracy of the data is verified through internal checks and comparison with accounting documents.

In the energy sector, control is supported by a management system in accordance with ISO 50001; in the environmental sector by ISO 14001; in the data and information security sector by ISO 27001; and in the social sector by SA 8000 and SMETA 4 Pillars audits.

## 4. Strategy and transition plan (ESRS E1 core)

### 4.1. Strategic Commitment

The company is committed to conducting its business in line with the European Union's goal of achieving climate neutrality by 2050 and with the trajectory of limiting global warming to 1.5 °C.

The aim is to systematically reduce greenhouse gas emissions throughout the value chain whilst maintaining competitiveness and technological innovation.

### 4.2. Baseline

- Reference year: **2022**
- Reported emissions: Scope 1, Scope 2, relevant Scope 3
- Methodology: GHG Protocol
- Organisational boundaries: group financial consolidation

### 4.3. Climate targets

#### Short-term target (by 2027)

- Reduction of Scope 1 + 2 emissions by 20% compared to 2025
- 50% of electricity consumption from renewable sources

#### Medium-term target (by 2030)

- Reduce Scope 1 + 2 emissions by 42%
- Commence systematic reduction of Scope 3 emissions
- Increase production energy efficiency by 15%

#### Long-term target (2050)

- Climate neutrality (Scope 1 + 2)
- Maximising decarbonisation of Scope 3
- Residual emissions limited to those that are technically unavoidable

### 4.4. Key measures

#### Energy efficiency

We plan to achieve energy efficiency through the gradual modernisation of printing technologies, the optimisation of drying processes, and the transition to efficient and

energy-saving lighting sources. Above all, by adhering to the principles and objectives arising from ISO 50001 energy management.

### **Renewable energy**

In the area of renewable energy sources, Severotisk s.r.o. relies primarily on purchasing green energy with guarantees of origin directly from the supplier. Another option for securing a long-term source of green energy is PPA contracts. As the transition to long-term PPA contracts is a strategic decision, this option is classified as a medium-term objective.

### **Scope 3**

Reducing Scope 3 emissions is primarily a matter of long-term cooperation and dialogue with suppliers. Severotisk s.r.o. actively participates in its suppliers' sustainability initiatives, clearly articulates its requirements and maintains a transparent supplier policy.

The choice of strategic material – paper – depends on the customer. Our staff are trained and able to provide customers with all the necessary information so that they can, at their discretion, choose a low-carbon material.

Logistics and its optimisation hold great potential for reducing Scope 3 emissions. We are currently in discussions with transport suppliers regarding the possibility of deploying low-emission vehicles.

### **4.5. Integration into management**

Climate risks form part of the company's risk management. Responsibility lies with the company's management. Progress is assessed annually on the basis of reported data. The data is externally verified (limited assurance).

### **4.6. Financing the transition**

Investment in technology modernisation. Integration of climate criteria into CAPEX decision-making.

### **4.7. Monitoring and updates**

The transition plan is updated annually as part of ESG reporting. The following are updated:

- emissions figures
- progress made
- new investments
- any revisions to targets

The structure of the plan remains consistent, which allows for comparability over time.

## 5.1 Climate Change E1

### 5.1.1. Climate Change Policy

Severotisk s.r.o. accepts responsibility for CO<sub>2</sub> emissions arising from the company's commercial and manufacturing operations and activities. This responsibility is based on the following principles:

- Severotisk s.r.o. will make efforts to mitigate climate change.
- Severotisk s.r.o. will work to reduce the annual volume of greenhouse gas emissions and will maintain climate responsibility through its operations. In doing so, it will contribute to improving the company's carbon footprint.
- Severotisk s.r.o. will ensure that company activities, such as the purchase of materials or transport operations, are in line with the objectives set out in this document.
- Severotisk s.r.o. will seek solutions that lead to meaningful investments resulting in a reduction in greenhouse gas emissions.
- Severotisk s.r.o. will maintain a system for the annual monitoring and reporting of greenhouse gas emissions. This system must be consistent, accurate, transparent and in accordance with the Preferred by Nature Carbon Footprint Management standard.
- Severotisk s.r.o. will clearly communicate its corporate policy, emission reduction targets and the reductions achieved.
- Severotisk s.r.o. will demonstrate its commitment to fostering a positive attitude towards the environment among its business partners, customers, suppliers and employees.

### 5.1.2. Plan and targets for reducing the carbon footprint of

Severotisk s.r.o. is committed to reducing its climate impact by setting ambitious yet realistic emission reduction targets. These targets serve as a planning tool for managing carbon emission reductions across the organisation. In addition to serving to mitigate climate change, these targets help to reduce the business and reputational risks associated with climate challenges, help to achieve cost savings, stimulate innovation within the organisation, and prepare the organisation for any future mandatory requirements and regulations regarding emissions reporting.

**5.1.3. Reduction Action Plan**

Severotisk s.r.o. will make a genuine and determined effort to reduce carbon emissions from our business activities, including the following actions:

NO.	ACTION PLAN	EXPECTED REDUCTION IN TOTAL US	TIME FRAME
1	Installation of photovoltaic systems	4%	2026–2030
2	Transition to zero-emission energy	4%	2026–2030
3	Transition to natural gas alternatives	0.2%	2030–2035
4	Fleet replacement – purchase of hybrid and electric vehicles	0.2%	2026–2030
5	Purchase of materials with a lower carbon footprint	4%	2025–2030
6	Transition to zero landfill	0.3%	2025–2026

**5.1.4. Offset targets**

Severotisk s.r.o. plans to partially or fully offset its carbon emissions associated with individual operations and products. Carbon credits represent a powerful method for reducing carbon emissions outside our organisation and provide access to interesting carbon sequestration projects. In the case of product offsetting, individual companies will offer customers verified projects to offset their carbon footprint. In the case of carbon emissions offsetting for the entire group, the EDS Group intends to focus on reducing its carbon footprint primarily through its own operations and supply chain.

Where necessary, carbon credits will be purchased from verified and recommended offset project providers, primarily Gold Standard and Nature Office.

**5.2 Baseline for the carbon footprint of the E**

The base year for our carbon footprint management efforts is 2022.

Total emissions: 54,296 tCO2

Emissions by scope:

Scope 1	Scope 2	Scope 3
1 403 953 kgCO2 e	8 853 675 kgCO2 e	53 013 123 kgCO2 e

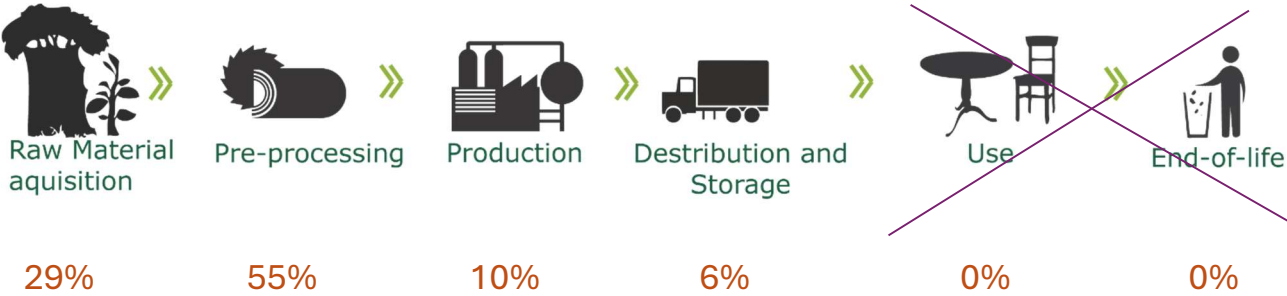
Measurement	Base year	2023	2024	2025
<b>Total</b>	54 296 tCO2 e	36 433 tCO2 e	41 921 tCO2 e	34 195 tCO2 e
<b>% reduction</b>				
Intensity (tCO <sub>2</sub> e per unit)	1.34 tCO2 e per unit	0.90 tCO2 e per unit	1.03 tCO2 e per unit	0.90 tCO2 e per unit
<b>% reduction</b>		30%	13%	30%

### 5.2.1. Product carbon footprint

The base year for our carbon footprint management efforts is 2022.

Our products are magazines, leaflets and catalogues. These are printed products. The carbon footprint of products is provided by individual companies upon request. A detailed procedure for calculating the product carbon footprint is set out in Appendix 1: Carbon Footprint Calculation Methodology.

Life-cycle emissions:



### 5.3. E4 – Biodiversity and forest ecosystems

The aim of Severotisk s.r.o. is to purchase materials only from verified suppliers who have committed to responsible and sustainable resource management. The main raw material we work with in our company is paper. We therefore require our suppliers to comply with European regulations and certifications such as FSC, PEFC, EUTR, EUDR, CSDDD and others. We closely monitor the supply chain, maintain regular contact with supplier representatives and participate in discussions. We recognise that forests are a source of food and shelter, but at the same time they are key to combating climate change. Purchasing paper with a verified origin is therefore crucial for us. Across all companies in the group, we have implemented a due diligence system, risk assessment and a supplier code of conduct.

None of our goals could be achieved if we did not choose the right partners who share the same objectives as us. Partners who operate responsibly, with a clear understanding of their impacts and with goals to mitigate them. Our supply chain is transparent and open in every respect.

## 5.4. E5 – Resource use and the circular economy

The company is managed with an awareness of its responsibilities regarding climate change and communication with suppliers and customers. Our communication is open and transparent; in areas where we are confident in our knowledge, we are able to provide advice and examples of good practice. Continuous development and innovation are integral to our business. The company's long-term plans therefore include investments in new machinery and equipment, the refurbishment of existing assets, and so on.

## 5.5. E2 – Pollution

When it comes to pollution, the company's location must be taken into account. Severotisk s.r.o. is part of the Severní Terasa development in the Ústí nad Labem district, situated in the immediate vicinity of a housing estate. It is therefore necessary to exercise increased caution and ensure the safety of local communities. The company centrally procures strategic materials, namely paper and printing chemicals. The risks associated with soil, water or air contamination are therefore the same and form part of the IRO. As a declaration of its commitment to environmentally friendly production, the company holds ISO 14001, EU Ecolabel and Blue Angel certificates.

# 6. S1 – Own workforce

It is important to educate the company and engage in dialogue regarding the significance and impact of climate change. Severotisk aims to provide all its employees with educational opportunities, not only to enhance their professional skills but also to keep pace with the changing and evolving European legislation.

Severotisk aims to be a strong, stable and reliable partner for its employees. In terms of internal policies, we have adopted a clearly defined code of ethics and are committed to equal pay, among other things. Our company holds SA 8000 certification and has undergone the SMETA 4 Pillars audit, amongst others.

We are part of local communities, which we strive to support. We have a long-standing partnership with the leadership of the Severní Terasa district, with a local association running a community garden, and others.

## 6.1. S2 – Supply Chain

Severotisk's supply chain is not particularly robust, which makes it all the more important to maintain constant communication with suppliers and keep them informed of national and European legislative requirements, etc. Severotisk uses the IntegrityNext platform to monitor its supply chain; this platform is managed and used by the entire EDS Group. Suppliers are registered on this platform, where they provide all the required information, certifications, contact details, etc.

## 7. GOVERNANCE

### 7.1. Ethics and Business Integrity

The company places emphasis on ethical business conduct and transparency. The fundamental framework is the Code of Ethics, which sets out the following principles:

- zero tolerance of corruption,
- equal treatment,
- respect for human rights,
- responsible conduct in the supply chain.

Employees have the opportunity to use internal mechanisms for reporting unethical conduct (whistleblowing). All reports are assessed independently and confidentially.

### 7.2. Compliance and Regulatory Responsibility

The company actively monitors legislative developments in the field of environmental and social regulation. Particular attention is paid to:

- the requirements of the CSRD Directive,
- ESRS standards,
- the EUDR Regulation,
- requirements relating to FSC, PEFC and ISO system certifications.

Compliance with regulatory requirements is regularly assessed as part of internal audits and certification processes.

### 7.3. Review and update

The sustainability management system is regularly reviewed and updated in line with developments in legislation, market conditions and stakeholder expectations. The ESG report is updated annually and approved by the company's management.

All the above-mentioned documents are available on the Severotisk website. The certificates of individual companies are then displayed on their local websites.

## 8. Link to the SDGs

The company has identified the UN Sustainable Development Goals (SDGs) listed below as relevant to its business model, material issues and impacts on the environment and society. The link to the SDGs is aligned with the issues identified under the ESRS and is regularly assessed as part of ESG reporting.

<b>SDG</b>	<b>Relevance to the Group</b>	<b>Link to ESRS</b>	<b>Key activities</b>
<b>SDG 4 – Quality Education</b>	Development of employees’ skills and professional competencies	<b>S1</b>	In-house training programmes, professional development, improvement of technical skills
<b>SDG 5 – Gender equality</b>	Equal opportunities and non-discrimination	<b>S1</b>	Equal pay principles, non-discrimination policies, code of ethics
<b>SDG 8 – Decent work and economic growth</b>	Safe working conditions and stable employment	<b>S1, G1</b>	Occupational health and safety, compliance with the SA8000 standard, long-term job security
<b>SDG 9 – Industry, Innovation and Infrastructure</b>	Modernisation of production and technological innovation	<b>E1, E5</b>	Investment in energy-efficient technologies, process optimisation
<b>SDG 12 – Responsible consumption and production</b>	Resource efficiency and circular economy principles	<b>E5</b>	FSC/PEFC-certified materials, waste optimisation, efficient use of paper
<b>SDG 13 – Climate action</b>	Reducing greenhouse gas emissions and managing climate risks	<b>E1</b>	CFP measurement, transformation plan, energy management system
<b>SDG 15 – Life on Land</b>	Protection of forest ecosystems and biodiversity	<b>E4</b>	Compliance with the EUDR, responsible procurement, FSC certification
<b>SDG 17 – Partnerships for the Goals</b>	Cooperation within the value chain and stakeholder engagement	<b>S1, G1</b>	Supplier audits, collaboration with business partners, knowledge sharing

## 9. Values

ESRS E1	Value	Unit	Comment
E1-1	Transition plan towards climate neutrality	Yes	The transition plan forms part of the ESG strategy and is subject to regular updates.
E1-6	Scope 1 GHG emissions	1,421 t CO2e	
E1-7	Scope 2 GHG emissions	6,992 t CO2e	
E-1-8	Scope 3 GHG emissions	25,781 tonnes of CO2e	
E1-9	Emissions intensity	0.90 t CO2e/t of production	
E1-10	emission reduction targets	30% per year	
E1-13	Energy consumption	12 MWh	
E1-14	Share of renewable energy	25%	
<b>ESRS E2</b>	<b>Pollution</b>		
E2-1	Pollution prevention policy	Yes	
E2-4	Emissions of NOx, SOx, PM	xkg	
E2-5	Use of hazardous substances	No	All chemical substances and mixtures are verified; supplier declarations are included
E2-6	Pollution incidents	0	
<b>ESRS E3</b>	<b>Water</b>		
E3-1	Total water consumption	15,499 m <sup>3</sup>	
E3-2	Consumption in stress areas	0 m3	Ústí nad Labem is in an area with low to medium water stress – <a href="http://www.wri.org">www.wri.org</a>
E3-4	Measures to reduce consumption	Qual.	
<b>ESRS E4</b>	<b>Biodiversity</b>		
E4-1	Operations in protected areas	No	
E4-2	Impacts on biodiversity	Qual	No direct impacts on biodiversity; in the dual materiality assessment, impacts on biodiversity were identified as immaterial
E4-4	Protective measures	Qual	No specific protective measures are required
<b>ESRS E5</b>	<b>Circular economy</b>		
E5-1	Material consumption	38,000 t	
E5-3	Proportion of recycled materials	6,409 t	
E5-5	Total waste production	6,534.15 t	
E5-6	Hazardous waste	120.7 t	
E5-7	Recycling / waste recovery	98%	
<b>ESRS S1</b>	<b>Own staff</b>		
S1-1	Number of employees	277 FTE	

<b>S1-6</b>	Staff turnover	29%	
<b>S1-7</b>	Gender breakdown	37% F, 63% M	
<b>S1-9</b>	Average wage	EUR	
<b>S1-13</b>	Staff training	100 hours/year	
<b>S1-14</b>	Health and Safety – Accidents	2	
<b>S1-15</b>	Serious workplace accidents	0	
<b>ESRS S2</b>	<b>Value chain</b>		
<b>S2-1</b>	Responsible procurement policy	Yes	
<b>S2-4</b>	ESG Supplier Assessment	Yes	
<b>S2-5</b>	Supplier audits	Yes	Integrity Next – 2025 report
<b>S2-6</b>	Identified breaches	0	Integrity Next – 2025 Report
<b>S2-7</b>	Corrective measures	0	Integrity Next – 2025 Report
<b>ESRS E3</b>	<b>Communities</b>		
<b>S3-1</b>	Impact on local communities	€4,000	Support for local communities in EUR
<b>S3-3</b>	Stakeholder engagement	Description	
<b>S3-4</b>	Community complaints	0	
<b>ESRS E4</b>	<b>Customers</b>		
<b>S4-1</b>	Product safety	Definition	Given the nature of the product – the materials used and printing inks are monitored – supplier’s declaration
<b>S4-3</b>	Complaints	65	
<b>S4-4</b>	Data protection	ISO 27001	
<b>ESRS G1</b>	<b>Responsible Business</b>		
<b>G1-1</b>	Code of Conduct	Yes	
<b>G1-2</b>	Anti-corruption measures	Yes	
<b>G1-3</b>	Code of ethics / training	Yes	
<b>G1-4</b>	Whistleblowing	Yes	
<b>G1-5</b>	Confirmed incidents	0	