

# SUSTAINABILITY REPORT

2020





## Dear Colleagues and Partners

With the start of this year we are breaking away from the 2nd decade of the 21st century. The current coronavirus pandemic is demanding a lot from all of us and it will continue to have a significant impact on global coexistence in the future. The world as we knew it will change permanently. This process has reinforced a development that has already been with us for several years. It is characterised by profound change on many levels.

We are observing changes in politics, the economy and society, both big and small. Globalisation, digitalisation and climate change are particularly highlighted in this context because as THIMM Group they directly affect us and make demands on us. As an international packaging producer and service provider, we operate in an environment of constant change, precisely because the world of our customers is also

changing rapidly.

THIMM, a family business, is underpinned by the fundamental principle of always offering its customers the best solution for their requirements. This strong customer focus propels our spirit of innovation and development and is the driving force behind our growth. If consumer behaviour changes, then packaging requirements also change automatically and so therefore do our solutions and products.

Global flows of goods influenced by politics, the digital transformation process and concerns about climate change raise fundamental issues. Our solutions set the course for the future - for our customers, our company and our employees.

Our commitment is to identify economic, environmental and social challenges in our markets at an early stage, to courageously accept them and to address them in the best possible way. We are investing in new technologies to reinforce our innovation. We deploy resources responsibly, sustainably and transparently in the circular economy. We encourage our employees and offer them a lot of creative freedom because we know that it is their commitment and ideas that inspire our customers.

Sustainable thinking, action and economic activity is an important performance feature for us. As a values-oriented family business THIMM operates responsibly and transparently. This Sustainability Report explains how we constantly meet changing requirements, which change processes we have already implemented and what plans we are pursuing for the future. We look forward to shaping this future together with you.

Holger Dunker

Kornelius Thimm

Mathias Schliep

THIMM Group Management Board



Chapter 1 | Company Profile

# THIMM THE HIGHPACK GROUP

Our family business is a leading solutions provider for the packaging and distribution of goods.



## THE BEST SOLUTION FOR OUR CUSTOMERS

At THIMM we are concerned about much more than packaging and distribution. Our focus is always to provide the best solutions for our customers. We are committed to understanding their individual requirements, anticipating challenges and solving them in the best possible way.

This means that we package consumer and industrial goods for transportation, merchandise presentation and storage as safely as possible and with as little material as necessary. This makes us THE solutions provider for the packaging and distribution of goods who thinks and acts sustainably.

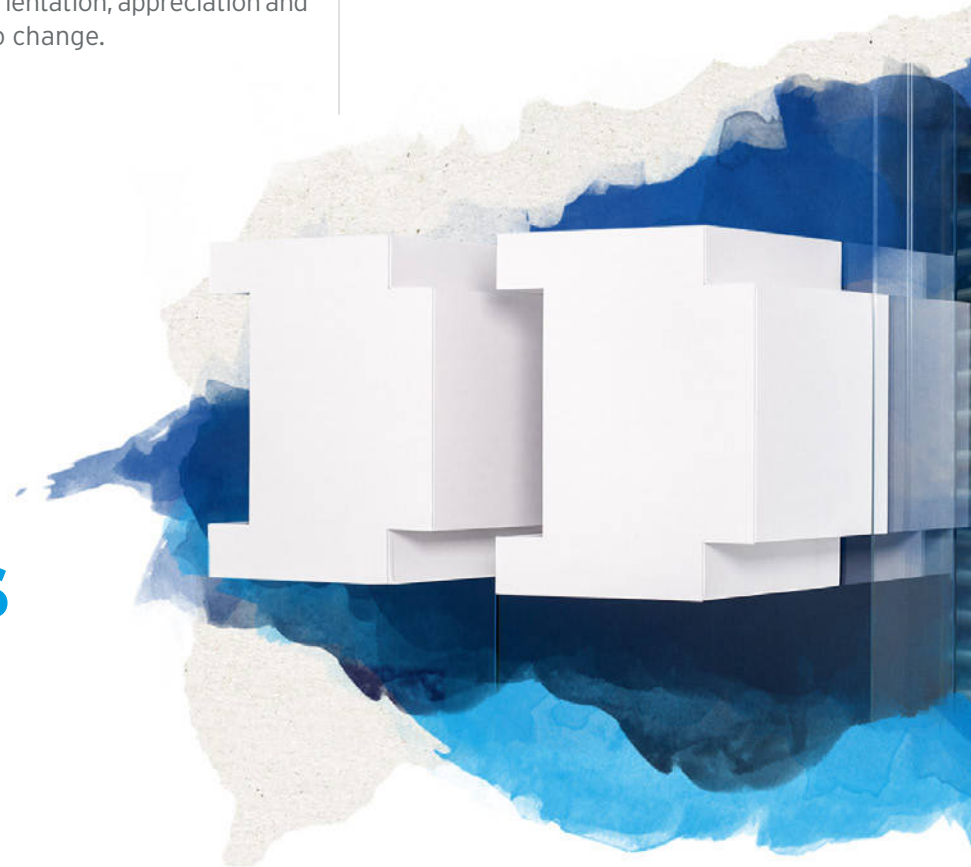
## INSPIRING CUSTOMERS

We inspire customers in Germany and abroad with our expertise, know-how and innovations, which we then combine to create the best solution for you. As a pioneer in the corrugated cardboard industry, we have often already proven that we not only courageously introduce new technologies, but also set new trends. This flexibility enables us to recognise our customers' current and future requirements and also thanks to our optimum solutions, to become an indispensable element in the value chain.

## TRUST AND RESPECT TO DESIGN THE FUTURE TOGETHER

We are an independent, third-generation family business and we are aware of our responsibilities. We are proud of our employees, who through their motivation and creativity, are crucial to THIMM's success. Their experience and enthusiasm for the new are important to us. We all work together to tackle the challenges we face and we place great emphasis on our success orientation, appreciation and willingness to change.

**More than 3,400 employees find optimum solutions for individual requirements.**





## OUR PHILOSOPHY, OUR VALUES

**Highpack** is our aspiration to always find the best solution for the customer. We can meet this aspiration with our second brand value **People**. Because the people at THIMM make the solution into the best solution.

This forms the basis for our partnership-based relationships with our customers and enables us not only to make a performance commitment along with our values, but also to comply with it.

**INNOVATION**  
We are of the opinion that the pre-conditions for innovation are the spirit and the will to create something new and better. The central foundation is the ability to learn - a sustained and renewed understanding for the ideas and needs of our customers.



**GROWTH**  
In our eyes, growth is a process that needs to be designed to encompass all company aspects, from the quality of training to the opening up of new markets. As a leading company, we need to develop with the market and expand both our site network and the performance spectrum, from which our customers derive crucial benefits.



**FLEXIBILITY**  
Flexibility is available to us through independence and the ability to intelligently adapt to changing needs. This enables us to operate quickly. Our customers ultimately expect individual solutions to their problems in a timely fashion, whether for large or small orders.



**RELIABILITY**  
We believe that reliability is based on certainties. For our customers this means measurable and consistent material and processing quality, delivery reliability, a clear price/performance ratio and obvious sector expertise. The key is to establish confidence for fruitful partnerships through reliability.





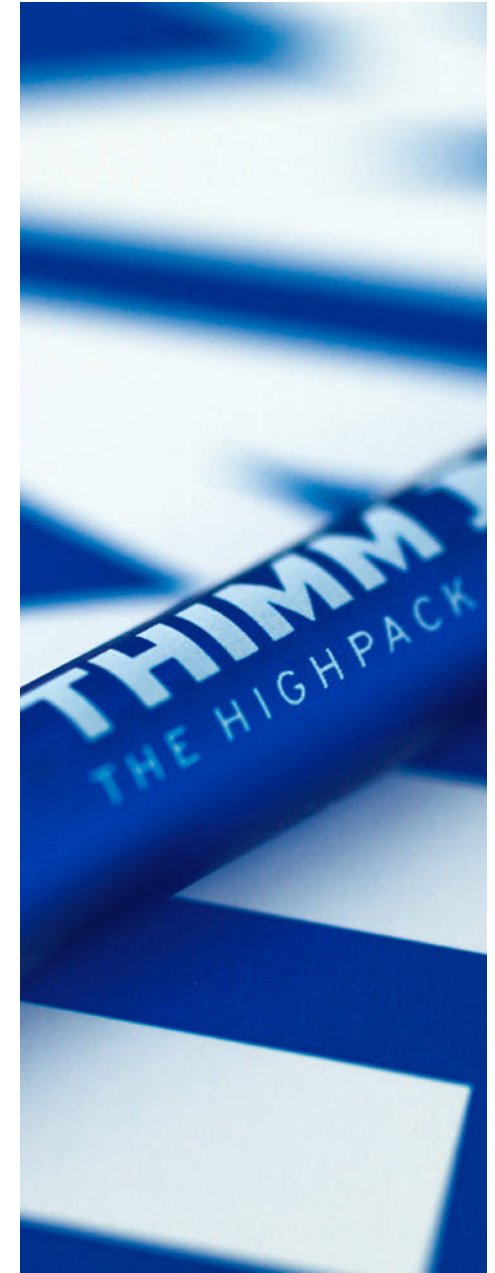
# INNOVATIVE SOLUTIONS FOR CONSUMER & INDUSTRIAL GOODS

Our solutions portfolio includes corrugated cardboard transportation and sales packaging, high-quality promotional displays, packaging systems combining a range of materials, and print products for further industrial processing. A wide range of associated packaging services covering the entire supply chain further enhances our product portfolio. Our customers include prestigious brand manufacturers from across all sectors. As one of the largest corrugated card-

board producers in Europe without in-house paper production, we have independence in our raw material procurement and have access to a unique mix of materials from our suppliers. This ensures that our customers receive the best solution customised to their individual requirements.

Thanks to our technology mix of state-of-the-art printing processes and further processing systems, we are in a position

to offer our customers a wide range of production options, thus creating a unique service portfolio.





**THIMM**  
pack'n'display

**TOP**  
Packaging

Customised packaging made from corrugated cardboard, individual display concepts and state-of-the-art printing technologies: THIMM pack'n'display offers the best solution for packaging and presenting goods for the branded goods industry, both online and stationary. We support your projects throughout Europe, from consultancy to development, design, production and packaging through to distribution. We operate in the Polish market under the TOP Packaging brand.



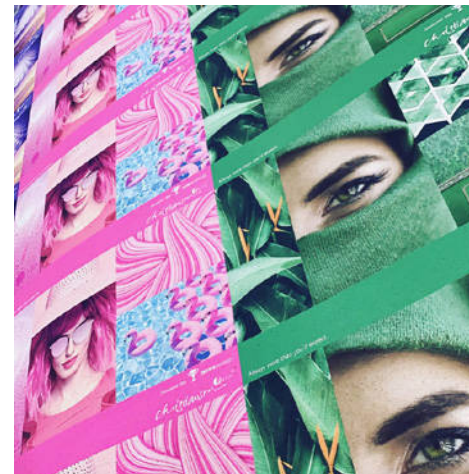
**THIMM**  
Packaging Systems

As a specialist in packaging systems in the industrial goods sector, THIMM Packaging Systems is fully aware of the specific quality and process requirements. From the idea to implementation, we develop efficient and customised packaging solutions on a multi-material basis for a wide range of industries along the entire supply chain. We specialise in load-bearing systems.



*christiansen* print

Christiansen Print is the European market leader in flexo and digital web press. We print paper rolls for corrugated cardboard manufacturers and the branded goods industry. This enables us to offer an advanced technology mix comprising CI, belt and digital printing to corrugated cardboard processing companies and to prestigious branded companies operating worldwide.



**CARTONARA**

CARTONARA® offers standardised packaging and added-value accessories for commercial and private customers via its own online shop. These include cardboard boxes, folding boxes and shipping packaging, cushioning foam, filler and house removal materials, as well as packaging and removal accessories.



**corrugAid**

As a provider of sustainable products for humanitarian aid, corrugAid develops solutions for temporary use within immediate and emergency relief aid and also for disaster provision. In addition to camp beds, our product portfolio also includes storage boxes and partitions made from corrugated cardboard. By using renewable raw materials, our products can be recycled easily and environmentally.





# THIMM GROUP

2019

## €623

million turnover

## 41%

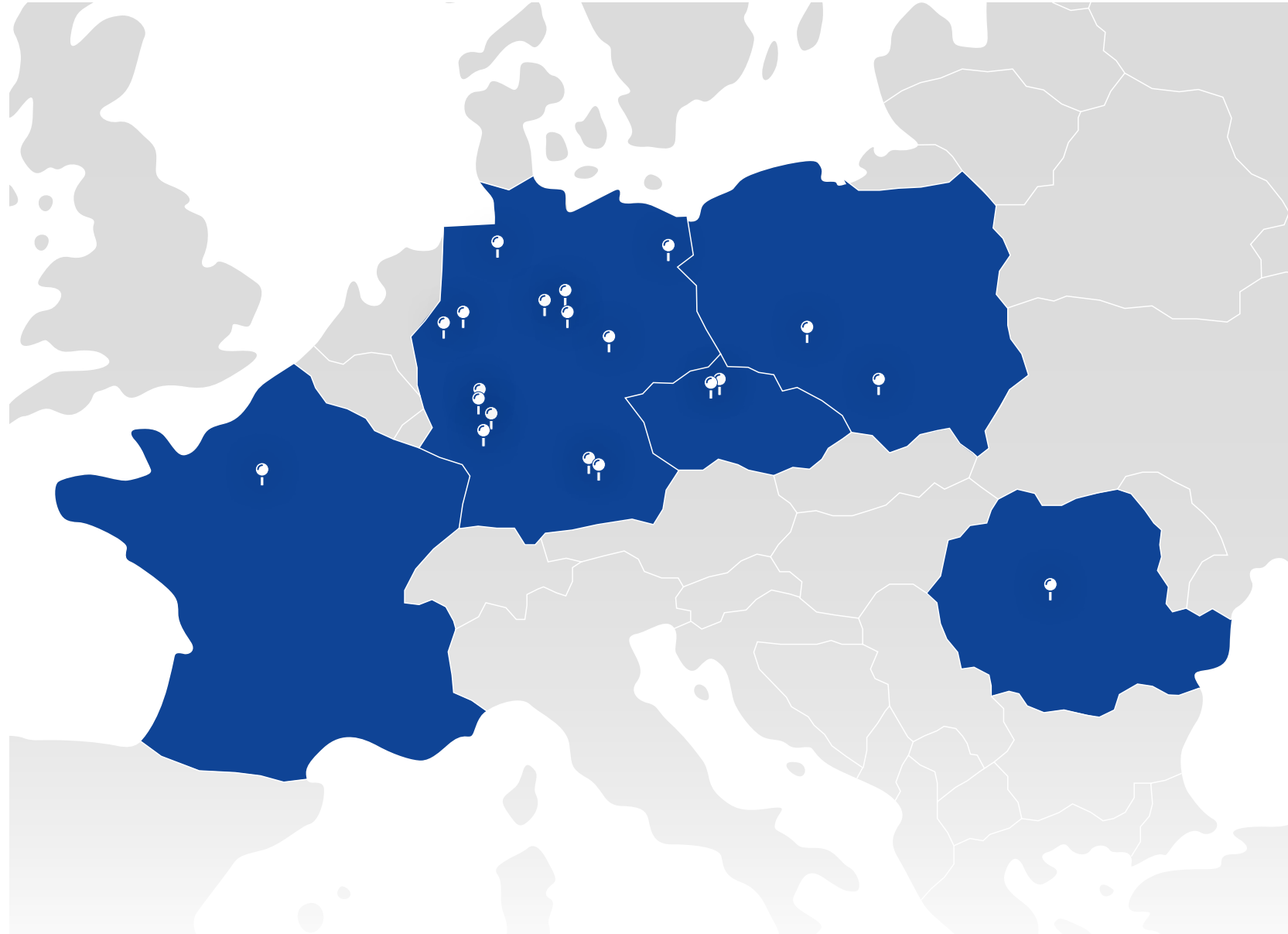
equity

## €34

million investments

## 20

sites in 5 countries  
(as of 31.12.2020)



Northeim | Alzey | Bremen | Castrop-Rauxel | Chotětov | Duisburg | Eberswalde | Garanières-en-Beauce | Germersheim  
Ilseburg | Neuburg | Nordhausen | Serba | Sibiu | Skarbimierz | Tychy | Viernheim | Všetaty | Wolnzach | Wörrstadt





# Corporate Responsibility in THIMM Group

THIMM Group is committed to the principle of comprehensive responsibility in all company divisions and in all aspects of value creation. Our long-term thought-processes and sustainable actions makes us a reliable partner and this is our guiding principle.





# THIMM CREATES MARKETS WITH THE BEST SOLUTION.

We anticipate economic, ecological and social challenges and we find solutions for them.

## ECONOMY

We are bold in our investments to drive technology, digitalisation and innovation forward for the benefit of our customers which leads in turn to the generation of long-term profits.

## ECOLOGY

As a family business we are future-oriented in our thinking and we deploy resources consistently and transparently in the circular economy.

## SOCIETY

Our employees inspire both our business partners and society equally. We offer extensive design scope, we commit ourselves to our regional sites and we are therefore a desirable employer in an attractive environment.





## CHALLENGES

We are living in a world of profound changes. People are observing developments that worry them - extreme weather events are occurring with greater frequency, forest damage due to drought is increasing and a noticeable scarcity of important raw materials is emerging. All of this is changing our vision of the way we operate. It means new demands are placed on us:

- » Societal change is visible in many different places and forms and is expressing itself, for instance, in initiatives and movements such as Fridays for Future. A circular economy is vehemently called for and, more generally, a more critical attitude towards the consumer economy is emerging.
- » This is another reason why customer requirements are increasing in terms of sustainability aspects in economic processes.
- » Regulatory requirements are also increasing. The National Action Plan for Economic and Human Rights (NAP), for example, calls for due diligence and transparency in global supply chains. A dynamic legislative and regulatory situation can also be observed at EU level.

For companies this translates into a willingness to explore new ways of thinking

and acting, a willingness to question old models and make room for new strategies and planning and actively creating new ones.

## MANAGEMENT APPROACH & MEASURES UNDERTAKEN BY THIMM

THIMM Group, a family business that is aware of its responsibilities, is also a leading solutions provider for the packaging and distribution of goods. In order to consistently meet this aspiration, a responsible corporate philosophy with an emphasis on sustainable management and the appropriate handling of raw materials is required.

We focused on sustainable action from an early stage. In 2011, we formulated our existing approaches and processes and firmly anchored the issue of "corporate responsibility" within THIMM Group. The THIMM Social Responsibility Strategy (TSR) was an expression of our ambition as a traditional family business to embody our own sustainability strategy.

In the course of the further development of processes and measures and in view of international developments, regulatory frameworks and ordinances, at the end of 2018 we started the process to further develop our sustainability strategy.

As part of this process, we decided to make the [UN Sustainable Development Goals \(SDGs\)](#) the compass of our sustainability strategy and to align ourselves with them. The SDGs have now become established internationally as a framework for sustainable action, and many of our international customers are also aligned with them.

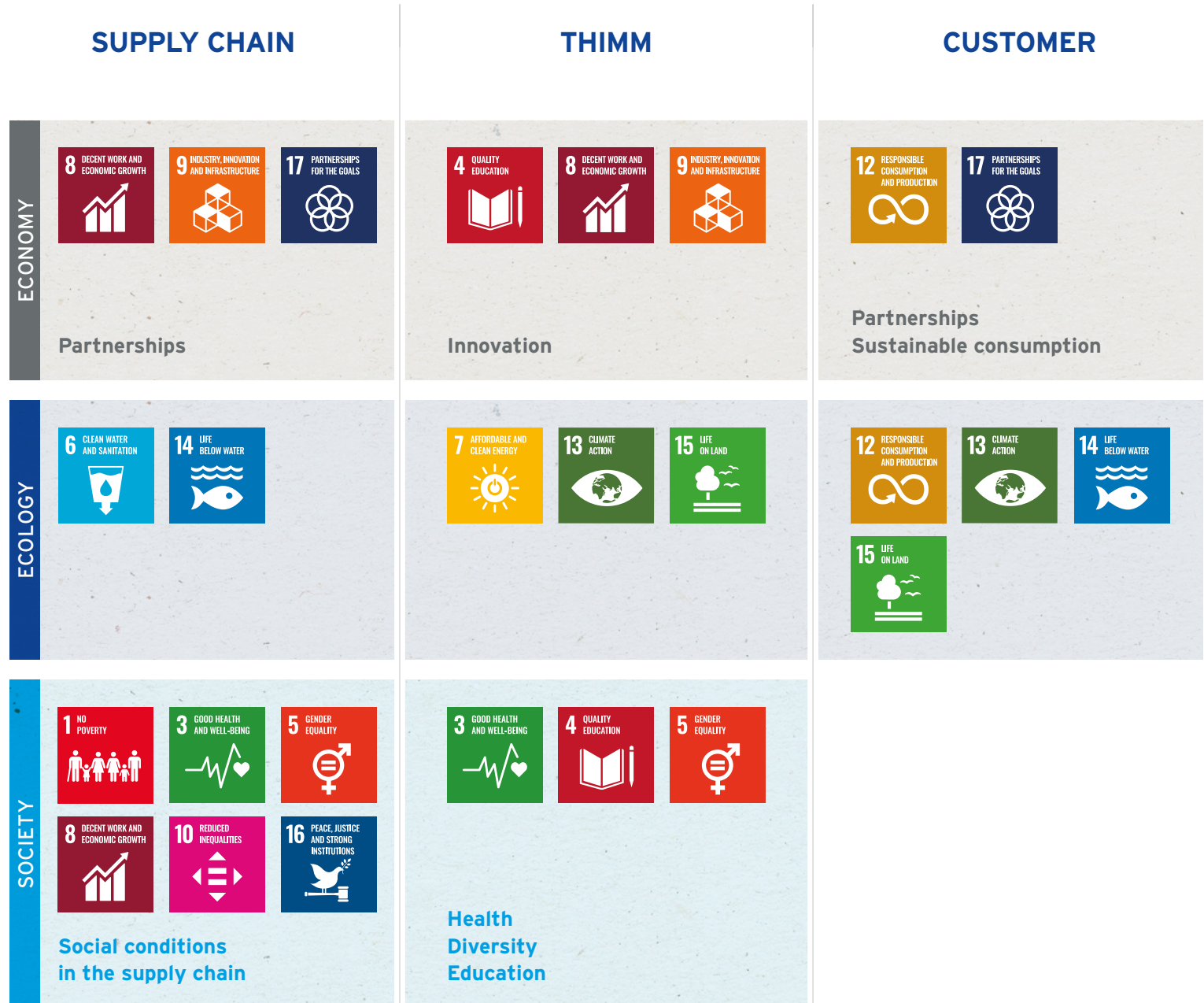
As the outcome of our strategy development process, in 2019 we completed the transformation from TSR to THIMM Group Corporate Responsibility (CR). The management board, management team and selected employees from all business divisions collaborated in comprehensive dialogue processes - and sometimes with external support - to develop a sustainability vision for THIMM Group.





## ALIGNMENT WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

In the past companies mainly focused on their own activities. Today, this is no longer enough. As a modern family business, we want to assume responsibility for the entire life cycle of our products. This is why we have examined the impacts of our business activities across the entire value chain and, in interaction between the value chain and the original triple bottom line, we have mapped them to the SDGs we consider to be the most relevant. We examined both the positive and negative impacts and categorised them into the three classic sustainability perspectives.





## OUR OBJECTIVES

We have defined a programme of important objectives that we want to achieve. This describes those objectives that serve to further develop the sustainability organisation within THIMM Group along with those for each specific sustainability dimension - all with a timeframe and where possible, quantified.

As part of our regular sustainability reporting we will also report on our achievement of these objectives as well as on any newly developed and formulated targets.

## OVERARCHING OBJECTIVES

### Objective 1

The CR Vision 2030 is integrated into corporate strategy  
→ **12/2021**

### Objective 2

The existing CR organisation is expanded group-wide and anchored step by step into all organisational and business divisions  
→ **06/2022**

### Objective 3

Issues of integrity and compliance are anchored even more strongly inside the company operationally, including through the following steps:

- » Design and introduction of a new compliance structure for THIMM Group  
→ **12/2021**
- » Design and introduction of an information security management system  
→ **06/2021**

## OVERARCHING THEMES

### ECONOMY

Improvement in the social & environmental conditions in the supply chain

### ECOLOGY

Use of resources

### SOCIETY

Occupational health and safety

## OBJECTIVES | MEASURES | DATES

1. We maintain the CoC ratio of our suppliers at 100 percent; i.e. all our suppliers have accepted our CoC and/or demonstrate similar standards.  
→ **continuously**
2. Design and publication of a Responsible Sourcing Guideline  
→ **12/2021**

1. Creation of an energy policy for THIMM Group  
→ **06/2021**
2. Definition and anchoring of measurable energy targets  
→ **12/2021**

1. Expansion of the ISO 45001 certified management system for occupational safety and certification of 10 additional sites  
→ **12/2022**
2. Group-wide implementation of software for uniform data collection for occupational health and safety, environmental management and sustainability (Quentic-Software)  
→ **12/2021**



## CR MANAGEMENT IN THIMM GROUP

CR officers have been in post since 2016 with a remit to focus on and drive forward the issue of corporate responsibility operationally within the business divisions. They act in close coordination with CR management at group level.

### CR managers & experts

manage all CR issues at group level in close cooperation with the management board of THIMM Group. They continue to develop the CR strategy and also monitor its implementation.



### CR officers in the business divisions / sites

coordinate the operational implementation of the CR strategy and are in close contact with customers and internal departments.



Group-wide we monitor THIMM's growing sustainability requirements very carefully and we adapt our business activities to them accordingly. Over the

long term we want to implement an additional committee at group level in which representatives from Responsible Sourcing, PEOPLE, Sustainable Packaging Solutions and Central Technology all pool their know-how.

## STAKEHOLDER DIALOGUE

THIMM Group is in constant dialogue with many different interest groups and tackles the relevant subjects and issues including all sustainability aspects and any ensuing requirements.

Employee and customer surveys were conducted in 2019. In future sustainability aspects will feature more prominently in such surveys. We also participate in regular information exchanges with suppliers, investors and relevant partners within the company's environment, such as science and research, politics and public administration, media and non-governmental organisations (NGOs) as well as neighbours and with the local population at our various sites.

These discussions are conducted through various communication channels, from workshops with customers and suppliers to participation in trade fairs, conferences and congresses. During the reporting period our employees had the opportunity to actively provide feedback on the company's sustainability activities as part

of the "TSR Days" and to find out more about further measures. By mid-2017 four of these in-person information days had been held as a mobile exhibition. Since then the exchanges have taken place via a digital intranet platform.

Townhall Meetings were introduced in parts of THIMM Group in 2018. During these meetings employees can actively engage directly with management and the THIMM Management Board who make themselves available to answer questions and concerns.

## CODE OF CONDUCT

With the Employee [Code of Conduct \(CoC\)](#) along with its equivalent for suppliers and business partners, we laid the foundation for cooperation at THIMM and for external cooperation back in 2012. We continued to work on this during the reporting period.

In June 2016 the previous version was comprehensively updated. In two group-wide workshops, the existing documents were extensively discussed and the updates decided. Workshop participants included employees with procurement and PEOPLE responsibility in Germany and internationally. The German ombudsman also participated in the Employee CoC Workshop. The updated documents were introduced group-wide in the first quarter of 2017.

Managers and employees then received detailed training in order to further increase awareness of this issue and to underline its importance.

The following reports regarding the Codes of Conduct were received by our ombudsmen during the reporting period:

- 2016** A report on the Employee CoC
- 2017** A report on the Employee CoC and Supplier CoC respectively
- 2018** Three reports on the Employee CoC
- 2019** No reports

All reports were checked, processed and clarified in exchange with THIMM's management board. None of the reports received were in breach of our Code of Conduct.

In future we aim to further disseminate the Code of Conduct through various communication channels, in particular at THIMM Group's international locations. To this end, regular exchanges with ombudsmen will be intensified across the group.

The Code of Conduct for Suppliers and Business Partners is to be further developed into a "Responsible Sourcing Guideline". The objective here is to establish a core element of the group-wide



procurement strategy in which the issue of "due diligence" is anchored from the very outset.

## SUSTAINABILITY REPORTING & CR COMMUNICATIONS

The Sustainability Report is the key element of our sustainability communications. THIMM Group published its first Sustainability Report in 2014 (reporting period 2011 - 2013). The second report was published in 2016 (reporting period 2014 - 2015). An update with the key figures for the period 2016 - 2018 was published in 2019.

In addition to chronological sustainability reporting, we also provide information about our CR issues on [the company website](#). In addition to the reports, the website also contains further information on the Code of Conduct and on the key details of our CR strategy.

Our employees also have access to various CR-specific digital information offers in the company's own intranet.

## SUSTAINABILITY RATINGS & PLATFORMS

International sustainability ratings are becoming increasingly important for our customers. Platforms such as EcoVadis

and SEDEX are becoming a substantial criterion for their respective supplier qualification processes. This is no longer only about detailed self-disclosures.

### The aim is to perform company evaluations that are as standardised as possible in accordance with uniform criteria.

EcoVadis, for example, maintains an EcoVadis scorecard for each participating company, for which information is compiled from all available sources from the participant - from the content in the self-disclosure questionnaire incl. supporting documents to materials accessible in the public domain. All the information collated leads to a "Medal Rating": THIMM Group has already been awarded this twice (2016 Gold/2019 Silver). A re-evaluation is planned for 2021.

Via the SEDEX platform, all THIMM customers who have been approved for its use can view our self-disclosure filed there and compare it with their requirements. At three year intervals we also have a SMETA 4 Pillar Audit carried out by an independent audit company at all corrugated cardboard processing plants and also at the Wörrstadt site. Each new site is automatically integrated into this routine. As part of this, the Romanian site Sibiu will complete an SMETA audit for the first time in 2020.

THIMM Group strives to regularly update the EcoVadis Scorecard with very good results. The THIMM self-disclosure is also regularly updated and will be subject to increased scrutiny of external audits. Our customers expect this and THIMM Group will take the necessary measures to meet all expectations.



### ecovadis

EcoVadis is a global provider of sustainability ratings, information and performance improvement tools for global supply chains. Supported by a powerful technology platform and a global team of experts, EcoVadis sustainability scorecards provide a detailed insight into environmental, social and ethical risks across 190 procurement categories and 160 countries.

[www.ecovadis.com](http://www.ecovadis.com)



### Sedex

SEDEX (Supplier Ethical Data Exchange) is an online platform for transparency in corporate sustainability commitment. SEDEX makes CSR test reports accessible to customers, suppliers and members. Audits according to the SMETA catalogue (Sedex Members Ethical Trade Audit) are evaluated and reviewed for their sustainability commitment. SEDEX aims to improve ethical and social performance along the entire global supply chain and standardise social auditing standards. This ensures greater transparency in the global supply chain.

[www.sedex.com](http://www.sedex.com)

# Sustainable value creation starts in procurement



Paper is the most important raw material for THIMM Group. Without paper there is no corrugated cardboard - the heart of our service and product portfolio. But paper doesn't always mean just paper. Our main raw material is raw paper and thus of natural origin - therefore we make sure that the papers we use are, as a minimum, certified according to the Controlled Wood or FSC® standard and do not originate from wood stocks from protected rainforests for example. Sustainability criteria in the procurement process are becoming increasingly important in view of global development. Due to the increasing intensity of discussions around climate change and global warming, the issue of CO<sub>2</sub> emissions is also playing an ever greater role, as is the case with us. With its entry into force in November 2016, the Paris Climate Agreement laid down guidelines and objectives for the global community of states, and we must all work together with maximum commitment to implement them. The same applies to the European Green Deal presented in December 2019, which envisages the European Union to be climate-neutral by 2050 at the latest - a major challenge. We at THIMM accept them.





## CHALLENGES

Customers are increasingly expecting more transparency regarding environmental and social factors associated with packaging in general and with packaging materials in particular. This expectation manifests itself in the requirement to be subjected to different ratings ([→ see page 15](#)).

In addition to sustainability aspects, procurement at THIMM Group must also take economic factors into account in its decision-making. In cooperation with our suppliers, we strive to achieve an optimum balance of all aspects.

Some of our big customers are pursuing very ambitious climate objectives which in part go beyond climate neutrality. These include reducing packaging weights, increasing the green electricity ratio and expanding the recyclability of packaging. Logistics is also becoming more and more important and expectations of THIMM are increasing.

## OPPORTUNITIES & RISKS

If we continue to successfully position THIMM with the additional performance commitment of a sustainably operating company and we also consistently honour this, new growth opportunities will arise. Social acceptance will also further attract the attention of potential new customers.

New technologies such as fibre injection moulding offer potential opportunities in relation to sustainable packaging developments.

At the logistics level there are opportunities to optimise processes such as route planning, vehicle utilisation and capacity protection. These will decrease transportation costs and reduce CO<sub>2</sub> emissions.

All our efforts for, and investments in, sustainable procurement and logistics generally entail additional effort and therefore additional costs. Sustainable products and services are expected by customers. In their implementation we must succeed in convincing our customers holistically of the higher value of sustainable solutions so that increased effort is recognised and rewarded accordingly.

In addition to our main sustainable raw material paper, there is currently a shortage in the supply of other sustainable raw materials and precursors. Demand is increasing significantly, but not yet availability.





## OUR APPROACH

THIMM Group is in a good position thanks to its flexibility. As an independent, non-integrated company, we can purchase raw paper on the free market - from high-performance raw material suppliers with state-of-the-art, efficient production machines. Together with our suppliers we can select the best and most sustainable materials and drive forward innovation for the benefit of our customers. We are accelerating this development by continuously increasing the use of environmentally-friendly materials. We are therefore in constant contact with paper suppliers to ensure we are kept informed about the latest paper innovations and to check them for market viability and sustainability.



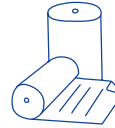
We also want to make consistent use of these strengths in the future and expand our advantages:

- A)** We require our suppliers to adopt a sustainable conduct and we monitor implementation within the framework of our established qualification processes. We promote the development of our suppliers by intensifying our relationships with them and further strengthening the binding nature of our Supplier Code of Conduct.
- B)** Since the end of 2019 we have been using modern digital platforms to optimise our logistics in terms of cost-effectiveness and ecological consequences.
- C)** We also decided at the end of 2019 to reorganise our procurement function. A central sustainability function has been set up in the new organisational structure. The issue of "Responsible Sourcing" has therefore gained in importance.
- D)** Sustainable materials are preferred in procurement:

Together with our suppliers we can select the best and most sustainable materials and drive forward innovation for the benefit of our customers.

## Raw paper

We almost exclusively procure the papers we use from suppliers who as a minimum are certified according to the Controlled



Wood or FSC® standard. The FSC® label (FSC® = Forest Stewardship Council®) is a certification recognised world-

wide. For our customers this specifically means an efficient and sparing use of resources. The FSC® standards also include the preservation of biodiversity and the protective function of forests. Three quarters of our papers originate in Germany. We purchase the remainder from Scandinavia, Southern and Eastern Europe.

## Corrugated cardboard

THIMM Packaging Systems and THIMM Display (THIMM pack'n'display) purchase corrugated cardboard sheets and then

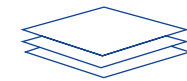


further process them. Part of the demand is supplied by THIMM Verpackung (THIMM pack'n'display) (< 20 percent).

The business divisions purchase the rest from a range of suppliers in Germany, Poland and Romania.

## Solid board

The overwhelming majority of the solid board required is used to produce POS displays. In the 2019 financial year a total of 3,699 tonnes of solid board were purchased.



Most of this consists of recycled paper.



## Wood

THIMM Packaging Systems uses wood for its in-house pallet production and as a partial packaging component. The woods

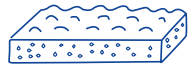


come from different tree species - mostly spruce, followed by pine and birch. We source the wood we need for

the in-house production of pallets from dealers who mainly purchase in Scandinavia and Eastern Europe. We mainly source wood for sub-components directly from manufacturers in Germany, the Czech Republic and Poland. We ensure that we adhere to the PEFC and FSC® standards, which prove the origin from sustainable forestry. Our medium and long-term objective is to replace wood with other sustainable and innovative materials (e.g. paper-based materials).

## Foam

We need foam for packaging products with a very high value in the automotive and industrial sectors. THIMM Packaging Sys-



tems purchases foams from German companies who are supplied from their plants in the Netherlands, Italy, Poland

and Israel. We purchase processed foams from Germany as a semi-finished product. In order to fully meet the requirements of our clients, we require both cross-linked and non-cross-linked foams. Non-cross-linked foams are fully recyclable. We use cross-linked foams for packaging goods made of particularly sensitive materials. The addition of chemical ingredients refines their surface but prevents any subsequent recycling. However, this packaging material can be remodelled and then used in other products such as drainage mats.

77.4 percent of the foams used in 2019 consist of non-cross-linked foams and 22.6 percent are cross-linked foams. Our goal is to continue to research innovative and sustainable foam alternatives.

## Glue & glue ingredients

We need starch to produce the glue for the production of corrugated cardboard. We purchase this from Germany, Bel-



gium, Poland, Austria, Romania and Slovakia. At THIMM we do not use products made from genetically-modified

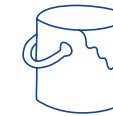
maize or genetically-modified starch.

In starch glue production very low quantities of borax compounds are used in order to achieve the desired adhesive properties. These small quantities of borax are currently used in liquid form at THIMM as a substitute product for the powder form. The use of liquid borax completely prevents the health hazard of dust development.

The dispersion glue comes from Germany and the Netherlands. In our procurement of dispersion glue we ensure that it contains as few preservatives as possible.

## Inks & varnishes

THIMM Group primarily purchases the basic inks, varnishes and special inks used in flexo printing from France, Luxembourg



and Germany as well as from the Netherlands, Poland and the Czech Republic. Also when it comes to inks we ensure

our compliance with the highest standards as regards pollutant values. We only use water-soluble inks of which more than 90 percent are basic inks.

In our offset printing we only use vegetable oil based inks and water-based print varnishes.

Only water-based inks are used for digital printing at our Ilsenburg site. At our sites in Wörrstadt and Všetaty UV-varnishes are also used in digital printing in addition to water-based inks.

Residual inks are largely reprocessed and reused for other formulations. To support this process, our ink mixing systems have been upgraded to the latest technological standard.



## OUR ACTIONS

**A)** When selecting and qualifying our suppliers, we assess the presence and effectiveness of environmental management systems. To this end, we also carry out quality audits at the suppliers.

THIMM Group formulated and introduced its Supplier [Code of Conduct](#) back in 2012 (and this was revised and supplemented in 2016 (→ [see page 14](#))). Signing this Code of Conduct forms the basis for a cooperation; it is requested accordingly before the first order.

We involve our suppliers in development work at an early stage. There are also various projects that have been set up together with suppliers and also with educational and research institutions. One example of this is the "Large load carriers in overseas transportation". Launched in 2018 together with a research institute, the aim is to improve kraftliner papers through hydrophobing. Less exposure to moisture is intended to increase stability and ultimately save material usage.

**B)** Our logistics optimisation measures focus on four key points: Cost optimisation, minimisation of freight routes through smart capacity control to avoid empty runs, capacity protection and process optimisation. With the introduction of the "Transporeon" IT platform in 2018 this development plan was implemented in practice. The Transport Management System (TMS) includes a tendering platform through which freight is assigned and centrally controlled. Streamlining processes makes the entire logistics process more efficient. As a result, this leads to fewer journeys overall, less fuel consumption and lower CO<sub>2</sub> emissions. In parallel to reducing costs and environmental impact, customer satisfaction also increases.

**C)** The reorganisation of procurement is a specific outcome of the increasing requirements and expectations that customers have of THIMM. We are showing that we are taking these increasingly frequent and more diverse sustainability aspects into account by concentrating them in a newly created staff position. The position of Responsible Sourcing Manager is to be established for the first time in 2020 with specific authority to issue instructions for all material categories.

## OUR RESULTS

**A)** We succeeded in maintaining the supplier quota with a signed Code of Conduct (or an equivalent own Code of Conduct) unchanged over the reporting period (> 98 percent).

In the "Large load carriers in overseas transportation" hydrophobing project we are making progress in improving the properties of kraftliner papers. Our aim here is to compensate for potential deficits of corrugated paper traded on the market when used in an overseas climate. We are also planning a 2020 project together with a paper manufacturer to improve testliner papers.

**B)** The gradual group-wide introduction of the TMS Transporeon has been running continuously since 2018. So far, the Nordhausen, Ilsenburg, Duisburg, Bremen and Wörrstadt sites have been connected and are operational in the TMS. Initial successes are already apparent: Improved and more transparent processes have resulted in fewer empty runs and shorter waiting times. The connection of all other sites is continuing as planned.

**C)** The new organisational structure for procurement will only take effect in 2020. Procurement within THIMM Group will then have central responsibility for the first time, which will primarily enable the central development and management of a responsible sourcing strategy and thus make tangible value contributions to the company in the medium term.

## OUR ROUTE TO TOMORROW

With the reorganisation of procurement in 2020, we are creating the pre-conditions foundations for anchoring the issue of sustainability in all procurement categories as an integral part of the supply chain.

Within the framework of this new organisational structure, by the end of 2021 a new procurement policy and guidance on how to implement due diligence obligations regarding human rights in the supply chain will be implemented.

Together with our logistics service providers, we want to further optimise the utilisation of freight spaces. For this purpose appropriate key performance indicators (KPIs) have been developed and introduced as a management tool.

# Efficiency through innovation



The industrial world is changing with increasing speed. Industry 4.0, the Internet of Things (IoT) and Artificial Intelligence (AI) are just a few key words that characterise the rapid and complex change process. But our customers' business models are also changing. E-commerce is becoming increasingly important compared to stationary retail and upheavals in the technology sector are leading to changes in demand behaviour, for example in the transition from combustion engines to electric motors. THIMM Group is confronted with important tasks which we are approaching strategically with regard to our customers and the future. During all these changes, we not only want to reinforce but also expand the competitiveness of our family business.



## CHALLENGES

The wishes of our customers set the framework. Particularly in demand are speed and flexibility as well as smaller batch sizes. The digital transformation process is clearly evident, with digital processes and agile working becoming increasingly significant.

At the socio-political level, political and regulatory requirements require continuous work on efficiency optimisation. This not only concerns the economic sector, but also resource efficiency in particular. The plans for the huge reduction of CO<sub>2</sub> emissions in the EU and thus also in Germany will have an impact, the introduction of emissions trading from 2021 will lead to rising energy costs overall and therefore also to cost increases for THIMM in this area. Furthermore, establishing a comprehensive circular economy places higher demands on the recyclability of the materials used. It also requires more waste prevention and investment in new technologies.

Overall THIMM Group is facing a comprehensive change process due to these challenges and others. Lean management is in demand, as is lean and agile action, cross-site and solution-oriented thinking along with future-oriented strategic decisions. The changing working environment also requires new human resources strategies - where heavy physical work

is becoming less prevalent and is replaced by an increase in digital and more responsible activities. ([→ see page 26](#))

## OPPORTUNITIES & RISKS

A changing market environment always presents new opportunities. Thanks to our strong innovation culture, we have succeeded in achieving a technological competitive advantage which has in turn further expanded THIMM Group's growth strategy.

On the other hand, it is important to note that these developments are being implemented group-wide and that all sites are being incorporated into the high level of innovation and technology. We also need to convince our customers that investing in new technologies and digital processes will ultimately always benefit them as well. THIMM has been a pioneer in the market ever since its foundation.



Lean management is in demand, as is lean and agile action, cross-site and solution-oriented thinking along with future-oriented strategic decisions.



## OUR APPROACH

Intensive market monitoring is an important part of THIMM's growth strategy. We anticipated and tracked the changing conditions and requirements in the market to a large extent and took prompt action in the relevant areas.



In 2016, we completed the acquisition of the Flexo-Preprint experts, Christiansen Print, with its Ilsenburg and Garancières-en-Beauce (France) sites, which further expanded the THIMM value chain in printing. In 2017 we then commissioned the first digital HP PageWide T1100S web press at the Ilsenburg site. By accelerating digital printing technology, we save resources and increase flexibility. In February 2017 THIMM also opened one of the most state-of-the-art corrugated cardboard plants in Europe in Wolnzach in Bavaria in Germany.

With its logistically advantageous location between Munich and Nürnberg, it connects important economic cities in Germany as well as the neighbouring European markets.

In addition to these milestones, we continue to pursue the further development of our processes.

**A)** With the introduction of lean management, we have created an important basis for ensuring the optimum use of resources.

**B)** We are aiming, group-wide and across all sites, for a central technology so we are in the best possible position to meet the challenges relating to energy and the environment.

**C)** We are working on introducing a group-wide Integrated Management System (IMS). Our objective here is to ensure an equally high standard at all our sites and also to be able to meet specific customer requirements in our business divisions or individual sites quickly and with the usual high quality.

## OUR ACTIONS

**A)** We encourage new impetus, developments and suggestions for improvement through an innovation management platform. This platform enables employees to introduce new ideas for the further development of the company. At the same time, new networks are being created with customers, suppliers and partners, so we can further expand and optimise the value chain. We are also intensifying the networking between our sites, e.g. by holding joint quarterly meetings. Group-wide we are increasingly focusing on selected KPIs. Specific measures include:

- » We have automated the process of shutting down digital printing rolls on the corrugators in order to further refine the efficiency of digital printing. This has enabled us reduce waste and eliminate several intermediate work steps.
- » At our Alzey site we are testing autonomous production on a further processing machine. The pilot project for rotary die-cutters will be launched in the second half of 2020 using a smart camera system as one of its tools, in order to explore how the new technologies can support the on-site team.

**B)** THIMM has increased its focus on the recording and reduction of energy and its consumption of resources as well as

on waste prevention. The new central technology division will help us identify best-practice examples in the company and make them available to all business divisions.

This complex task requires a whole set of measures:

- » Group-wide climate strategy/energy plan: As the first step we are working with external consultants to carry out an analysis of this potential in our Castrop-Rauxel "pilot plant" selected for this purpose, after which conceptual measures will be developed.
- » Energy consumption (gas, water, electricity) will be recorded and evaluated separately at the consumption points in order to derive relevant measures and achieve continuous improvement of the energy sources used.
- » Printing inks/residual inks are largely reprocessed and reused for other formulations. To support this process, our ink mixing systems have been upgraded to the latest technological standard.
- » Group-wide we are gradually converting our lighting to LED lighting.

**C)** We have expended great effort in our implementation of various management systems relating to quality, environment, energy management and other issues



and as a result we have created structural pre-conditions. The most important measure is to bring these systems to life and specifically for THIMM this means:

- » We need to create sufficient awareness and increase the knowledge level in all departments across the workforce, not only in development, production, logistics and quality management but also on the commercial side when handling contract management and accounts. Additional training, external where necessary, is also a possibility here outside of working hours (off the job). Within working hours, we are already intensively using shopfloor boards, team meetings and quality circles to constantly transfer further knowledge (on the job).
- » All management systems are based on the PDCA cycle of measures - **P**lan, **D**o, **C**heck and **A**ct. Rapid learning - in particular from mistakes - helps us to develop further. For this reason, we place great emphasis on the careful planning and performance of audits (Check), on discussions about the results with management and the consistent and verifiable implementation of corrective actions (Act).

## OUR RESULTS

**A)** We have already achieved significant successes in the lean process in set-up times and performance. Our focus is also on system availability, in particular the prevention of downtime. These are fundamental components in achieving or maintaining the highest level of process reliability and making this visible to the customer.

This has also enabled us improve residual material management, reduce over-production with the aim of producing precise production quantities and also in some cases considerably decreasing production waste quantities. For example, through the sustainable use of paper, our most important raw material, we achieved a 19.1 percent saving in 2019 in comparison to the previous year.

**B)** As regards reductions in energy and resources consumption, along with waste avoidance, THIMM is pursuing a promising path. Electricity consumption only increased by 4.2 percent in the reporting period (comparison 2019 to 2016), a proportion significantly below the growth in production volume. Our investments in technologies and systems are also paying off here. Heating oil consumption was reduced by almost 70 percent in the reporting period. The energy efficiency measures we have undertaken are also having an effect: natural gas consumption

increased only slightly in the reporting period (2.1 percent), while liquefied petroleum gas consumption fell by one quarter (25.8 percent).

A summary of all data and facts on these issues can be found in the Key Figures section. ([→ see page 44](#))

**C)** THIMM Group actively embodies environmental and hazardous substance management and occupational health and safety and they are integrated in the IMS. We have continued with our step-by-step strategy of rolling out the IMS as widely as possible in the company. To illustrate this, during the reporting period the Wolnzach, Nordhausen, Neuburg, Bremen, Duisburg, Germersheim and Sibiu sites have been certified in accordance with ISO 14001 (environmental management) and the Sibiu and Ilseburg sites in accordance with ISO 9001 (quality management). Newly added sites to the Group have been consistently incorporated into the group-wide IMS.



ISO 45001 for occupational health and safety came into force during the reporting period. We have started preparing the first sites for certification in accordance with this standard. Group-wide 125 work-related accidents were recorded in 2019, an increase on the previous year (2018: 75 accidents), which is to be assessed as moderate in relation to the increase in employee numbers (2019: 3.68 percent share of accidents). Nevertheless, our goal is to improve even more and always offer our employees a safe and healthy working environment.

THIMM Packaging Systems has successfully met its customer requirements from the automotive industry and achieved the IATF 16949 certification.

The Viernheim site (part of THIMM Group since 2019) has been accredited annually with this certification since 2002.

Following the successful implementation of our lean management approach, as the next step we shall be instigating an intensive change process.





## OUR ROUTE TO TOMORROW

Following the successful implementation of our lean management approach, as the next step we shall be instigating an intensive change process. We want to make cross-departmental working methods a self-evident standard for all internal and customer-relevant issues.

In order to further increase efficiency in the IMS, we are introducing the Quentic software solution group-wide in the period 2020 - 2022. This modular special software systemically displays and manages schedules for all recurring obligations of THIMM Group relating to occupational health and safety, environment, energy, hazardous substances, hazardous materials register, operating instructions, risk assessments and briefings and then documents the results in a legally-compliant manner.

We will expand our IMS with the requirements of the BRC (Brand Reputation Through Compliance) Global Standard for Packaging and Packaging Materials. In addition to the plants already tested, the sites in Wörrstadt (THIMM pack'n'display), Tychy (TOP Packaging), Sibiu (THIMM pack'n'display) and Northeim (Christiansen Print) will also have completed the certification by the end of 2021.

In early 2021 a modern glue mixing system will be installed at the Castrop-Rauxel site which will be equipped with automated glue wash water return for glue sets. This will further reduce fresh water consumption and prevent glue wash water from being discharged. In addition, the heating energy required to produce the glue sets will also then be saved by heat recovery (via flue gases).



# Human Resources work in constant change



THIMM Group carries out its Human Resources (HR) work with a focus on added value and is aware of its responsibilities. Here, too, the external framework conditions are changing. A world characterised by VUCA (Volatility / Uncertainty / Complexity / Ambiguity) is presenting companies, including us, with completely new challenges. New challenges also mean new approaches, including change processes at different levels. For HR this means many different tasks that must be performed in addition to day-to-day operations, because change processes do not happen on their own, but require strength, stamina and drivers. To ensure it is in the best possible position to support THIMM Group employees on their future path, our HR department must first undergo further developments itself and create good pre-conditions for their route to tomorrow. We are working on this.



## CHALLENGES

The implication of demographic change means that there are fewer young people available in the labour market. This also makes it more difficult for THIMM to recruit new employees. On the one hand, this is particularly evident as regards training, where the absolute numbers of applicants and the number of suitable candidates are both in decline. On the other hand, we are also noticing in parallel that there is considerably more competition when it comes to hiring IT experts and specialists. The recruiting process for this sector in particular takes considerably longer compared to other hiring areas.

The working world is changing. Automation in production is changing the requirements in industry. Technical solutions are now at the forefront and are compensating for easy and physically strenuous work and for the remaining activities, e.g. in production monitoring an ever higher level of qualifications is required.

THIMM Group is changing. We are growing both organically through new order wins and inorganically through company acquisitions (→ [see page 32](#)). Business divisions are being merged (THIMM pack'n'display 2019 (→ [see page 33](#))). Work processes are being redefined by technological leaps. Therefore, our

employees must be continuously trained and further developed, both in terms of competencies (e.g. hard skills such as IT knowledge) and in terms of "new work" (soft skills).

## OPPORTUNITIES & RISKS

The people at THIMM work in the reliable culture of a family business. If we continue to establish a strong and positive corporate and management culture in which all employees feel valued and appreciated, we will continue along this path. It is important for people in THIMM Group to carry out meaningful activities and to develop personally and professionally.

It is important to keep these issues in view. Our internal change process must be expedited resolutely and rapidly in order to maintain good opportunities in the competition for talents and specialists. This is why it is important to invest in the attractiveness of THIMM Group as an employer brand and to radiate this attractiveness externally in the smaller and smaller market of well-qualified workers.

## OUR APPROACH

Shaping THIMM's management approach are our endeavours to standardise all those heterogeneous structures and processes that have evolved over previous years. To this end we are pursuing a group-wide agenda and we want to quickly achieve a high level of effectiveness through standardised processes and the use of IT systems, thereby contributing to the future of THIMM as a family business. This must go far beyond mere human resources management and it must also be made very visible.

Accordingly we have laid down some specific guidelines:

- A)** We have placed the issue of leadership as the top priority on our agenda and have worked systematically to strengthen leadership expertise throughout the organisation in a multi-year approach.
- B)** We have completely redesigned the further training of THIMM employees group-wide so we are well-equipped to meet the requirements of the new working world.
- C)** We have placed great emphasis on modernising and standardising systems and processes in order to increase the effectiveness and efficiency of our HR work.





## OUR ACTIONS

**A)** The values for leadership and collaboration were further developed, defined and rolled out group-wide in 2018. We thereby have provided the organisation with orientation. This means that group-wide everyone has the opportunity and ability to pro-actively shape the changes instead of accepting them passively. Since 2019 as part of this process we have also intensified and restructured our connectivity with THIMM Group's CEE (Central Eastern Europe) sites. We have created another important connection in this regard to establish, support and formulate issues relating to leadership and collaboration, training, processes and remuneration structures there.



For management development we have created a programme that makes provisions for comprehensive support. In the recruitment process itself we pay parti-

cular attention to the values orientation as embodied by THIMM Group, which also forms part of our newly introduced role profile for THIMM managers. "Leadership Checks" have been in place group-wide since 2019. Through these we are in a better position to identify potential more quickly and to encourage it. Finally, we offer mentored management on-boarding followed by special and targeted group training.

**B)** We have further developed the content of our training programmes. Here we placed a strict needs-orientation at the heart of the actions which expands the subjects in dialogue with employees. In the THIMM pack'n'display and THIMM Packaging Systems business divisions, for example, sales training sessions designed to sharpen the targeted focus for increased added-value now take place. Project management training has been set up group-wide. This should enable employees to manage projects in a more targeted manner and always keep the relevant project dimensions (time, quality, costs) in focus.

We have modernised our continuing education offers with new digital formats and we will continue to pursue and expand these. Since 2018, we have been integrating "digital coaching" from external service providers.

**C)** In July 2018 we started the selection process for a new group-wide IT solution for the HR department. The objective initially was to set up a standardised payroll and time management system for all German sites, including all necessary master data. On this basis the objective was to establish innovative solutions for the HR department, to collate all departments and processes here with a focus on both existing and future employees. The integration of the sites outside Germany is to follow in the next step.

We have broadened the training spectrum: In addition to the traditional training profiles of packaging technology specialist, industrial clerk, media technologist printing, IT system integration specialist, bachelor of arts in business administration, mechatronics engineer, industrial mechanic and electronics technician for operating technology, we also offer a training option for machine and plant operators. The occupational profile of bachelor of engineering in packaging technology was included in 2019 with the occupational profile of warehouse logistics specialist following in 2020.

## OUR RESULTS

One mission of the HR department is to express the reorientation of the entire organisation with a new name and make it visible to everyone. We want to align our activities with people's needs and we have defined a new understanding of this.

### Less administration, more work with people.

Therefore, from 2020, the department will have the overarching name PEOPLE.

**A)** Since 2012 THIMM has been very successful as an employer brand in the Czech Republic. In 2019 and for the eighth time THIMM pack 'n 'display at the Všetaty site was an award-winner as best employer in the Central Bohemia region in the category of up to 500 employees. Not only do financial figures play a role in the evaluation, but also employee satisfaction and the attractiveness of THIMM as an employer. The values and future orientation of a family business is particularly important here.





In 2020 THIMM Group is expected to be certified for the first time as an award-winning employer with the TOPAS label or "TOP Arbeitgeber Südniedersachsen" (Top Employer South Lower Saxony).



The award is made by the South Lower Saxony Foundation. The comprehensive certification process proved that over the

course of a year we successfully meet our stipulated targets in the areas of human resources policy and employer brand. Alongside the continuous monitoring throughout the year, an audit completes the certification process. We started the TOPAS process in January 2019 and we will conclude it with the audit in January 2020.

In spring 2020 THIMM received the "Axia Best Managed Companies Award 2020" for the first time. The award is presented as a quality seal for outstandingly managed medium-sized companies and is awarded by the audit and consulting firm Deloitte, WirtschaftsWoche, Credit Suisse and the Federation of German Industries (BDI). The official award nomination in December 2019 brought the award within reach.

**B)** We completed the comprehensive selection and review process for the group-wide standardised software solution in December 2019 and chose two

providers whose solutions for personnel management scored highly. We will start introducing the programme packages in 2020, with the overall roll-out for the German sites scheduled for completion at the end of 2021 and for international sites at the end of 2022.

In view of the shortage of skilled workers acknowledged everywhere, THIMM Group performs well in industry comparisons; vacancies can usually be filled, albeit with longer start-up times in some cases. It is helpful that for years we have been simplifying our application process bit by bit and that we continue to accommodate our applicants with the progressive digitalisation of our processes and formats. Since 2015 applicants have been able to use WhatsApp Messenger to submit questions to our apprentices (who are represented on the THIMM Website with their own area) enabling them to form their own initial impressions. Since 2017 THIMM has been offering potential apprentices the option of introducing themselves using short videos via the Talentcube app. Here a link is provided to the applicant

**We continue to meet the needs of our applicants through the progressive digitalisation of our processes and formats.**

and three questions have to be answered within one week. The applicant films himself and this then takes the place of a recruitment test. The following applies at THIMM: Personality matters more!

### OUR ROUTE TO TOMORROW

We want to gradually roll out the personnel development concepts at all business divisions sites from 2020 in order to ensure a standardised group-wide approach. This approach also creates the pre-conditions for smooth management exchanges between the individual sites.

THIMM Group's aspiration for the future is to regularly fill our management positions from our own young generation of talent. This is another reason why we are further intensifying the programme work for developing our future managers.

Generation Y is no longer pursuing the classic career model and is no longer necessarily looking for a hierarchical rise. For this reason we are developing models for new career paths that are

geared towards professional careers. Under the motto "Employees learn from employees", further training will be introduced from 2020 in the form of a "Digital Academy". The objective is to integrate a "learning organisation" into the everyday life of THIMM employees.

# Sustainability redefines packaging



As an international packaging producer and service provider THIMM Group operates in an environment that is changing constantly. Political perspectives - and also social and individual ones - are changing. The opinion of packaging is also changing. Digitalisation of processes and the customisation of products are accelerating development. At the heart of the change process are consumers - also because their interests and preferences have become more transparent and their wishes more self-determined. There is a clear trend in consumer behaviour. E-commerce and digital communications are becoming increasingly important. Online offers are becoming more attractive. THIMM customers are required to adapt to these changing consumption patterns - and therefore so must THIMM Group.



## CHALLENGES

With the changed perspective on packaging, the public attitude is also changing. Packaging is increasingly viewed critically and is sometimes considered unnecessary. But the overall perspective demonstrates that packaging not only performs important tasks in the distribution of goods. Under the umbrella term of "plastic substitution", the question of material selection is being asked increasingly and alternatives to plastic packaging are being sought. In basic terms it is a question of appropriately packaging products from the consumer and industrial goods sectors in order to protect them in the best possible way during transportation and storage. Packaging's main task is to use resources efficiently and thereby to conserve and preserve them. This concerns both the protection of the product and the packaging materials used. The requirements placed on us from retail and e-commerce also concern the function of packaging in the presentation of goods and therefore also in sales promotion - in other words how can the best possible combination of protection, attractiveness and efficiency be achieved within a sustainable reusable materials cycle? And how can we implement all the requirements as agilely as possible as an organisation and with maximum customer orientation in our processes? Plans to fully establish a circular economy have been under preparation at

EU level since 2015 and these will be specified as part of the Green Deal. In addition to an extended responsibility for products, they also stipulate specific requirements for the life cycle of packaging. It is important to note here that our customers sometimes pursue their own sustainability approaches with differing degrees of ambition.

Not only does digitalisation bring new challenges, but other developmental leaps at technology level also present us with new challenges. Let's take the example of the automotive industry. The gradual conversion from combustion engines to electric drives is changing the packaging requirements profile for supplier companies - instead of many packaging units for a large number of parts for engine and transmission blocks, increasingly specialised packaging solutions for battery drives are required. Fewer parts have to be packed according to completely changed requirements.

Opportunities arise wherever and whenever there are new ways of thinking and acting. This involves the use of new processes and materials as well as new ideas and approaches.

## OPPORTUNITIES & RISKS

As an internationally operating solutions provider for the packaging and distribution of goods, our broad product range, alongside our strong customer focus, is one of our greatest economic strengths. Sustainability has become an additional performance feature in recent years. If we succeed in positioning THIMM Group as a pioneer in sustainable packaging, we can benefit from these developments and further increase added value. Opportunities for this include the increased use of sustainable production methods such as paper injection moulding. These are paper-based industrial packaging units made using injection moulding - with important plastic properties, but without petrochemical components. Furthermore, the digital printing we are advocating promises savings opportunities at various points: This means that paper consumption can be reduced by combining several orders, which in turn generates less transport volume and weight. The speed and flexi-



bility of digital printing makes it possible to produce the precise quantities required. This means there is no unavoidable overproduction in small quantity orders that occurs in other printing processes due to the minimum production quantities. In addition, warehousing at our customers can be reduced as obsolescence and safety stocks are eliminated.

Opportunities arise wherever and whenever there are new ways of thinking and acting. This is not just about the use of new processes and new materials. New ideas and approaches also play an important role: If disposable packaging becomes reusable packaging or if through technological development steps the same technical values can be achieved by using less material, we can take advantage of our opportunities. The pre-conditions exist.

Against this backdrop the sustainability performance of THIMM Group is becoming increasingly important. If this remains consistently at a verifiably high level, there will be more opportunities as a supplier of packaging solutions in a contested and changing market. If identifiable and effective progress is not made customers will react accordingly with equally rapid and severely changed expectations in terms of sustainability.

The fact that this market environment is not only determined by economic



conditions, but also impacted by political influences has been made clear over recent years. For example, the new political world situation is hugely changing international flows of goods and trade restrictions are requiring an increase in foreign product lines. And at national or European level, legal changes mean that adjustments to production and the supply chain are always necessary.

## OUR APPROACH

THIMM Group is more than just a packaging supplier. We are our customers' strategic partner when it comes to smart, efficient and sustainable packaging solutions and services. We invest in modern technologies such as digital printing and digital laser cutting so we can be as flexible as possible. Our customers are very appreciative of the fact that we anticipate, understand and solve their challenges based on our many years of experience and extensive know-how. As a catalyst, we help them be economically successful.

In order to reliably honour this performance commitment as a solutions provider for the packaging and distribution of goods, we focus on three main aspects:

**A)** THIMM is an advisor to its customers. To deliver this service we must consistently strengthen and further expand our

own consulting expertise. Our focus here is on the design, analysis and marketing of sustainable packaging solutions. To support this we also specifically consider economic savings criteria in the entire supply chain, from portfolio optimisations through to material and logistics savings potential along with calculations of the CO<sub>2</sub> footprint. At the same time, we focus on our service components and make use of sensible synergies. Our customers benefit from this.

**B)** THIMM is expanding and strengthening its competence and service portfolio through strategic acquisitions. We are also pursuing the development of innovative new business models. When selecting new, additional sites we further increase our proximity to existing and potential customers. For example, in the fourth quarter of 2019 the supplier of foam solutions and technical moulded parts, ISL Schaum-Technik GmbH in Viernheim, South Hesse, and ISL Verpackungstechnik GmbH in Serba, Thuringia, were acquired by THIMM Packaging Systems, thereby strengthening and expanding the group's portfolio of reusable multi-material packaging. Also in the fourth quarter of 2019 the Polish joint venture TOP Packaging, belonging to THIMM Group, acquired the local supplier of corrugated cardboard packaging, United Packaging SA in Skarbimierz near Wroclaw, in order to further expand the "THIMM footprint" in CEE (Central Eastern Europe). Both

acquisitions increase our presence in this important growth market, create customer proximity and shorten the delivery routes to many customers.

**C)** Corrugated cardboard is the heart of our services and product portfolio. For THIMM it is both a base material and a product. In parallel to this we are also using other materials to complement this and are opening up new fields of application for our products. The material spectrum is continuously being expanded. The aforementioned acquisitions as well as the expansion and maintenance of partnerships with our suppliers and customers also serve this strategy of material diversity differentiation.

## OUR ACTIONS

**A.1)** In October 2019 we founded the Sustainable Packaging Solutions Competence Centre as an organisational unit within THIMM Group. The establishment of the competence centre means we now have a cross-departmental team of experts firmly anchored within THIMM Group. This is leading to even closer cooperation with the individual departments and minimising potential needless frictions. We can now respond to developments even faster than before. Therefore THIMM's sustainable packaging solutions can also become part of the sustainability strategy of our customers.

**A.2)** In April 2019, we merged THIMM Verpackung and THIMM Display into the new THIMM pack'n'display brand. As this brand these two former business







divisions have now formed an efficient, synergistic technology mix with even closer customer proximity.

**B)** With the acquisition of the two ISL sites in Viernheim and Serba at the end of 2019, THIMM Group has taken another step in increasing its independence from the competition. Cost-intensive parts for the production of EPP packaging are now produced in-house. We are therefore expanding the "reusable solutions" packaging segment and offering further benefits thanks to longer use periods and repeated uses. This expansion of the product range represents an important strategic step for THIMM in the packaging market; for example, in the manufacture of products that can be installed into cars in order to reduce weight and thus CO<sub>2</sub> emissions.

**C.1)** With the extension of our multi-material product range, we can compensate for potential reduced sales at individual points by generating additional revenues elsewhere at any time. This makes us flexible and reliable. Following the development of comprehensive packaging solutions without a specific focus on one raw material, we are moving towards material differentiation so we can offer our customers the best solution for their individual needs from the optimum material mix.

**C.2)** In order to meet the increasing demand for alternatives to plastic packaging, we have developed the corrugated cardboard type foodWave® for use with direct food contact. It is made of 100 per cent fresh fibres and is produced under strict hygienic production conditions in accordance with the BRC standard using environmentally-friendly starch glue.

**C.3)** For our customers in the rapidly growing e-commerce sector, we are developing sustainable shipping packaging that increases the efficiency of their packaging processes, improves product safety and thus reduces returns and optimises shipping volumes.

## OUR RESULTS

**A.1)** In October 2017 we collaborated with our customer Daimler Benz to successfully introduce the paper injection moulding process using the example of a packaging clip (Daimler clip). Originally made of polyethylene (PE), the plastic clip has been converted to paper injection moulding and is free from fossil fuels and certified for industrial composting. The base material here is granulate made from biocomponents, i.e. renewable and mineral raw materials that are free from petrochemical components. Less energy is also consumed during processing compared to conventional granulates due to lower temperatures. Since no additional

costs have been incurred despite the sustainable added benefit, there has been a cost-neutral conversion from plastic to clips made from paper injection moulding making a complete switchover possible.

**A.2)** The new THIMM pack'n'display brand has quickly established itself through customer contact. The one-face-to-the-customer principle is valued and used to speed up processes. Faster internal knowledge transfer also leads to better results. Our field sales teams are also now interdisciplinary with a display expert always present, which means that sustainability aspects are also included and discussed even more intensively at an early stage in the conversations with the customer.

**B)** The integration of ISL into THIMM Group is an important step within the context of the international diversification strategy. The portfolio in the area of reusable multi-material packaging has been expanded and a further step has been taken on the agenda for the sustainable production of packaging solutions. With the acquisition of the two sites in Germany, we have also established even closer proximity to our customers enabling us reduce logistics and transport costs. The acquisition of United Packaging in the western part of Poland has improved local delivery options and strengthened group-wide cooperation between our sites in Poland, the Czech Republic and Germany.

**C.1)** Following the review measures regarding all packaging solutions, we have made steady progress, for example, with regard to the proportion of wood in multi-material packaging. If the proportion of wood was previously around 80 percent, it has already been reduced in some solutions by substituting it with cardboard. For example, in the case of engine packaging units for air or overseas freight, the previously used wooden crates



have been replaced by multi-flute heavy-duty corrugated cardboard [RhinoPlate®](#) varieties which also have a lower weight.

**C.2)** The new type of corrugated cardboard foodWave® for direct food contact has been well received on the market as an alternative to aluminium. This innovative and fully recyclable corrugated cardboard is integrated into heat-resistant corrugated cardboard meat roasting trays which are used for the production of meat loaves. It is also used as part of a bakery products chute in which biscuits are presented directly at the point of sale. The bakery products chute won the Packaging of the Year award at the Czech packaging competition Obal roku 2019.

With F-flute and T-flute we use sustainable types of corrugated cardboard which due specifically to their lower flute heights increase efficiency in the use of resources.



Portfolio optimisations in paper grade selection, pallet height, coverage and capacity utilisation are streamlining our processes. T-flute offers up to 25 percent savings and F-flute offers up to 30 percent savings in storage and transportation.

**C.3)** We have gained new customers thanks to our solutions for the e-commerce sector where we focus on sustainable corrugated cardboard single-material solutions such as shipping packaging with an integrated tear strip, adhesive strips and/or safety locks. Our developments have received several international awards. THIMM has, for example, worked jointly with easy2cool to develop sustainable, digitally printed shipping packaging for the start-up yamo with a tamper-proof lock and additional insulating and cooling elements made from corrugated cardboard punching waste (shredded paper) instead of polystyrene, which enables the safe, temperature-controlled shipment of the food. This packaging won the packaging competition Obal roku 2018.

In addition to competition awards for creativity and innovation, we place great importance on in-depth assessments of the sustainability of our packaging solutions. THIMM has repeatedly been awarded the excellent rating in the CSR rating of the independent evaluation platform EcoVadis ([→ see page 15](#)).

## OUR ROUTE TO TOMORROW

2020 has been marked by the global coronavirus pandemic which has influenced global trade relations, flows of goods and supply chains. For example, global sales of 98 million vehicles in the automotive industry, a sector of focus for THIMM, will decline significantly this year. Industry experts are forecasting that around 70 million new vehicles will be sold in 2020. As unexpected as the specific cause/event was and is, we were, and are, prepared for such a general development and we have adapted to the changing framework conditions.

On the other hand, in addition to the growth market of e-commerce, there are also some specific corona-related boom sectors that may become THIMM focus sectors and which we have been observing for some time. In the bicycle industry, for example, customisable and thereby sustainable packaging solutions are in demand ([→ see page 40](#)) - industry experts are expecting annual sales increases for bicycles of around 4 million units and upwards in Germany.

One of the sectors the new THIMM pack'n'display brand is closely observing is the online food market. In this still undominated market segment, we are working on new, temperature-controlled shipping options so we are also in a position to offer the best solution for this sector.





Chapter 7 | Products & Services

# Sustainable solutions

As a solutions provider and advisor to our customers, we have developed numerous sustainable packaging concepts. We would like to present some of them to you.



## Ecological replacement of plastic and aluminium packaging

Direct food contact with foodWave®

Food packaging made from foodWave® is a sustainable and safe alternative to packaging made of aluminium or plastic (ISEGA certified).

It can be easily disposed of in wastepaper if there are no adhering food residues, and it also decomposes if disposed of inappropriately at landfill sites.

It causes 16 times less CO<sub>2</sub>e than a comparable aluminium product\*.

Food packaging made from foodWave® is a single-material solution made from corrugated cardboard consisting of 100 percent naturally renewable fresh fibres. This makes it 100 percent recyclable.

\*1 t foodWave® = 538 kg CO<sub>2</sub>e; 1 t aluminium = 8,566 kg CO<sub>2</sub>e



## Sales packaging for unpacked goods

Display with foodWave® for Biopekárna Zemanka

The display is suitable for long-term use and can be filled with up to 6 types of biscuits using disposable refill boxes made of foodWave®. These replace the originally used reusable plastic buckets, eliminating the need to transport them back and clean them.

The seamless design of the refill boxes minimises air permeability and thus increases the shelf life of the biscuits.

The single-use solution improves product quality at the POS: The shape of the biscuits is retained as they are not exposed to external influences (such as decanting).



## Switching from B-flute to T-flute

Portfolio optimisation at one of Europe's largest snack manufacturers

For 125 packages, the flute type was changed from B-flute (2.2 to 3.0 mm) to T-flute (1.7 mm).

This saved 2,695 pallets/year. This corresponds to a saving of 20 percent in the transportation of packaging from THIMM to the customer and to a total of 90 fewer HGVs on the roads.

At the same time, productivity in the packaging process increased due to fewer stops and therefore less waste.

Storage costs and volumes were reduced, which corresponds to a saving of 225 parking spaces/month.



## Item and corrugated cardboard type optimisation

Portfolio optimisation at one of Europe's largest snack manufacturers

136 paper grades were optimised in the portfolio, reducing the grade varieties by 73.5 percent to 36 grades.

A total of 787 packaging items were tested and all packaging was converted to a FSC® paper-based packaging.

This saved 244 tonnes of paper.

In the connected supply chain, the CO<sub>2</sub>e balance sheet has improved by 627 tonnes. This corresponds to 50 flights from Frankfurt to Manchester.



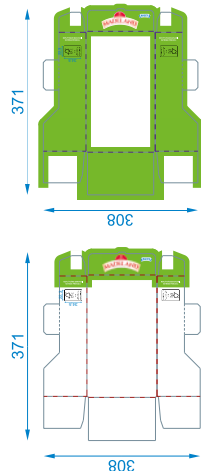
## Avoidance of printing plates and less ink use

### Reduction of the printed area for SRP MADETA

Ink coverage was reduced from 59 to 10 percent, resulting in an 83 percent saving in ink.

At the same time, digital printing saved 14.4 kilograms of polymer printing plates.

Water-based inks and FSC®-certified recycled papers were used.



## Adhesive-free safety lock

### Shipping packaging with THIMM secureLock

The THIMM secureLock integrated security lock is part of the design and is therefore made 100 percent of corrugated cardboard. This single-material solution is made from renewable raw materials and is fully recyclable.

Because no extraneous packaging materials such as adhesive tape are used, the material efficiency of the packaging is significantly increased and the ecological footprint is smaller.

The secure lock ensures product security during shipment and product delivery in their original condition. The recipient can immediately see upon delivery of the goods if the packaging is undamaged.



## Optimised processes and secondary uses

Shipping packaging for the unuo.cz online shop (kidsweare and accessories)

Packaging sizes have been adapted and specified to four standard sizes. The new optimum packaging sizes have reduced the shipping volume.

The smallest of these packaging units replaces the foil pouches which were formerly used for small-sized products.

Thanks to integrated adhesive strips and a folding base for quick assembly, a time saving of 65 percent was achieved in the packaging process.

This sustainable packaging solution is not only 100 percent recyclable, but it also offers the recipient a secondary use (use: toys for colouring).



## Digitally-printed shipping packaging with multiple uses

Shipping packaging for the Akinu.cz online shop (pet requirements)

The use of the shipping packaging is extended by the additional benefit. The recipient can convert the packaging into a storage box, a pet basket or a little house.

It is a single-material solution produced from corrugated cardboard made from renewable raw materials, FSC®-certified recycled papers and is fully recyclable.

A total of six print motifs were produced with water-based inks and digitally printed. This saved 104.4 kilograms of polymer printing plates.



## Corrugated cardboard replaces plastic

### Reusable bicycle packaging

This shipping packaging for bicycles is made 100 percent from corrugated cardboard, is therefore recyclable and can be reused up to three times (e.g. for returns).

The packaging offers optimum product protection. 1,200 bicycles were shipped without any transportation damage.

There are potential savings to be made through these corrugated cardboard alternatives. Calculated for the shipment of 800,000 bicycles, 460 tonnes of plastic film and 286 tonnes of pallet wood (13,000 pallets) can be saved. This corresponds to an emissions saving of 782 tonnes of CO<sub>2</sub>e or 58 flights from Frankfurt to Manchester.



## Corrugated cardboard padding replaces PE pouch and foam

### Secure toy packaging for toy car RePello®

The corrugated cardboard ensures the 49 individual parts are well padded and fixed securely in place and it also provides optimum product protection during transportation. There was deliberately no use of foams and PE-pouches.

Digital printing has a low area ink coverage, saving resources and eliminating the need for a printing plate.

This single-material solution made from corrugated cardboard is 100 percent recyclable.





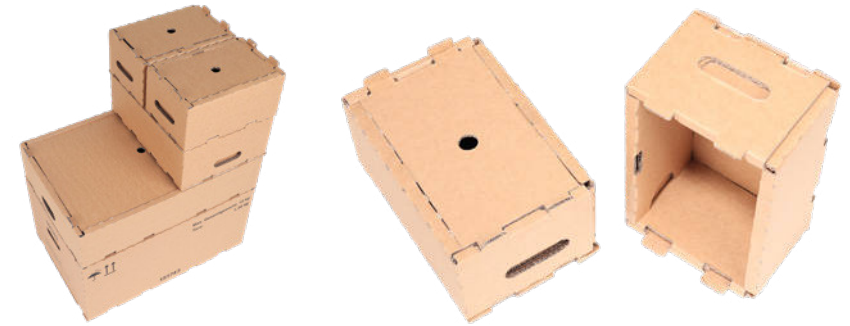
## Reduction of plastic through the use of corrugated cardboard

### Bag-in-box for Tierra Verde detergents

The corrugated cardboard packaging has made it possible to use thinner plastic pouches, which has reduced the proportion of plastic to a minimum.

The outer packaging enables optimum stacking on the pallet and provides stability during transportation and storage.

This outer packaging is a single-material solution made from corrugated cardboard and is 100 percent recyclable.



## Material-optimised design

### 640,000 units of small load carriers in a field test

Five different small load carriers of an established series (1740-1744) were optimised and the gross area reduced by up to 36 percent depending on the model. This reduced material consumption and waste.

The annual material savings of 280,000 square metres of corrugated cardboard (171 tonnes of paper) corresponds to around 40 football pitches.

The optimised design saves space during transportation and facilitates handling without compromising load-bearing capacity or strength. Due to the higher capacity utilisation, there are 28 fewer HGVs on the road.

This generated emissions savings of 152 CO<sub>2</sub>e, corresponding to 12 flights from Frankfurt to Manchester.



## Reusable corner connection to increase stackability

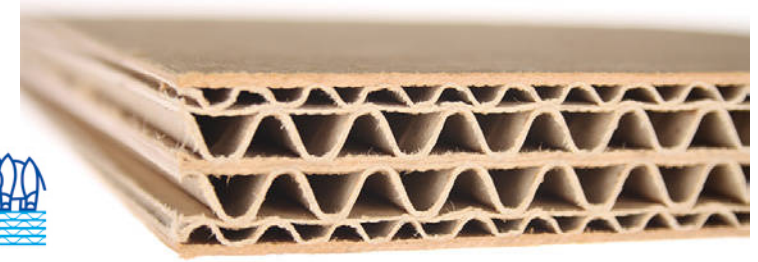
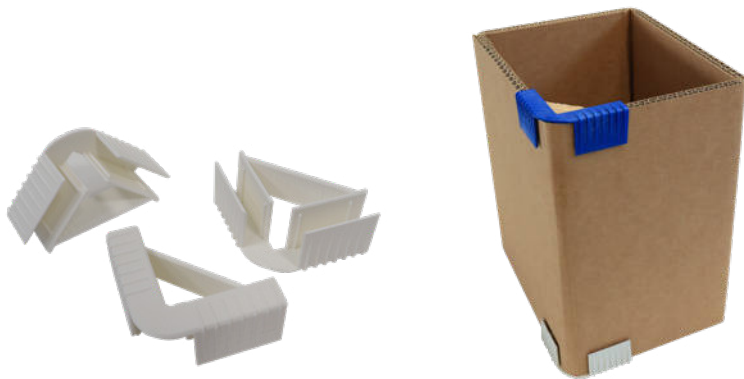
THIMM Corner®

The sustainable corner connection THIMM Corner® is used to increase the stackability of load carriers. By increasing the load capacity during stacking, space savings in the warehouse and improved capacity utilisation during transportation are achieved.

Compared to conventional plastic granulates THIMM Corner® is manufactured using the injection moulding process with a reduced energy requirement (lower temperature).

The base material is a granulate made from biocomponents - renewable and mineral raw materials (biopolymers, paper fibres, stone flour, pigments), free from petrochemical components.

This corner connection is reusable and can be composted industrially without the creation of microplastics.



## Heavy-duty corrugated cardboard as an alternative to wood

RhinoPlate®

The stability of RhinoPlate® heavy-duty corrugated cardboard and its load capacity of up to 5.7 tonnes are comparable to wood. The associated high stackability ensures volume optimisation in storage and transportation.

RhinoPlate® meets the highest safety requirements for the transportation of goods.

A lower net weight in comparison to wood of up to 60 percent simplifies handling.

It is a single-material solution made from fully-recyclable corrugated cardboard. Especially for overseas transports, this eliminates return transports, import regulations or the cleaning of packaging.



## A solution for multiple and multi-year use

Foldable reusable transportation container made from expandable polypropylene (EPP)

EPP transportation containers are suitable for a closed reusable circuit. 500 transportation containers are produced from one tonne of EPP, which can be used for up to 500 cycles.

The foldable design enables one return transport with a volume reduction of approx. 60 percent.

EPP has special mechanical properties: tough elastic (deforms isotopically), tensile strength, abrasion-resistant, washable, weather-resistant, and can be disinfected and sterilised. With up to 98 percent air in the material, it has a low weight, high strength along with optimum protection.

It is a single-material solution made from foamed polypropylene. This is 100 percent recyclable in a single-type EPP recycling cycle.



## Calculation of emissions of a packaging unit

CO<sub>2</sub>e-consultancy and compensation service

One of the services we offer our customers is to calculate the CO<sub>2</sub>e footprint of corrugated cardboard packaging on a certified basis.

In 2020 alone, we demonstrated savings of 6,610 tonnes of CO<sub>2</sub>e with the THIMM CO<sub>2</sub>e calculator and we implemented these with our customers. This corresponds to 527 flights from Frankfurt to Manchester.

On request we will be able to compensate unavoidable greenhouse gas emissions, with our internationally recognised and certified partners by offsetting.



## Chapter 8 | Key Figures

# Figures | Data | Facts

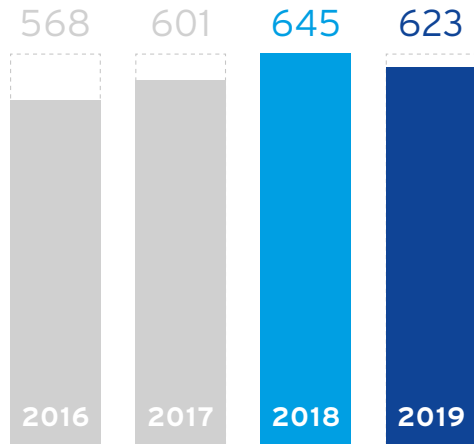
Unless stated otherwise the following key figures refer to all THIMM Group companies, including its sites in all countries. Further information can be found in the report profile.



# Economy

## REVENUE

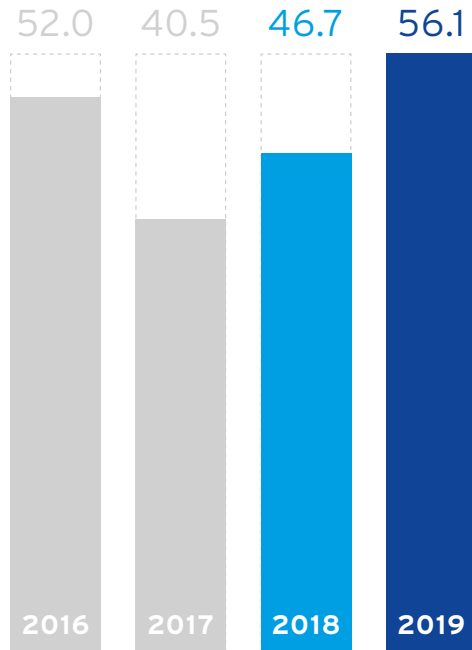
in million euros



In comparison to 2016, revenues at THIMM Group increased continuously in the reporting period to 645 million euro in the 2018 financial year. This corresponds to an increase of 9.7 percent. In particular this development was positively influenced by above-average volume growth in our packaging plants in Wolnzach, Poland and Romania. The slight sales decline of around 3 percent between 2018 and 2019 is due to lower paper prices and therefore also sales prices in this period.

## OPERATING RESULT

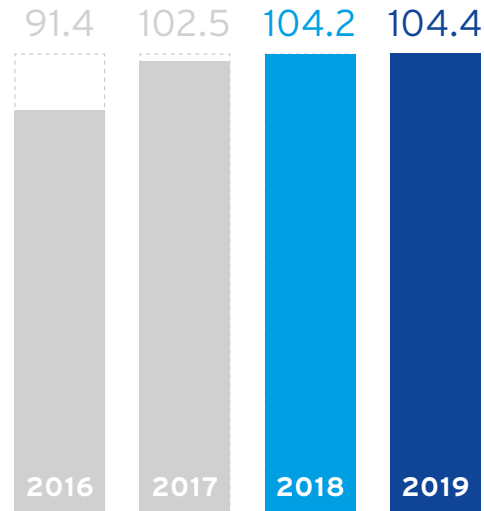
in million euros



**OPERATING RESULT INCREASED BY 20.1% IN 2019 IN COMPARISON TO 2018.**

## OPERATING COSTS

in million euros



The operating costs of THIMM Group amounted to 104.4 million euro in the 2019 financial year. This corresponds to an increase of almost 14.2 percent in comparison to 2016. Operating costs remained at a constant level between 2018 and 2019.

\* Operating costs are all other operating expenses excluding the costs for paper, rent, leasing and other rentals according to the profit and loss structure of the financial control department.

## PERSONNEL COSTS

in million euros



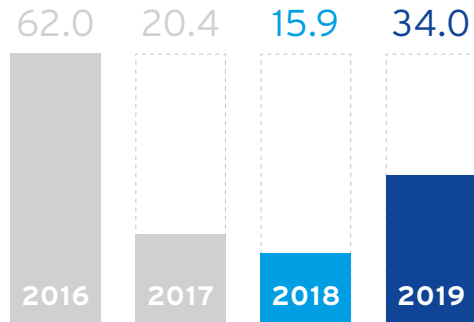
In the 2019 financial year personnel expenditure amounted to 130.9 million euro, an increase of around 5.1 percent in comparison to 2018.



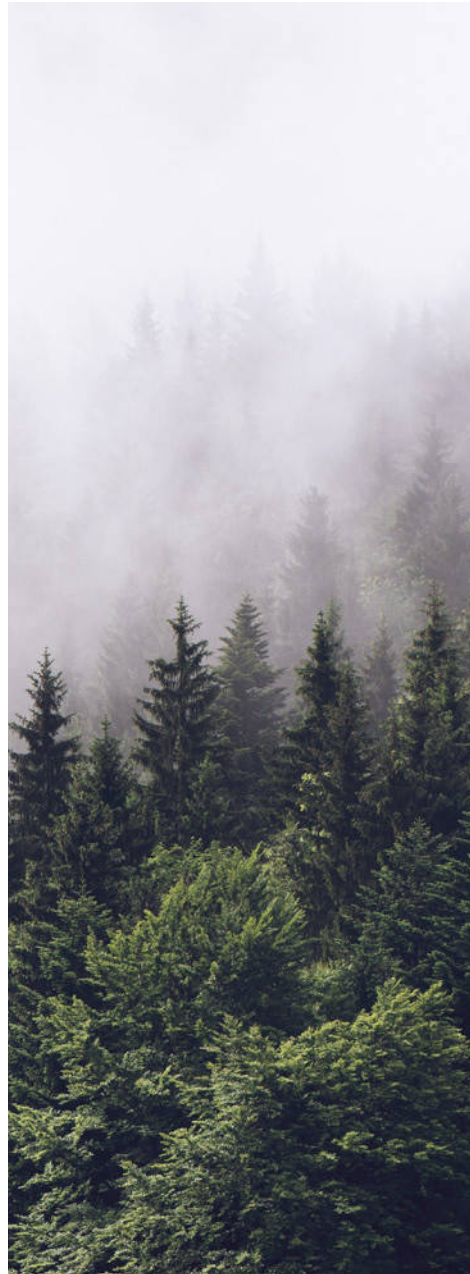
# Economy

## INVESTMENTS

in million euros



Particular highlights of the 2016 financial year were the future-oriented investments totalling 62 million euro in the new Wolnzach corrugated cardboard plant in Holledau, Bavaria and in a unique digital web press at the Ilsenburg site. In the following years there were also further investments in site expansions and in new production technologies. For example, a new corrugator was ordered in 2018 in Sibiu in Romania which was commissioned in April 2019. Over the last four years THIMM Group has made investments of around 132 million euro.

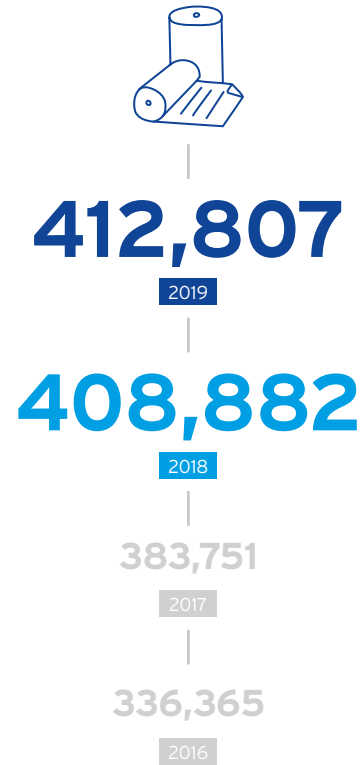


# Ecology

## Raw material usage

### USE OF RAW PAPER

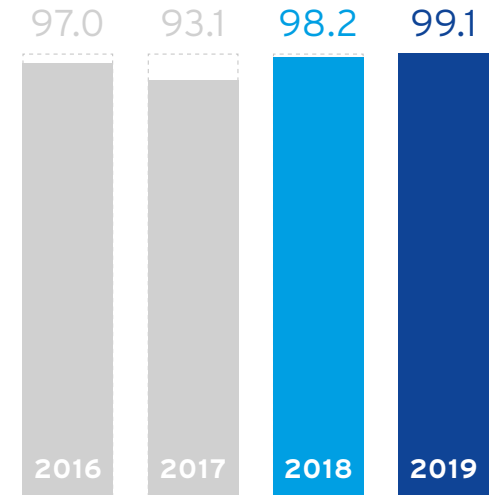
in tonnes



Raw paper usage increased by 22.7 percent in the reporting period. This increase is disproportionate to our production volume and is due to the higher proportion of double wall corrugated cardboard being used.

### PROPORTION OF FSC®-CERTIFIED PAPER

in percent



All paper-processing business divisions have been gradually certified according to the FSC® standard and now almost exclusively process Controlled Wood or FSC®-certified paper. With the predominant usage of FSC®-certified papers, THIMM Group contributes to the preservation of biodiversity and ensures that only paper which originates from sustainable forestry is processed.



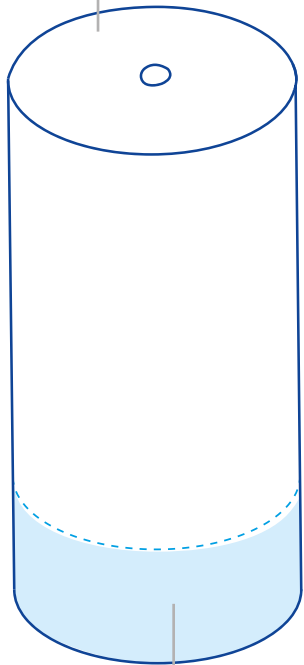
# Ecology

## Raw material usage

### PROPORTION OF RECYCLED PAPER

2019 in percent

Proportion of recycled paper  
**78.7**



Proportion of paper made from fresh fibres  
**21.3**

### USE OF PURCHASED CORRUGATED CARDBOARD SHEETS

in square metres

74,971,052



83,171,355



81,955,272



79,867,638



Use of purchased corrugated cardboard sheets decreased by 6.1 percent in the reporting period. There are two main reasons for this: firstly some sites can now produce the required corrugated cardboard sheets themselves and no longer purchase them externally and secondly the product portfolio has changed in the reporting period due to customer projects and demand.

### WOOD CONSUMPTION\*

in cubic metres

72,166



79,323



78,894



71,302



Wood consumption fluctuates depending on the project and remained at the same level in the reporting period with an increase of 1.2 percent.

\* excludes data for Puebla

### USE OF FOAM\*

in cubic metres

62,221 67,303 69,493 58,329



Foam usage also fluctuates depending on the project and decreased by 6.3 percent in the reporting period.

\* excludes data for Chotětov

### PROPORTION OF FOAM

in percent

Non-cross-linked Foam

**77.4**



**22.6**  
Cross-linked Foam

The proportion of non-crosslinked foams was continuously increased in the reporting period. In 2019, more than three quarters of the total foam used consists of non-cross-linked foams.

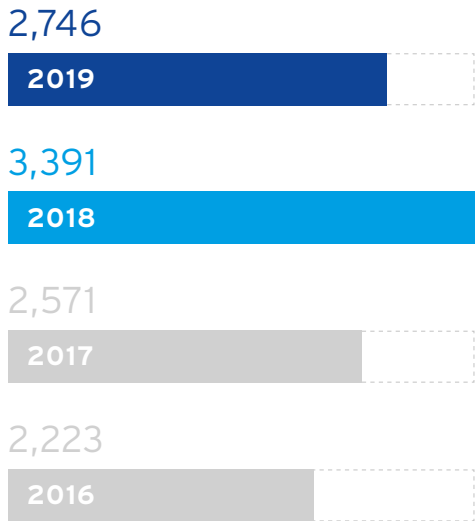


# Ecology

## Raw material usage

### USE OF PRINTING INKS & VARNISHES

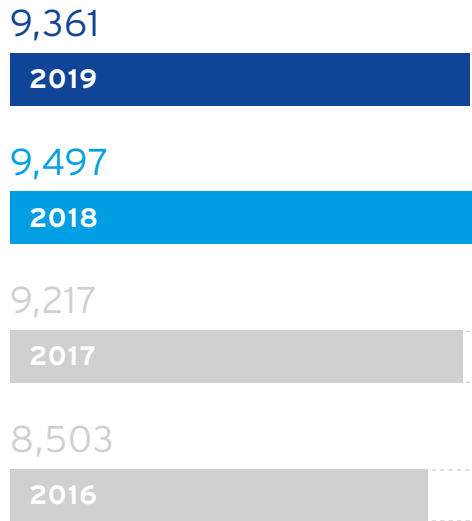
in tonnes



Printing ink and varnish usage increased by 16.6 percent in the reporting period. This is due specifically to the installation of a new digital web press at the Ilsenburg site. The digital web press was commissioned in mid-2017.

### GLUE CONSUMPTION

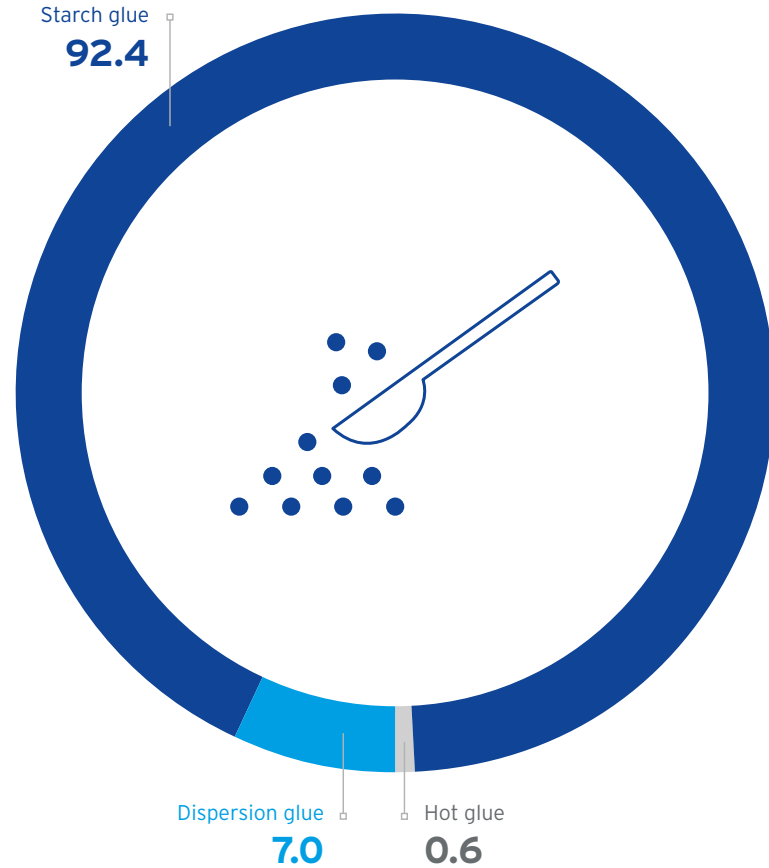
in tonnes



Glue consumption increased by 10.1 percent in the reporting period. This corresponds to the increase in our production volume.

### PROPORTION OF GLUE CONSUMPTION BY GLUE TYPES

in percent



Most of the glues deployed are in the form of starch glue for the production of corrugated cardboard. In the 2019 financial year 92.4 percent of glue consumed was purely for the production of corrugated cardboard.





# Ecology

## Energy Usage

### ELECTRICITY CONSUMPTION

in kilowatt hours

54,350,000

2019

55,467,471

2018

55,144,478

2017

52,177,020

2016

Electricity consumption increased by 4.2 percent in 2019 in comparison to 2016. The increase is proportionately considerably less than the increase in production volume and shows that investments in state-of-the-art technologies and plants lead to energy savings in the medium-term.

\* 2016 excludes data for Puebla

### NATURAL GAS CONSUMPTION

in kilowatt hours

105,183,022

2019

104,704,978

2018

107,326,668

2017

103,042,225

2016

THIMM Group's natural gas consumption increased by 2.1 percent in the reporting period in comparison to 2016 and even decreased by 2 percent in comparison to 2017. This proves that the energy efficiency measures we have taken are having an impact.

### FUEL OIL CONSUMPTION

in litres

12,126

2019

17,451

2018

44,118

2017

40,081

2016

Fuel oil consumption in 2019 decreased by 69.7 percent in comparison to 2016. This is due to the replacement of old heating systems with new and more energy efficient heating systems. Now only the Norheim site has an oil-based heating system and this will also gradually be replaced by a system with alternative energy sources.

### COAL CONSUMPTION

in kilograms

220,000

2019

344,000

2018

267,000

2017

229,000

2016

Due to weather conditions coal consumption decreased by 3.9 percent in the reporting period in comparison to 2016. Coal as an energy source is now only used at our Czech site in Chotětov. Converting the heating from coal to electricity via heat pump and solar energy is planned for 2021.



# Ecology

## Energy Usage

### LIQUIFIED PETROLEUM GAS CONSUMPTION FORKLIFTS

in kilowatt hours

2,078,793



2,247,868



2,658,291



2,801,852



Liquefied petroleum gas consumption fell by a quarter (25.8 percent) in comparison to 2016. The pilot project using electric forklifts in the corrugated cardboard plants has been very successful. Liquefied petroleum gas has not been used in the Alzey and Wolnzach plants since the end of 2017. The Eberswalde plant has also not been using liquefied petroleum gas since 2019. The Castrop-Rauxel and Northeim plants will also gradually convert to using electric forklifts.

### FUEL CONSUMPTION\*

in litres

727,868



695,748 (diesel) 32,120 (petrol)

668,337



647,165 (diesel) 21,172 (petrol)

619,381



599,226 (diesel) 20,156 (petrol)

722,852



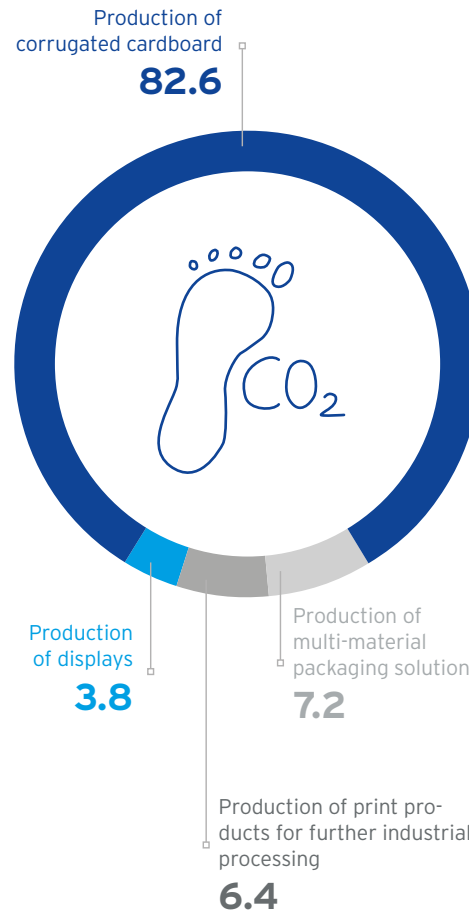
708,970 (diesel) 13,882 (petrol)

Fuel consumption at THIMM Group remained almost the same in the reporting period in comparison to 2016 (+ 0.7 percent). In principle, more and more focus is being placed on reducing business travel trips, and wherever possible and sensible, digital meetings are held.

\* 2016 excludes data for Puebla

### PROPORTION OF PRODUCTION AREAS IN THE COMPANY CARBON FOOTPRINT

2019 in percent



### COMPANY CARBON FOOTPRINT\*

in tonnes CO<sub>2</sub>

63,181



27,489 (Scope 1) 35,691 (Scope 2)

63,603



27,592 (Scope 1) 36,011 (Scope 2)

63,983



28,165 (Scope 1) 35,818 (Scope 2)

61,535



27,469 (Scope 1) 34,066 (Scope 2)

The Company Carbon Footprint increased slightly in the reporting period (+ 2.7 percent). This increase is proportionately considerably less than the increase in output. The various energy efficiency measures we have introduced are having an effect and will be extended in the future.

\* 2016 excludes data for Puebla

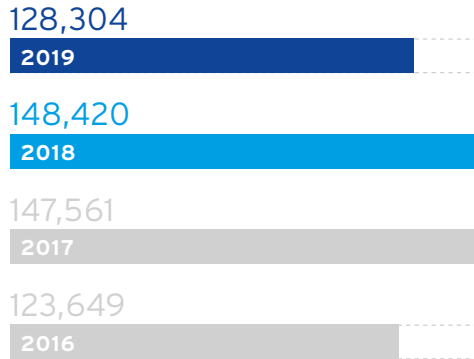


# Ecology

## Water

### TOTAL WATER CONSUMPTION\*

in cubic metres

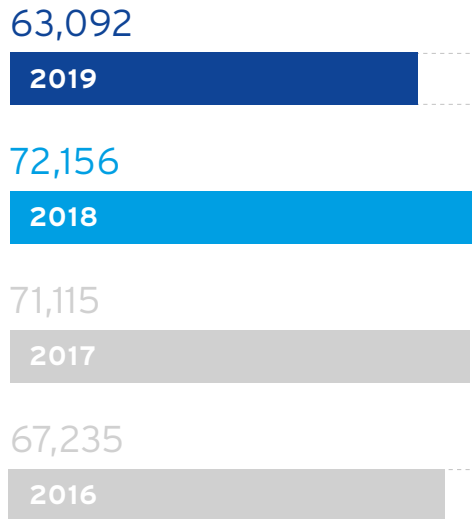


Water consumption by THIMM Group only slightly increased by 3.8 percent in the reporting period in comparison to 2016. This increase is proportionately considerably less than the increase in output. Water consumption even fell by 13.6 percent in comparison to 2018. This positive development can be attributed in particular to reduced water consumption in our Romanian site Sibiu and in our Polish site Tychy and is the result of a successful conversion and investment measures in the latest technologies.

\* in 2016 excluding data for Germersheim; for all years excluding data for Puebla

### TOTAL WASTEWATER VOLUME\*

in cubic metres



Wastewater volume in 2019 decreased by 6.2 percent in comparison to 2016. The difference between water consumption and wastewater volume is due to the corrugated cardboard production process.

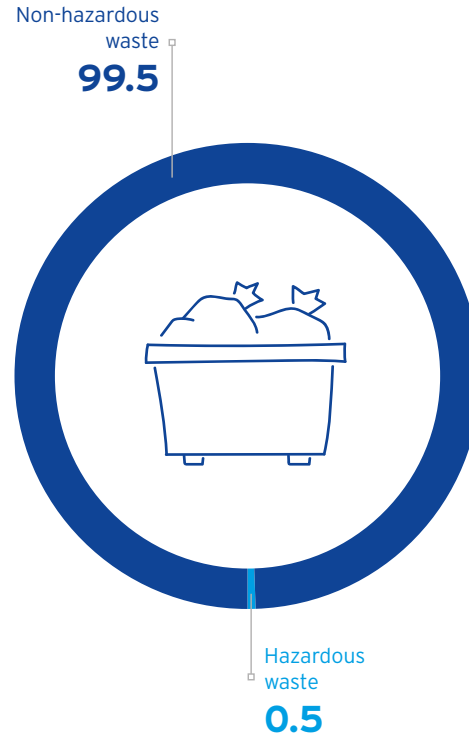
\* in 2016 excluding data for Germersheim; for all years excluding data for Puebla

# Ecology

## Waste

### PROPORTION OF WASTE

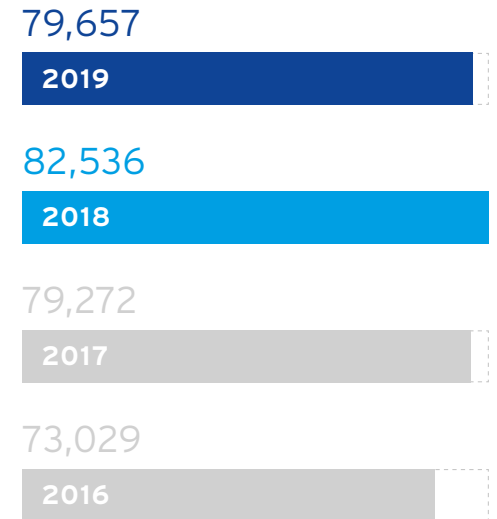
in percent



Only 0.5 percent of waste was hazardous waste in 2019. This consists of acids, lyes or used oil. We treat and dispose of these in an environmentally-friendly manner in accordance with relevant regulations.

### TOTAL WASTE VOLUME\*

in tonnes



Waste volume by THIMM Group increased by 9.1 percent in the reporting period in comparison to 2016. This rise is in line with the increase in our production volume. 99.5 percent of waste is classified as non-hazardous waste, with paper and foam residues in particular being returned to the reusable material cycle.

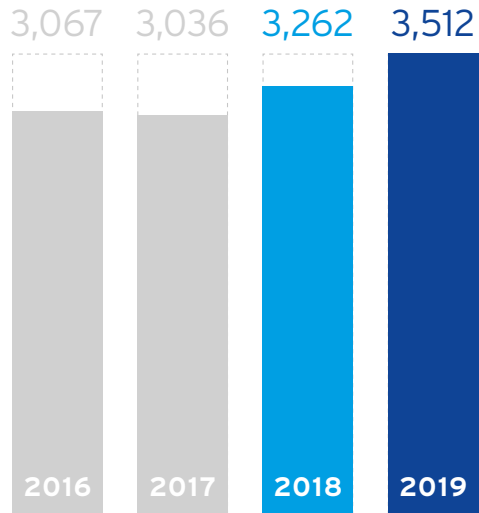
\* 2016 no waste data for Castrop-Rauxel and Puebla



# Society

## Employees

### NUMBER OF EMPLOYEES

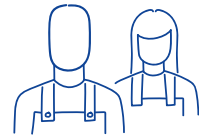


Within the framework of our growth and internationalisation strategy, the number of our employees has continued to increase in the reporting period (15 percent). The number of apprentices is stated separately ([→ see next page](#)). To successfully handle peak order periods, 124 temporary workers supported us (2019 financial year).

\* 2019 with data for Skarbimierz, Serba, Viernheim and Essen

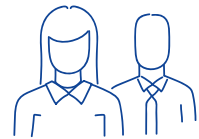
### PROPORTION OF EMPLOYEES BY WORK AREAS

in percent



industrial

64



commercial

36

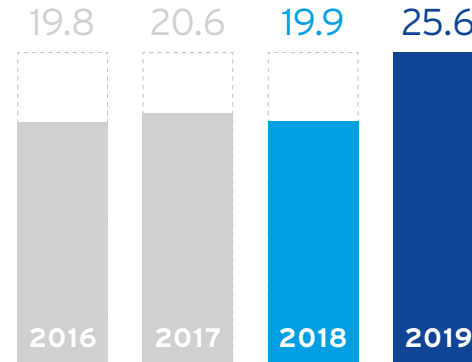
### PROPORTION OF FEMALE & MALE EMPLOYEES

in percent



### WOMEN IN MANAGEMENT POSITIONS

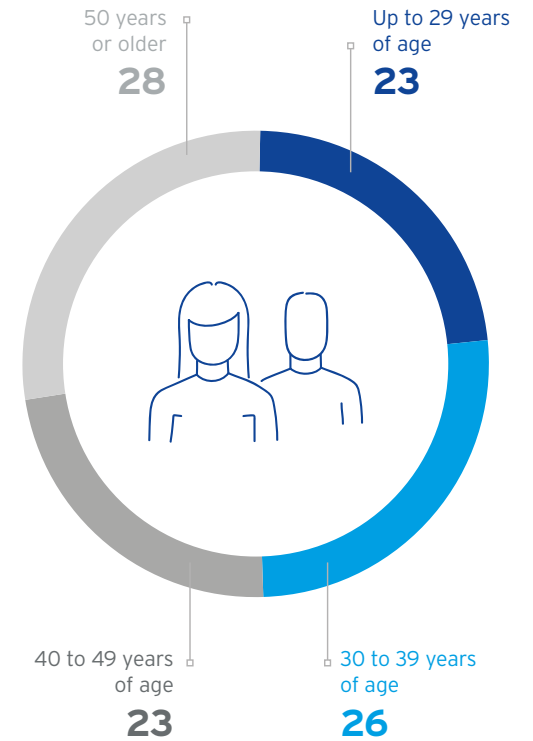
in percent



In the reporting period the proportion of women in management positions has again continued to rise. In 2019 out of 227 managers, 58 were female which corresponds to a proportion of 25.6 percent.

### EMPLOYEES BY AGE GROUPS

in percent





# Society

## Employees

### NUMBER OF OCCUPATIONAL & COMMUTING ACCIDENTS

with absolute days of absence



We strive consistently to offer our employees a health-promoting working environment. In relation to the increased number of employees, we were able to keep the proportion of work accidents for 2019 per employee relatively low at 3.68 percent.

### TEMPORARY & PERMANENT EMPLOYMENT CONTRACTS

in percent

Permanent



Temporary

It is our objective to offer our employees a safe working environment. At a level of 79.6 percent, in 2019 most of our employees are employed by us with permanent contracts.

### NUMBER OF APPRENTICES

121



123



120



124\*



We are training more than 120 young people in different job profiles and in dual study courses. We create knowledge and therefore offer long-term career prospects.

\* For the year 2016 a classification between industrial and commercial apprentices was not possible.

### TOTAL EXPENDITURE FOR CONTINUING AND VOCATIONAL TRAINING

in euros



895,026

2019

933,367

2018

1,027,657

2017

782,198

2016

### PROPORTION OF EMPLOYEES REPRESENTED BY A WORKS COUNCIL

51.6 %

of employees were represented by works councils in the 2019 financial year. At sites with no works councils, employees regularly exchange views with the management board directly or via employee representatives in order to intensively cultivate constructive dialogue. There were no strikes in the corporate group in 2019.

### DIFFERENT NATIONALITIES

9.5 %

of employees had a different nationality to the respective site nationality in 2019.



# Society

## Community

### CHARITABLE DONATIONS

in euros

79,423

2019

98,388

2018

104,860

2017

44,832

2016

Every year the management board defines a monetary amount to be allocated to financial donations.

The specified charitable donations include the monetary donations. Material donations are not included.





# Report Profile

## THE THIMM SUSTAINABILITY REPORT 2020

Our objective as part of our corporate responsibility is to provide transparent information about the sustainability performance of the company and to enter into a constructive dialogue with our stakeholders. The Sustainability Report 2020 contains information about the developments and activities of THIMM GROUP as regards sustainability in the financial years 2016, 2017, 2018 and 2019. The financial year corresponds to one calendar year. This is the third report from THIMM Group.

Most of the key figures have already been published in the "[Key Figure Update 2019](#)", which is still available for download digitally on our website.

Unless stated otherwise, the figures stated in this report refer to all business divisions of THIMM Group, including its sites in Germany and in other countries. At the end of the reporting period, the Skarbimierz (Poland), Serba and Viernheim sites were added to the company group. As the acquisitions were only made in October and December 2019 respectively, these three sites have not yet been recorded in the reporting. The Essen site was closed in April 2019 and

is therefore only included in this Sustainability Report for the years 2016 to 2018. The Puebla site in Mexico was sold in October 2020. The companies, CARTONARA GmbH + Co. KG and next49 GmbH + Co. KG are operated from the company headquarters in Northeim. They are included accordingly in the figures for the Northeim site.

All forward-looking statements in this Report are based on current assumptions.

To facilitate readability, we do not use gender-specific duplicate mentions. This does not represent a value judgement of any kind. All pronouns and nomenclature are to be considered gender-neutral.



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