

Non-financial Group Report

**of Francotyp-Postalia Holding AG
for the 2024 fiscal year**

Translation from the German original – in case of doubt the German version shall prevail.

Introduction

Background and purpose of this disclosure

This sustainability report, in the form of the non-financial group report for the 2024 fiscal year, explains in detail how the Francotyp-Postalia Group (hereinafter referred to as the "FP Group" and "FP") contributes to sustainable corporate development as a listed group of SMEs. This report also shows the goals that FP has set in this context, as well as the structures created and the measures already taken. In this manner, FP provides information on its current commitment to responsible entrepreneurship with the aim of shaping a sustainable future for the company, its stakeholders, and its direct and indirect environment.

Our environment is changing ever more quickly, requiring us to rethink how we want to live, work and produce—the latter not only directly in the factory buildings, but also indirectly in the associated administrative departments and offices. For more than 100 years, FP has been helping other companies and institutions to organise their communication and workflow processes more effectively and efficiently. FP is therefore an expert in solutions that not only make office life easier, but also more sustainable. For this reason, we are confident that our technologies, which increase efficiency, productivity and transparency in the office environment, can contribute to a more resilient and sustainable future for us all.

In addition to our product and service portfolio, sustainability is also playing an ever greater role in how we align our business activities. The focus here is not only on the impact of our business activities on our environment and our public, but also on how sustainability issues may potentially influence our FP business model.

We firmly believe that our customers, investors and the public have long since stopped focusing only on our financial reporting. They also expect us, in our role as a listed SME, to assume concrete responsibility by also understanding the indirect environmental and social effects of our business models and managing them as part of sustainable corporate development.

As in previous years, this report was prepared in accordance with the GRI Standards, the internationally recognised framework for sustainability reporting. It pertains to the 2024 fiscal year and was prepared with the involvement of all relevant specialist departments and reviewed by the FP Management Board. Unless otherwise stated, the report applies to the entire FP Group in accordance with the scope of consolidation for financial reporting (see Annual Report for 2024, p. 17). It was published on 28 April 2025.

New developments in non-financial reporting for European companies and consequences for FP in the 2024 financial year

Far-reaching new regulations for non-financial reporting in Germany through the Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standards (ESRS) have not been transposed into German law in the 2024 calendar year.

At European level, these existing CSRD regulations are once again the subject of a comprehensive review as part of the so-called EU OMNIBUS procedure. The aim of this OMNIBUS procedure is to reduce bureaucratic regulations and administrative burdens for all EU companies, especially for small and medium-sized enterprises such as FP.

From a legal perspective, this initially means that FP will continue to submit a non-financial statement in the form of this report for the 2024 financial year on the basis of the legal situation relevant to this report in accordance with the CSR Directive Implementation Act (CSR-RUG), which has been in force since 2017. The reporting obligations pursuant to Article 8 of the EU Taxonomy Regulation also remain unchanged. This 2024 FP Sustainability Report has therefore been prepared once again in the previously known form in accordance with the GRI Standards and was subject to review and approval by the Supervisory Board as in previous years. In this respect, the FP Group was not obliged to report in accordance with CSRD for the 2024 financial year, nor was it required to undergo an audit beyond that already carried out by the Supervisory Board.

Selected report content, such as the section on the age structure of the FP workforce in accordance with the GRI and CSRD regulations, reflects the fact that FP's ESG management team and the respective specialist departments have already dealt intensively with the new CSRD requirements. This is also against the backdrop of the recognizably necessary preparation time in the coming years for the basic CSRD topics in order to meet future ESG reporting requirements in a way that is suitable for small and medium-sized companies such as FP.

Company profile and business model

Business model of the FP Group

Francotyp-Postalia AG, the parent company of the FP Group, is a listed company headquartered in Berlin with a history going back more than 100 years in postal infrastructure. As a leader in the field of efficient office solutions, FP focuses primarily on the development, production and distribution of solutions for processing mail and consolidating business mail. Digital solutions for companies and public authorities are also making an increasingly significant contribution to revenue and earnings.

The FP Group develops, produces and sells products and solutions that make office and working life easier. In addition to solutions for efficient mail processing, these are digital solutions for business customers' communication and business processes. The company divided its business activities into two divisions in fiscal year 2024: (1) Mailing & Shipping Solutions, (2) Digital Business Solutions. The Mail Services business unit, which comprised the collection, sorting and delivery of letters to postal service providers, was discontinued with the sale of the subsidiary freesort GmbH on 30 September 2024.

FP has its own subsidiaries based in 15 countries and is represented by a trading network in many other countries.

The parent company largely performs the tasks of a traditional management holding company. As it has no operating business itself, the financial position of the company largely depends on the earnings contributions of its subsidiaries.

Business units

Mailing, Shipping & Office Solutions

In the Mailing Shipping Solutions (MSO) business unit, the FP Group develops franking systems. FP produces and sells or leases these and also offers customers a comprehensive range of products, services and support. This also includes the processing and billing of postage used by customers via the franking machines. The products FP offers to customers in this business unit are not limited to franking machines and related hardware – its range also extends to other office supplies and solutions from the digital product spectrum. Recurring income, including from the sale of consumables and services, represents a significant proportion.

Revenue and earnings from digital solutions and products are allocated to the Digital Business Solutions business unit.

Digital Business Solutions

The Digital Business Solutions (DBS) business unit comprises all digital activities with which FP is expanding its business model in a growth-oriented manner. This includes input and output management in the Document Workflow Management area with which customers can efficiently manage their incoming and outgoing mail. In Input Management, incoming physical and digital documents are collected, analysed according to the customer's specific criteria, evaluated and then fed into the customer's data or document system electronically. In Output Management, FP handles the digital preparation of documents, their printing, inserting, franking and handover to delivery services or delivery in digital form. The Business Process Management & Automation area comprises products and solutions for efficient and automated customer process workflows. In addition to the FP Sign digital signature solution, this also includes solutions for electronic legal transactions. The Shipping & Logistics area comprises both the FP Parcel Shipping software for parcel shipments and the FP TRAXsuite software solutions for inbound parcel management, asset tracking and internal logistics.

Revenue and earnings from digital solutions such as FP Parcel Shipping, which are sold via the MSO sales channel, are recognised in the Digital Business Solutions business unit.

Integration of sustainability aspects into the business model

For FP, sustainability and business success always go hand in hand. FP strives to establish sustainable value chains as an integral part of its business activities, which is aimed at providing an innovative portfolio of solutions for our customers and contributes to both positive developments in society and long-term, profitable growth for the company.

As an industrial company, we attach particular importance to using energy sources and water with a focus on resource conservation. The FP Group therefore produces exclusively in Germany and sources its raw materials and intermediate products predominantly from suppliers in Germany and Europe. This strong regional sourcing approach makes a significant contribution to minimising our carbon footprint.

When developing new products and processes, FP analyses their environmental compatibility and energy efficiency at a very early stage in the development process in order to optimise their subsequent production, distribution and service processes in their entirety (GRI 3-3).

We offer our employees various training courses to raise their awareness of responsible behaviour in their daily professional activities. The FP Group also maintains an open and transparent dialogue with employees, authorities, customers, suppliers and the public. Regular surveys on employee, stakeholder and customer satisfaction also facilitate dialogue on aspects of environmental and energy management.

Goals and measures to promote sustainability

The Management Board of Francotyp-Postalia Holding AG bears ultimate responsibility for the sustainability of our company. The Supervisory Board reviews and approves the sustainability report and ensures that all material topics are addressed.

Strategic and operational implementation is the responsibility of the head of ESG Management, who reports regularly to the Management Board and is part of the FP management team. Together with their sustainability team, they are responsible for FP's central and cross-divisional sustainability programme. Together with their team and the internal FP process owners – or example, from the specialist areas of environmental and energy management, supply chain management and compliance – they work closely together to firmly integrate key sustainability topics throughout the Group.

The sustainability team has set the goal of anchoring sustainability strategically throughout the entire organisation and also making it measurable in operational terms. To this end, they work closely with the various FP units and heads of divisional departments in order to account for the diversity of the FP product and solutions portfolio and to identify the levers that make a significant contribution to sustainable corporate management at FP.

A key sustainability goal for FP is to make its own contribution to reducing greenhouse gas emissions. This target will be achieved through the use of green energy and more resource-efficient working. Since the 2019 fiscal year, power, heat and business travel have been tracked on a monthly basis to ensure that the ESG sustainability criteria are met. Besides the cut in CO₂ emissions, the agreed ESG criteria also include the reduction of water consumption, the reduction of waste and the switch to green electricity, which are weighted equally in the assessment.

Environment

The resource-conserving use of energy sources and water and the reduction of CO₂ emissions are an integral part of the FP Group's measures to help engineer a sustainable transformation of the environment and to drive this forward as part of its own business activities.

In the following section, the environmental indicators relate to the German subgroup only. The figures for the current financial year and the previous year are shown without Freesort (unless otherwise indicated). A key indicator system for the international part of the Group is currently still being developed.

Efficient use of natural resources: overall picture, structures and processes

Various raw materials, semi-finished products and preliminary products as well as energy and water are used in the manufacture of the FP Group's products. This also results in various emissions, waste water and other substances that can no longer be used in the FP production process.

Therefore, generally speaking, FP's business activities also require the use of limited natural resources and ultimately also contribute to their scarcity or can potentially be associated with negative environmental impacts that can arise from the extraction, processing and disposal of materials. From an economic perspective, one consequence is potential inflation in the prices of energy, raw materials, materials and waste disposal. These are cost components that may in turn directly affect our own competitiveness.

FP therefore optimises its business processes from both an economic and environmental perspective and designs them in a manner to use as few resources as possible. From product development to the final application setup at our customers' sites, FP takes various environmental aspects into account in order to minimise downstream disposal activities along its value chain.

Materials and production processes

When selecting and using raw materials, semi-finished products, technologies and production processes, FP always analyses their environmental compatibility.

On the one hand, this affects product and solution development at a very early stage. On the other hand, those responsible for production at FP are constantly looking for more environmentally friendly alternatives and processes, and assessing their feasibility in the FP context. As a company in the electrical and electronics industry, FP primarily uses materials and manufacturing processes that have a relatively low impact on the environment and that are easy to control in terms of handling. Materials with potential hazards are replaced by less problematic substances wherever technology and processes allow.

Water and waste water

Water is a valuable resource that is becoming increasingly scarce in many regions of the world due to climate change. The responsible use of water is therefore taking ever greater priority.

At the German sites, FP primarily uses fresh water from the public drinking water supply (GRI 303-1). This is used mainly as sanitary water and is also of very minor importance in FP's production processes.

In this respect, there is no negative impact on the water sources used (GRI 303-2). Recycling with production circuits or separate systems is also not required (GRI 303-3).

The waste water produced in this context is discharged into the respective municipal waste water systems as part of regular waste water disposal and treated or reprocessed by the responsible waste water companies. The standards required for this are regulated by local legal and official requirements at all locations.

FP is currently analysing the extent to which further water-saving measures can be implemented at its locations.

Durability, remanufacturing and waste

In the context of responsible use of limited resources, concepts from the circular economy can provide significant impetus for resource-conserving business models. In addition to actual production, the focus is on the complete life cycle of FP products.

As a first step, products that are as durable as possible are an important approach in circumventing avoidable waste in downstream phases of the product life cycle by prematurely disposing of potentially technically obsolete product generations.

As a result, FP has been relying primarily on service and repair programmes for its durable product portfolio for several years now in order to ensure a long service life for its office machines on-site at its customers' premises and to extend these where technically possible and economically viable.

FP has also introduced a refurbishment programme for franking machines in order to take account of the concept of the circular economy. FP operates a waste management system for the waste generated at the respective company locations with the goal of avoiding, minimising or, if necessary, sensibly recycling the waste. This concept has already been taken into account in production and process planning and includes the return of selected waste to a circular economy.

If it is not possible to avoid or reuse waste, it should be utilised for energy recovery via the respective waste disposal companies wherever possible. To this end, waste that can neither be avoided nor recycled is disposed of properly in cooperation with the respective waste disposal companies. In doing so, FP chooses the most environmentally friendly route that is justifiable from an economic point of view.

Furthermore, FP supports its waste management companies in terms of processes by pre-sorting and separately storing the remaining residual waste, for which these providers pay FP a nominal amount in recognition. FP prepares an annual volume balance comparison from the waste balances in order to better understand the proportion of waste types and their utilisation or recycling.

Efficient use of natural resources: corporate goals and results

Materials and production processes

At the German sites, 58 hazardous substances were used in the past fiscal year (previous year: 83 incl. freesort), 25 of these are without dangerous characteristics (previous year: 22 incl. freesort). The decline is mainly due to the discontinuation of freesort. Ten hazardous substances are used at two or more locations.

Contact sprays, Caramba and Raster Clean are substances that are provided with hazard and precautionary statements even in small amounts. FP evaluates and assesses impacts on the health, safety and environment of employees and customers before it uses potentially dangerous materials or they are put to further use (GRI 306-3).

Water and waste water

Water consumption at the German sites, Wittenberge (1.185 m³), Berlin-Adlershof (210 m³) and at the main site in Berlin-Pankow (811 m³) totals 2,206 m³ (previous year: 1,788 m³).

FP works with very few water pollutants of hazard classes 2 and 3, including very small volumes of adhesives and cleansing agents. The old franking machine inks are categorised in water hazard class 3.

With regard to substances hazardous to water, FP pays particular attention to appropriate labelling. These substances are always stored in special containers. Special precautions at filling points prevent them from entering the wastewater system. All supply lines, pipes and containers are sealed and drip-proof, suitable binding agents are always available, and disposal always complies with the respective disposal standards and statutory requirements.

Durability, remanufacturing and waste

The amount of waste at FP increased slightly to 167.6 tonnes (previous year: 167 tonnes), and only 102.6 tonnes were recycled compared with the previous year (124.1 tonnes). The amount of waste at the Wittenberge site increased significantly last year. This is attributable to returns of machines that were either handed back at the end of their service life, were subject to complaints due to defects or were returned under leases. At 0.1 tonnes, significantly less hazardous waste was produced last year than in the previous year (0.3 tonnes) (GRI 301-1). In accordance with the Basel Convention, FP did not export any waste (GRI 306-4).

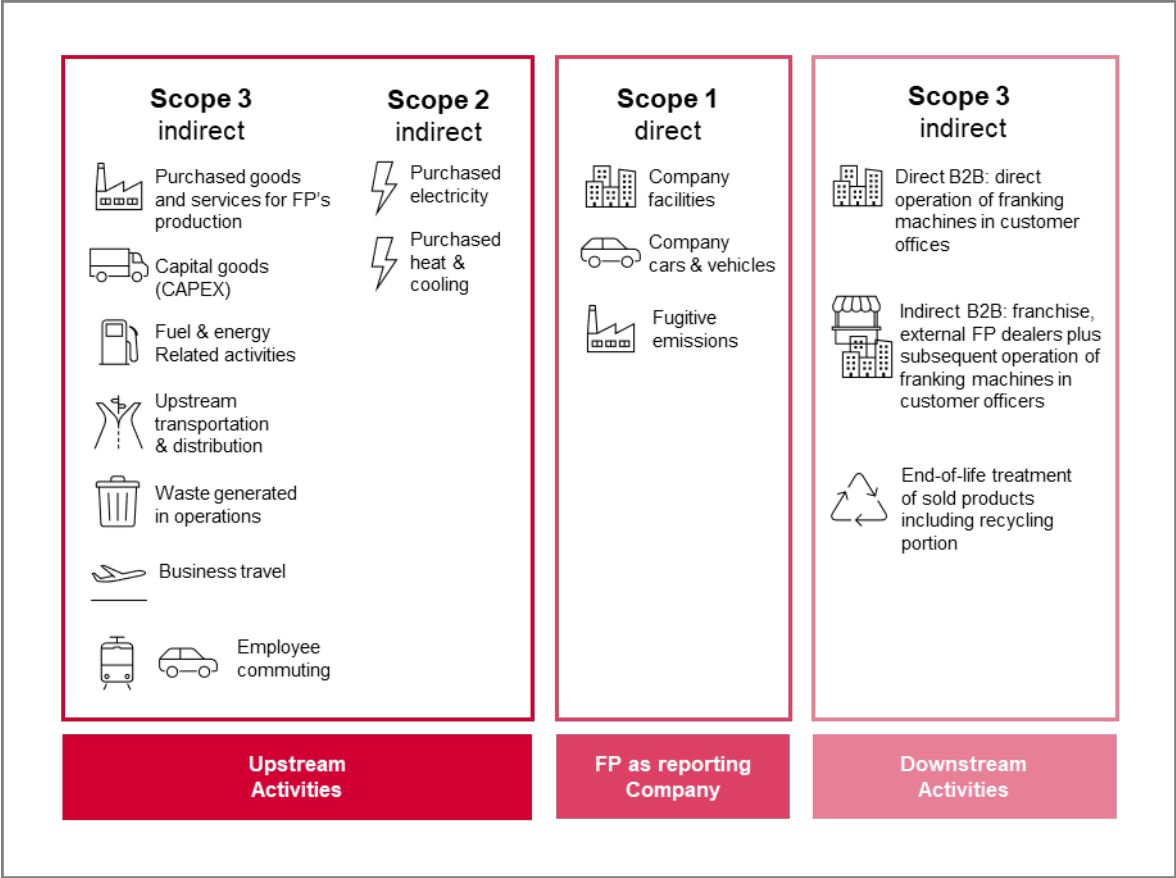
The central waste collection points are clearly documented for the locations in site maps.

Climate protection and emissions: overall picture, structures and processes

One of the most urgent and not only environmental tasks at present is to mitigate the immediate consequences of climate change and largely avoid any potential negative consequences. In this context, FP recognises the global goal formulated in the Paris Climate Agreement to keep global warming well below two degrees Celsius and has derived specific targets and measures for this as part of its own corporate policy.

Scope 1 / 2 / 3 emissions

FP has set the goal of reducing its CO₂ emissions in Germany. In the medium term, we are also aiming to reduce CO₂ emissions in the upstream supply chains, for which further analyses and measures are required. The following chart summarises typical sources of these Scope 1 / 2 / 3 emissions from an FP perspective.



FP follows the triad of avoidance, reduction and—if not otherwise possible or economically feasible—offsetting emissions. The FP Group's "Scope 1" and "Scope 2" emissions are the initial focus of emissions-related activities.

The best way to reduce emissions is to prevent them from being generated in the first place. Accordingly, all opportunities to save energy are given high priority at FP in order to improve energy-related key performance indicators (if possible) or to keep them stable even with increasing production volumes. The focus here is on all FP operating processes, machines, systems, equipment, buildings and their infrastructure.

Reliable and standardised energy and emissions data form the basis for a valid survey and relevant control of the respective energy consumption. In order to further improve both data quality and the data collection process, FP is currently working on a Group-wide platform for the centralised and standardised collection and processing of energy and emissions-related data.

Energy management and committee for occupational safety and environmental protection

Responsibility for energy management and consumption lies with the FP departments and the FP subsidiaries.

The FP Group's energy management goals include improving efficiency and productivity, protecting the environment and reducing the use of fossil fuels. To this end, the company implements energy efficiency measures at its sites and improves energy management continuously. FP met the ISO 50003 audit requirements for the energy management system at an early stage and recertified the system in accordance with ISO 50001:2018 in 2021. Approaches from ISO 31000 (risk management) are also used and implemented in order to support risk-based thinking. In 2009, the legally required Occupational Safety Committee (ASA) was converted into an Occupational Safety and Environmental Protection Committee (AUSA). This committee assesses topics such as compliance, waste, hazardous materials, energy, resources and occupational health and safety and defines measures for improvement. These include:

- Energy management, energy savings and energy supply at the respective location
- Production, saving, selection and transport of raw materials, water management and water saving
- Avoidance, recycling, reuse, transport and final disposal of waste
- Assessment, monitoring and reduction of noise pollution inside and outside the location
- Environmentally relevant changes to existing production processes as well as to packaging, transport, use and final disposal
- Operational environmental protection: practices among contractors and suppliers
- Current legal situation, new legal or internal requirements and any feedback from interested parties, improvements, corrections

Climate protection and emissions: corporate goals and results

FP's direct greenhouse gas emissions (Scope 1) originate from sources that are under FP's control or ownership due to the FP Group's own activities. They mainly consist of heating oil, natural gas, diesel and paraffin oil.

In the 2024 fiscal year, FP generated **Scope 1 emissions** primarily from the use of heating oil, natural gas, diesel and paraffin oil totalling 581 t CO₂ (previous year: 650 t CO₂).

The FP Group maintains a separate CO₂ register for its vehicle fleet (broken down into cars and vans). Depending on the vehicle type, 88 passenger cars (previous year: 96 passenger cars) produced 352 CO₂ (previous year: 412 t CO₂) and 4 vans (previous year: 3 vans) produced 11 t of CO₂ (previous year 7 t of CO₂).

Indirect **Scope 2 emissions** arise in particular when external energy sources are utilised by the FP Group. This primarily includes the emissions that result from the generation of electricity, steam or heat that FP consumes but does not produce itself. FP's consumption in the 2024 fiscal year caused 101 t CO₂ (previous year: 106 t CO₂). These emissions come exclusively from electricity generation and from heat utilisation.

In addition to our own Scope 1 and Scope 2 emissions, **Scope 3 emissions** are also the subject of further analyses at FP. These Scope 3 emissions arise, for example, in the supply chains through the extraction of raw materials, the production of preliminary products or their subsequent transport to the FP sites. This also includes emissions from waste disposal, employee commuting and business trips. In order to gain a better understanding of these Scope 3 emissions and to manage their reduction strategically in the future, further analyses of the upstream and downstream value chain are required. Based on these analyses, a reduction plan with targets for Scope 3 emissions can be developed in the next step.

Environmental compliance: overall picture, structures and processes

Strict compliance with relevant laws worldwide as well as international and national standards and guidelines is one of the many pillars of the FP Group's economically successful and sustainable business activities. As a prerequisite, it also results in ensuring that quality promises for FP products are adhered to and is also considered a fundamental obligation towards all stakeholders of the FP Group.

Compliance with environmental regulations

A key challenge in the area of environmental protection – particularly with regard to waste, chemicals, water and wastewater – is compliance with environmentally relevant laws, official authorisation requirements and other environmentally relevant requirements. At FP, environmental officers at site level ensure that the relevant regulations and requirements are incorporated into the management system and that the processes are legally compliant. If there is a need for action, the environmental officers must take appropriate precautions. This can be done, for example, by issuing site-specific process and work instructions. Regular internal and external audits and compliance checks are carried out to verify compliance with legal and internal environmental requirements.

Chemicals management

Through its chemicals management system, FP ensures the safe handling of hazardous substances and hazardous goods throughout the entire process chain, thereby protecting both FP employees as well as the environment.

Responsibility for the safe handling of chemicals lies with the employees in charge of operating the facilities, who are supported by occupational safety specialists and the environmental protection officers at the sites. The company-wide information system on the hazardous substances used is based on a substance database and the hazardous substance directories. This ensures that FP uses only chemicals that are registered and may be used in the EU in accordance with REACH (Registration, Evaluation and Authorisation of Chemicals). In addition, strict care is taken to ensure that, as far as possible, no substances are used that are labelled as Very High Concern.

Substance restrictions

FP fulfils the requirements of the EU Directive on the Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) by using software to monitor the relevant chemicals. Suppliers must confirm in writing that the materials, substances and mixtures provided comply with the directives, laws and regulations.

Waste disposal

Modern technologies and products in the electrical industry consist of a wide variety of materials and components. If not disposed of properly, hazardous components may be overlooked due to their composition, causing potential environmental and health problems. In accordance with the requirements of the EU WEEE (Waste of Electrical and Electronic Equipment) Directive, which regulates the return, recovery and recycling of electrical and electronic waste, FP has concluded an EU-wide contract with a disposal company. In this respect, the legally compliant disposal of FP products as electrical and electronic waste at the end of their product life cycle is ensured. The company is also registered as a distributor of electrical and electronic equipment in all countries of the European Union.

Environmental compliance: corporate goals and results

In the 2024 reporting year, no fines or penalties were imposed on FP for non-compliance with environmental laws and regulations (GRI 2-27). There were also no complaints regarding environmental aspects that had to be submitted, processed or resolved in a complaints procedure (GRI 3-3).

The regular ISO recertification audit took place in October and November 2024, which FP passed for the following five standards:

- ISO 9001:2015 (quality)
- ISO 14001:2015 (environment)
- ISO 45001:2018 (occupational safety)
- ISO 50001:2018 (energy)
- IEC/ISO 27001:2013 (information security – only FP Digital Business Solutions GmbH at the Berlin-Adlershof site)

The auditors issued 26 recommendations (opportunities for improvement), 20 notes (minor non-conformities) and 2 complaints (average non-conformities). All these items have been included in our potential list. FP is continuously working to rectify and improve these audit results. The next recertification audit is planned for the 2025 fiscal year.

Sustainable procurement and supplier management: overall picture, structures and processes

Due to the high value-added contribution of the supply chain, procurement is, first of all, a key economic process for the long-term success of the FP Group. In this context, the company is continuously working on optimising its supply chain and has been optimising a set of targets for several years in order to not only improve price, delivery quality and on-time delivery, but also to largely avoid the environmental impact of international transport.

With this aim in mind and in order to strengthen and simplify its procurement processes, FP already switched to very local sourcing in the 2014 fiscal year. FP Produktionsgesellschaft mbH, based in Wittenberge, Brandenburg, is the only production site for franking machines and therefore a supply chain target. As part of this local sourcing, both individual parts and prefabricated assemblies are procured and used in the contract manufacturing of machines, plastic parts, electronic components and assemblies as well as drive technology. In 2024, FP worked with 225 predominantly local suppliers (previous year: 226).

For more than ten years now, FP has been optimising procurement from suppliers based in Europe from an economic and environmental point of view. Direct cooperation with suppliers located in Asia has been almost entirely terminated. As a result, there are now only eleven non-European suppliers. The direct procurement rate in Europe is currently 95%. The share of the procurement volume awarded in Germany is 87%.

Sustainable procurement and supplier management: corporate goals and results

Due to this very local supply chain in combination with the high environmental, labour and social standards in Germany and its neighbouring countries, typical potential risks from international supply chains, such as environmental pollution or human rights violations due to inadequate occupational safety standards, child or forced labour, play only a very minor role in the shared understanding of FP and its predominantly local suppliers.

Irrespective of this, non-compliance with environmental and human rights standards can generally have a negative impact on people and the environment along the supply chain and subsequently harm the company itself. With its very local supply chain, FP therefore also generally endeavours to positively influence environmental and human rights standards along this supply chain through fair and long-term business relationships and thus, for example, to secure jobs in the Berlin-Brandenburg region or, if possible, to create them together with the suppliers involved.

In addition, as part of the "Best Material Purchase" project, which FP successfully completed back in 2019, local suppliers were certified in order to increase the number of its local suppliers and thus strengthen the Berlin-Brandenburg region both economically and sustainably. Overall, FP's aim is to build and maintain long-term relationships with its suppliers on the basis of partnership. This is the only way to ensure a sustainable supply of the necessary materials for production. Of the A and B suppliers (64 companies in this fiscal year), 41 have worked with FP for over 15 years, 12 have worked with FP for over ten years, and 9 have worked with FP for over five years.

Processes for supplier validation

To the best of our current knowledge, the FP Group has no relationships with suppliers that are suspected of having a negative impact on the environment, human rights, labour practices or society (*GRI 308-2*).

EU taxonomy

An important objective of the action plan for financing sustainable growth ("Sustainable Finance") as part of the European "Green Deal" is the allocation of capital flows to sustainable investments. The background to these steering measures is the EU's voluntary commitment to reduce its greenhouse gas emissions by 55% by 2030 and to become climate-neutral by 2050.

With this in mind, the EU Taxonomy Regulation (EU 2020/852) came into force in mid-2020 with the aim of establishing a standardised and legally binding classification system to determine which economic activities in the EU are considered taxonomy aligned and therefore "environmentally sustainable" with regard to six environmental objectives defined by the regulation:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

All companies in the EU that are required to prepare a non-financial statement, including FP as a financial market participant, are obliged to apply this Taxonomy Regulation from the 2024 fiscal year.

In this context, Article 8 of this Taxonomy Regulation also imposes additional reporting obligations on FP for the first time regarding taxonomy-compliant shares of environmentally sustainable economic activities in revenue, investments and operating expenses. These are, in detail:

Revenue: Share of revenue from products or services related to environmentally sustainable economic activities.

CapEx: Share of total investments (CapEx) related to assets or processes associated with environmentally sustainable economic activities.

OpEx: Share of operating expenses (OpEx) related to assets or processes associated with environmentally sustainable economic activities.

Taxonomy eligibility

For such taxonomy reporting, the first step is to assess the so-called taxonomy eligibility. This requires that an economic activity relevant to FP is listed and explained in more detail in the "Delegated acts to the Taxonomy Regulation".

The EU delegated act (Delegated Regulation (EU) 2021/2139 and its supplementary Delegated Regulation (EU) 2023/2485) include descriptions of relevant economic activities and their technical evaluation criteria for the environmental objectives of

- Climate change mitigation and
- Climate change adaptation

Descriptions of relevant economic activities and their technical evaluation criteria. The supplement to the Delegated Regulation contains further technical evaluation criteria that relate both to existing economic activities and to new economic activities.

Furthermore, a new EU delegated act (Delegated Regulation (EU) 2023/2486) was published in 2023, which includes the following for the remaining environmental targets:

- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Prevention and reduction of environmental pollution and
- Protection and restoration of biodiversity and ecosystems

environmentally relevant economic activities and technical evaluation criteria.

The economic activities relevant to FP from a current sustainability project perspective lie primarily in the environmental goals.

- Climate change mitigation
- Climate change adaptation
- Transition to a circular economy

So far, FP has reported only on the first two goals: climate change mitigation and adaptation to climate change. In order to be able to collect the respective new sustainability indicators with sufficient validity, FP has carried out an initial comprehensive analysis of its business activities with regard to the material environmentally sustainable economic activities contained therein.

As a hardware and software solutions provider for the optimisation and digitalisation of commercial communication processes, FP has focused on selected revenue and individual expense components.

Based on the detailed descriptions in the EU delegated acts, FP has identified the following key taxonomy-eligible economic activities for the environmental objective of climate change mitigation:

For 6.5. Passenger car and light commercial vehicle transport - This economic activity comprises the operation and lease financing of low-CO₂ cars and vans for the Francotyp-Postalia Holding AG fleet. By leasing a modern fleet of vehicles, among other things, FP ensures that the services for our customers on-site are provided with the most modern and therefore also low CO₂ vehicles possible, in addition to optimised route planning.

For 8.1. Data processing, hosting and related activities - FP uses external data centres, e.g. as part of software-as-a-service contracts or for data-based customer solutions. As the use of data centres optimised with the respective solution providers or customers can be considered sustainable in the sense of the EU taxonomy, FP has classified these activities as taxonomy eligible.

For 8.2. Data-based solutions to reduce greenhouse gas emissions - FP offers various solutions for the digitalisation of communication processes and their authorisation, which together aim to save resources on the customer side and thus also contribute to minimising greenhouse gas emissions.

The economic activities contained in the delegated acts on adaptation to climate change are available only to an insignificant extent at FP and are currently also included under the objective of climate change mitigation as a deliberate simplification. Further analysis is currently being prepared.

The following economic activities were identified for the environmental objective of the circular economy:

For 1.2. Manufacture of electrical and electronic equipment - In general, all hardware products from the FP solutions portfolio (framing, inserting and folding machines as well as office accessories) are high-quality office machines that contribute to the daily sustainability of our customers' office environment thanks to their durability.

In this context, the remanufacturing of used FP office machines is gaining importance as part of a potentially sustainable optimisation of FP production processes, which is why FP is currently subjecting these processes to further quantitative analysis. As these analytical processes were still ongoing at the time this report was finalised, it is not yet possible to provide sufficiently validated information for the 2023 fiscal year. In this respect, this economic activity of FP is categorised as potentially taxonomy eligible, but not yet taxonomy compliant (for further details, see also the following section on taxonomy compliance).

The individual economic activities must also be categorised according to enabling activities and transitional activities.

An enabling activity is an economic activity that makes a significant contribution to one or more environmental objectives by directly enabling other activities to also make a significant contribution. In the case of FP, this applies in particular to economic activities 8.1 and 8.2.

A transitional activity, on the other hand, is an economic activity for which there is no technologically and economically feasible low-carbon alternative, but which makes a significant contribution to climate protection by supporting the transition to a climate-neutral economy. Such transitional activities have not yet been identified at FP.

Taxonomy alignment

In a further step, an assessment of taxonomy alignment must be made for taxonomy-eligible economic activities. Only taxonomy-eligible activities can be considered "ecologically sustainable" or taxonomy aligned if they fulfil further technical assessment criteria. For this purpose, the relevant economic activities must make a significant contribution to an environmental objective defined by the Taxonomy Regulation by fulfilling certain technical assessment criteria and, on the basis of defined "Do No Significant Harm" criteria (DNSH criteria), a significant impairment of another environmental objective must be ruled out. In addition, the fulfilment of minimum standards is required, for example with regard to the observance of human rights or the fight against corruption (referred to as "Minimum Safeguards").

Climate change mitigation

For economic activity 6.5, all vehicles below the limit value of currently 50 g CO₂/km per vehicle (according to WLTP) anchored in the technical assessment criteria make a significant contribution to the environmental goal of climate protection in accordance with the delegated act. At FP, fully electric vehicles and the majority of plug-in hybrid vehicles fall below this limit. These vehicles are referred to below as "low-CO₂ vehicles". In the coming years, it can be assumed that the proportion of low-CO₂ vehicles will continuously increase as part of further optimization of the leased FP fleet, taking into account economic and environmental criteria.

Exclusion of a significant impairment on the basis of "Do No Significant Harm" criteria

The next step was to analyse compliance with the DNSH criteria for the other environmental targets for the respective economic activities based on the defined criteria in the reporting year.

Climate change mitigation

For economic activity 6.5, the DNSH criteria were analysed on the basis of the low-CO₂ vehicles in FP's leasing portfolio. There were no significant aspects to include in this report.

Transition to a circular economy

For economic activity 1.2, the Taxonomy Regulation requires the evaluation and, where possible, the application of measures that promote the transition to a circular economy, including a long shelf life of products, the use of secondary materials or sensible waste management in the production process.

FP takes the concept of the circular economy into account right from the start of product development and has set the primary goal of increasing the use of sufficiently validated secondary materials in its hardware products. Furthermore, the DNSH criteria for economic activity 1.2 are taken into account by implementing the legal requirements for the recyclability and recoverability of FP products.

In production, FP has been stepping up its efforts to reduce the consumption of raw and other materials for several years. In line with the waste hierarchy of the Circular Economy Act, FP primarily aims to avoid unnecessary waste in the production process. For example, FP has set specific reduction targets for its global production sites for the total amount of waste and the amount of waste for disposal per product. Waste management is also part of the internal environmental risk assessment.

Fulfilment of the Minimum Safeguards

An economic activity can be classified as "environmentally sustainable" under the taxonomy only if it is also carried out in accordance with certain minimum standards that are based on international frameworks. Article 18 of the Taxonomy Regulation cites the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, including the fundamental principles and rights of the eight core conventions set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and the International Bill of Human Rights. However, the Taxonomy Regulation does not provide any further clarification.

With its "Final Report on Minimum Safeguards" of October 2022, the "Platform on Sustainable Finance" supports companies in interpreting the scope and application of these minimum standards.

This report also forms the basis for application and reporting at FP. Accordingly, key topics are human and labour rights, the prevention of corruption, the promotion of fair competition and responsible tax practices. Essentially, FP's proof of compliance is based on the existence of corresponding Group-wide due diligence processes and the absence of final court judgements due to serious violations in the areas mentioned.

Reporting on taxonomy-aligned and taxonomy-eligible shares of environmentally sustainable economic activities

The following tables show the FP Group's share of revenue, investments and operating expenses in connection with environmentally sustainable economic activities for the first time for the 2023 fiscal year.

The individual revenue, investments and operating expenses are each allocated to a specific economic activity and an environmental objective.

The calculation of the relevant key figures is based on the FP consolidated financial statements for 2023 in accordance with the applicable IFRS accounting standards. Although the disclosure of comparative information for the newly introduced economic activities under to the Taxonomy Regulation is not required by law for the 2023 reporting year, we have also reported comparative information for fiscal year 2022 where the underlying data could be collected sufficiently reliably.

Revenue

Revenue																	
2024				DNSH criteria("Does Not Significantly Harm")						DNSH criteria	Minimum safeguards	20232		Enabling activity	Transitional activity		
Code ⁽¹⁾	Revenue ⁽²⁾	Proportion of Revenue ⁽²⁾	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biological diversity	Share of taxonomy aligned (A.1.) or taxonomy eligible (A.2.) Revenue			EUR million / %	E			T	
				Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	(Y/N)	(Y/N)	EUR million / %	E	T			
A. TAXONOMY-ELIGIBLE ACTIVITIES																	
A.1. Environmentally sustainable activities (taxonomy aligned)																	
Revenue from environmentally sustainable activities (taxonomy aligned) (A.1.)				0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	0 / 0 %	E		
of which enabling activities				0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	0 / 0 %	E		
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)																	
				EUR million	%	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	(Y/N)	(Y/N)	%	E	T	
Data processing, hosting and related activities				CCM 8.1	0	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	0%	E	
Data-based solutions to reduce greenhouse gas emissions				CCM 8.2	27.4	16.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	28.1 / 16.2 %	E	
Manufacture of electrical and electronic equipment (sales and leasing revenue)				CE 1.2	78.3	46.2%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	80.2 / 45.6 %	E	
A.2 Revenue from taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2.)					105.7	62.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	108.6 / 61.8 %	E	
A. Revenue of taxonomy-eligible activities (A.1 + A.2)					105.7	62.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	108.6 / 61.8 %	E	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																	
Revenue of activities not eligible for taxonomy					63.6	37.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	67.0 / 38.1 %	E	
TOTAL (total A+B)					169.3	100%							175.6 / 100 %				

Table notes:

- 1 The code represents the abbreviation of the respective environmental goal to which the economic activity can make a significant contribution. Climate change mitigation: CCM (Climate Change Mitigation), adaptation to climate change: CCA (Climate Change Adaptation), water and marine resources: WTR (Water), circular economy: CE (Circular Economy), prevention and reduction of environmental pollution: PPC (Pollution Prevention and Control), biodiversity and ecosystems: BIO (Biodiversity and ecosystems).
- 2 In fiscal year 2023, total revenue of EUR 241.8 million was generated (previous year: EUR 251.0 million), EUR 35.7 million of which was attributable to revenue from product sales in the area of franking and inserting (previous year: EUR 36.1 million). Another EUR 31.1 million in revenue was attributable to service/customer service, while EUR 26.6 million was attributable to sales of consumables for our highly durable franking machines. In addition, EUR 44.5 million was generated as leasing revenue from operating and finance lease transactions for these office machines in fiscal year 2023 (previous year: EUR 41.2 million), resulting in a total of EUR 82.3 million (previous year: EUR 77.3 million) in taxonomy-eligible revenue from the manufacture of electrical and electronic equipment.
These indicators are not required to be audited until fiscal year 2024. Nevertheless, the indicators described here are based on audited disclosures in the FP Group's 2023 annual report in accordance with IFRS accounting standards.
- 3 Explanation: Y - Yes, activity eligible for taxonomy and taxonomy aligned with the relevant environmental objective; N - No, activity eligible for taxonomy but not taxonomy aligned with the relevant environmental objective; N/EL - "not eligible", activity not eligible for taxonomy for the relevant environmental objective.
- 4 Explanation: EL - 'eligible', activity eligible for taxonomy for the respective objective; N/EL - "not eligible", activity not eligible for taxonomy for the respective environmental objective.
- 5 A breakdown of the DNSH criteria has been omitted here, as activities may be designated as taxonomy aligned only if a significant impairment of the other environmental objectives is ruled out.

Investments (CapEx)

2024				DNSH criteria("Does Not Significantly Harm")						DNSH criteria	Minimum safeguards	2023		Enabling activity	Transitional activity
Code ⁽¹⁾	CapEx ⁽²⁾	Proportion of CapEx ⁽²⁾	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biological diversity	Share of taxonomy aligned (A.1.) or taxonomy eligible (A.2.) Investments			EUR million / %	E		
Economic activities		EUR mn	%	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	(Y/N)	(Y/N)	EUR million / %	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (taxonomy aligned)															
CapEx in environmentally sustainable activities (taxonomy aligned, A.1)		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	0 / 0 %	E		
of which enabling activities		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	0 / 0 %	E		
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)															
		EUR million	%	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	(Y/N)	(Y/N)	%	E	T	
Data processing, hosting and related activities	CCM 8.1	0.2	2.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	0.4 / 2.0%	E		
Data-based solutions to reduce greenhouse gas emissions	CCM 8.2	0.5	5.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	1.0 / 6.9%	E		
Manufacture of electrical and electronic equipment	CE 1.2	6.7	78.8%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	10.8 / 74.5%	E		
A.2 CapEx of Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities, A2)		7.4	87.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	12.7 / 87.5%	E		
A. CapEx of taxonomy-eligible activities (A.1 + A.2)		7.4	87.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	12.7 / 87.5%	E		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
CapEx of Taxonomy-non-eligible		1.1	12.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	1.8 / 12.5%	E		
TOTAL (total A+B)		8.5	100%									14.5 / 100%			

Table notes:

- 1 The code represents the abbreviation of the respective environmental goal to which the economic activity can make a significant contribution. Climate change mitigation: CCM (Climate Change Mitigation), adaptation to climate change: CCA (Climate Change Adaptation), water and marine resources: WTR (Water), circular economy: CE (Circular Economy), prevention and reduction of environmental pollution: PPC (Pollution Prevention and Control), biodiversity and ecosystems: BIO (Biodiversity and ecosystems).
- 2 Total CapEx of EUR 14.5 million were made in fiscal year 2023 (previous year: EUR 14.3 million), EUR 9.1 million of which was attributable to investments in leased machinery (previous year: EUR 7.5 million). In addition, EUR 2.7 million of development work was capitalised in accordance with the provisions of IAS 38 in fiscal year 2023, EUR 1.7 million of which was attributable to development work in the MSO segment and EUR 1.0 million to the DBS segment for the further development of software for the digital business models. Of the investments in property, plant and equipment totalling EUR 2.3 million, EUR 0.6 million (previous year: EUR 0.6 million) was attributable to new leases for the FP Group's vehicle fleet that were capitalised in accordance with IFRS 16. Another EUR 0.3 million was attributable to IT investments in connection with data processing, hosting and related activities.
These indicators are not required to be audited until fiscal year 2024. Nevertheless, the indicators described here are based on audited disclosures in the FP Group's 2023 annual report in accordance with IFRS accounting standards.
- 3 Explanation: Y - Yes, activity eligible for taxonomy and taxonomy aligned with the relevant environmental objective; N - No, activity eligible for taxonomy but not taxonomy aligned with the relevant environmental objective; N/EL - "not eligible", activity not eligible for taxonomy for the relevant environmental objective.
- 4 Explanation: EL - 'eligible', activity eligible for taxonomy for the respective objective; N/EL - "not eligible", activity not eligible for taxonomy for the respective environmental objective.
- 5 A breakdown of the DNSH criteria has been omitted here, as activities may be designated as taxonomy aligned only if a significant impairment of the other environmental objectives is ruled out.

Operating expenses (OpEx)

Operating expenses (OpEx)														
Economic activities	Code ⁽¹⁾	OpEx ⁽²⁾	Proportion of OpEx ⁽²⁾	DNSH criteria("Does Not Significantly Harm")						DNSH criteria	Minimum safeguards	2023	Enabling activity	Transitional activity
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biological diversity			Share of taxonomy aligned (A.1.) or taxonomy eligible (A.2.) Investments		
		EUR million	%	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	Y; N; N/EL ⁽³⁾	(Y/N)	(Y/N)	EUR million / %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES														
A.1. Environmentally sustainable activities (taxonomy aligned)														
OpEx of environmentally sustainable activities (taxonomy aligned, A.1)		0	0 %	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	0 / 0 %	E	
of which enabling activities		0	0 %	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	0 / 0 %	E	
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)														
		EUR mn	%	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	Y; N; N/EL ⁽⁴⁾	(Y/N)	(Y/N)	%	E	T
Data processing, hosting and related activities	CCM 8.1	1.8	2.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	1.7 / 1.1 %	E	
Data-based solutions to reduce greenhouse gas emissions	CCM 8.2	27.2	19.1 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	28.9 / 19.6 %	E	
Manufacture of electrical and electronic equipment	CE 1.2	38.6	27.1 %	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	40.4 / 26.6 %	E	
A.2 OpEx of taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities, A2)		67.6	47.6 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	72.8 / 47.9 %	E	
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		67.6	47.6 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	72.8 / 47.9 %	E	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES														
OpEx of non-taxonomy-eligible activities		74.5	52.4 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	79.1 / 52.1 %	E	
TOTAL (total A+B)		142.1	100%									151.9 / 100%		

Table notes:

- 1 The code represents the abbreviation of the respective environmental goal to which the economic activity can make a significant contribution. Climate change mitigation: CCM (Climate Change Mitigation), adaptation to climate change: CCA (Climate Change Adaptation), water and marine resources: WTR (Water), circular economy: CE (Circular Economy), prevention and reduction of environmental pollution: PPC (Pollution Prevention and Control), biodiversity and ecosystems: BIO (Biodiversity and ecosystems).
- 2 Taxonomy-related disclosures on operating expenses are based on information derived from the FP Group's segment reporting for the 2023 and 2022 financial years in accordance with local accounting standards. They include expense items reported in the segment income statement up to segment EBITDA; any necessary allocations were made on the basis of revenue shares. In the MSO segment, an allocation-based share of 40.4 million EUR or 33.1 % (previous year: EUR 36.8 million moreover 30.8 %) of EUR 122.0 million in operating expenses (previous year: EUR 119.8 million) was attributable to taxonomy-eligible operating expenses. For the DBS segment, the reported segment operating expenses correspond to the taxonomy-aligned operating expenses of EUR 29.8 million reported here (previous year: EUR 30.7 million). These indicators are not required to be audited until fiscal year 2024. Nevertheless, the indicators described here are based on audited disclosures in the FP Group's 2023 annual report in accordance with IFRS accounting standards.
- 3 Explanation: Y - Yes, activity eligible for taxonomy and taxonomy aligned with the relevant environmental objective; N - No, activity eligible for taxonomy but not taxonomy aligned with the relevant environmental objective; N/EL - "not eligible", activity not eligible for taxonomy for the relevant environmental objective.
- 4 Explanation: EL - 'eligible', activity eligible for taxonomy for the respective objective; N/EL - "not eligible", activity not eligible for taxonomy for the respective environmental objective.
- 5 A breakdown of the DNSH criteria has been omitted here, as activities may be designated as taxonomy compliant only if a significant impairment of the other environmental objectives is ruled out.

Social

A workplace culture that gives FP employees a strong sense of belonging to the company is the driving force at FP. Everyone at FP takes responsibility for its success by rigorously pursuing shared projects and objectives. The core values are characterised by team play, ideas, poise and flexibility and are firmly entrenched in everyday working life. The figures for the current financial year and the previous year are shown without Freesort (unless otherwise indicated).

Employees as a success factor: overall picture, structures and processes

A product portfolio that is as innovative as it is durable and high quality, combined with a comprehensive range of services, can be realised only with motivated and qualified employees. In view of demographic change and the increasing shortage of skilled workers, diversity and equal opportunities offer FP, as an industrial company in the Berlin-Brandenburg metropolitan region, definite competitive advantages on the local labour market. The same applies to our subsidiaries in their local international labour markets.

FP meets these challenges in the hiring and retention of skilled labour with a recruitment strategy adapted to the local markets on the one hand and with clear practices for personnel and cultural development on the other.

From a company and market perspective, both measures serve the goal of aligning the FP Group as a medium-sized corporate group even more closely with the future needs of our predominantly B2B business customers and becoming even more competitive and digital as an innovative solution provider for office equipment. Important priorities in this context are the promotion of a work-life balance and a wide range of internal training and development opportunities.

FP's training and development activities and programmes directly benefit employees and also have a positive impact on our company because they strengthen the innovative power and future viability of an important employer, not only in the Berlin metropolitan region, but also in the vicinity of our domestic and foreign subsidiaries.

Employees as a success factor: goals and results

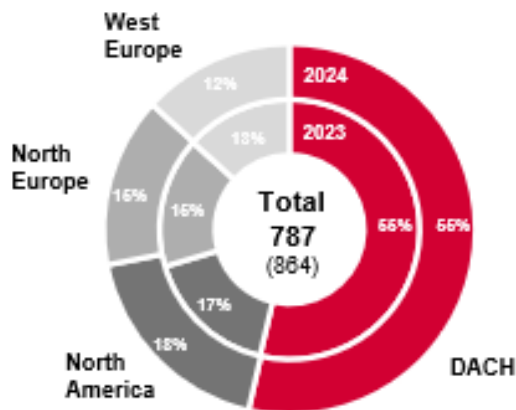
FP also recognises from the perspective of our employees that the requirements in the changing world of work – for example, through digitalisation or more complex task profiles – are increasing exponentially in this decade in particular. Motivated, qualified and ambitious employees are therefore a success factor for FP in successfully meeting these new challenges.

In addition, the FP Group attaches great importance to the compatibility of work, personal and family life for its employees. A key tool in this regard is the flexitime model, which enables employees to organise their working hours flexibly and better reconcile them with their personal commitments. Flexibility in everyday working life is an important part of the corporate culture, although it is possible only to a limited extent in some departments, such as the hotline, due to fixed working hours.

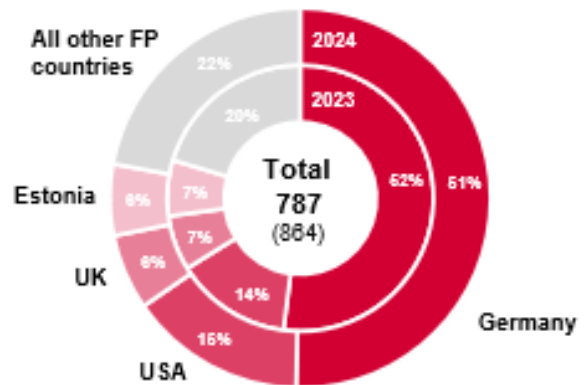
FP believes the most important aspect of HR work is finding and inspiring new talent and recognising and promoting talent already present in the company.

The following charts provide an overview of the composition of the FP Group's workforce as at 31 December 2024 and 31 December 2023. In accordance with the FP Group's IFRS reporting, they have been adjusted for the shares attributable to Freesort as at 30 September 2024 and in the previous year.

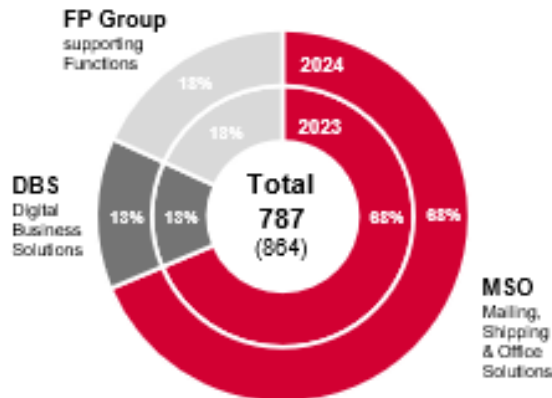
Total employees by region 2024 (2023)



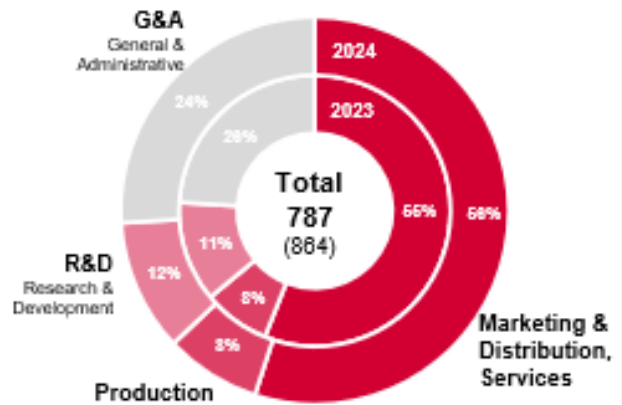
Total employees in FP CSRD core countries with more Than 50 employees / more than 10% of employees 2024 (2023)



Total employees by segment plus FP Group supporting functions 2024 (2023)



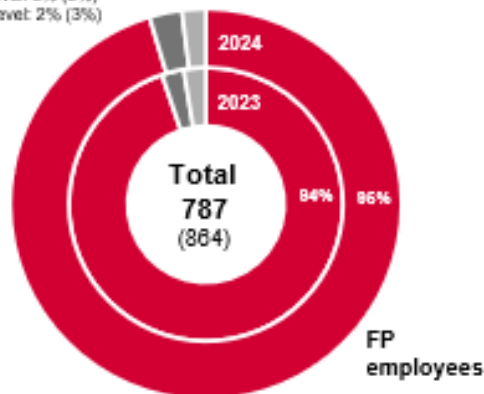
Total employees by function 2024 (2023)



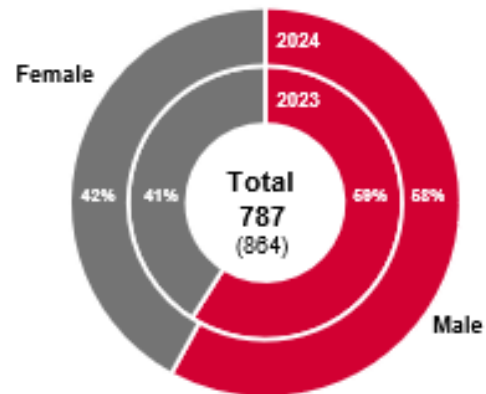
Total employees by role 2024 (2023)

FP management level

1st man. level: 3% (3%)
2nd man. level: 2% (3%)



Total employees by gender 2024 (2023)



All data without Freesort

Occupational health and safety: overall picture, structures and processes

Providing both a healthy working environment and safe workplaces is a fundamental obligation that FP has towards its employees. FP promotes the health and performance of its employees through comprehensive occupational health and safety measures and regular occupational medical check-ups. FP thereby protects its employees, reduces potential compliance risks and ensures the required productivity at all FP locations. Possible negative effects for employees—for example, through accidents at work—must be minimised as a rule.

Occupational health and safety: objectives and results

With a holistic approach to occupational health and safety, FP ensures safe and healthy workplaces and conditions.

The operational responsibilities for the occupational health and safety of all FP employees and managers are described in a Group policy.

The FP Group regularly provides information to maintain and improve safety awareness in the activities of every employee. FP also organises regular training courses, supplemented by a balanced range of health protection measures.

Occupational health and safety management system

The FP Group's German locations use an occupational health and safety management system certified in accordance with ISO 45001:2018. Specialist representatives support field sales employees to ensure that the requirements of stakeholder groups and legislation are met. A central role is played by representatives of the integrated management system, occupational safety specialists, waste and hazardous materials experts and FP's doctors.

Fire protection officers are appointed at the Berlin and Wittenberge locations. At the other locations, there are safety officers, first aiders, evacuation assistants and fire protection assistants. Depending on the hazard assessment at the location, there are also other employees, such as the laser safety officer in Wittenberge, who report to the fire protection officer or directly to the Management Board (*GRI 403-3*).

At the German locations, numerous employees are active in the areas of work, environmental, energy and health management. A company doctor supports all employees with extensive treatment and screening services that go beyond basic care, such as the influenza vaccination programme.

FP's house rules help to minimise potential risks. These apply to the entire workforce, visitors, guests and external parties. When a third-party company works on FP's premises, they are given an appropriate safety briefing, which is confirmed in writing by both parties. This confirmation is archived by FP. It also covers the use of hazardous substances, electrical work and welding work (*GRI 403-1*).

Employees at the locations are represented on the Occupational Safety and Environmental Protection Committee (AUSA). At its regular meetings, the topics of basic supervision and company-specific supervision according to German Social Accident Insurance (DGUV) Regulation 2, as well as supplementary topics on environmental and energy management, are discussed and potential measures agreed upon with the employer representative. Appointments for the screening programmes offered are coordinated annually, and the employees are informed about them.

Prevention and handling of accidents

In fiscal year 2024, there were 4 reported accidents while commuting and 6 reported workplace accidents. (*GRI 403-2*).

When an accident occurs, the cause is investigated in order to prevent future accidents as far as possible. FP advises on countermeasures and facilities for dealing with accidents and health hazards. These are continuously monitored and improved. FP also works actively on suitable preventive measures for accidents at work and while commuting.

In addition, FP conducts regular emergency drills at all locations to ensure that employees are optimally prepared for emergencies. A timetable for these drills is agreed by the Occupational Safety and Environmental Protection Committee (AUSA). Emergency drills are prepared and supervised by the occupational safety specialists, and evacuation drills are conducted by the fire protection officer. All emergency drills are carried out in accordance with the location-specific fire regulations. After each drill, the supervising team evaluates the results in a hazard assessment in order to derive measures for possible improvements.

Diversity, equal opportunities and non-discrimination: overall picture, structures and processes

FP fosters an atmosphere of openness and honesty as one of its leadership principles. All employees, regardless of seniority, age or position in the company, should feel encouraged to actively put forward opinions and suggestions. This principle is supported by the explicit reference to the principle of equal treatment in FP's mission statement. This principle is followed in FP's processes through the appointment of a suitable equality officer and the establishment of a confidential hotline and the whistleblower system (GRI 2-26, GRI 406-1).

FP has defined two management levels below the Management Board. In 2024, the first management level consisted of 16 employees, 6 of whom are women, which corresponds to a share of 38 %. At the second management level, there are 3 women out of a total of 13 employees (23%). This underlines FP's endeavours to promote gender diversity at management level.

Last year, 787 employees (as at 31 December 2024) worked for FP in Germany and internationally - in 15 countries and at 10 German locations (previous year: 864) (GRI 2-7). A total of 42% women and 58% men were employed. In the 2024 financial year, we welcomed 89 new employees and 158 employees left the company. FP has 12% employees under the age of 30, 43% employees aged between 30-50 and 45% employees over the age of 50.

The length of service of employees varies: 9% of employees have been with the company for less than one year, 28% of employees for less than five years, 19% of employees for less than ten years and 13% of employees for less than fifteen years. The largest proportion of employees (31%) have been with FP for more than 15 years.

Diversity, equal opportunities and non-discrimination: objectives and results

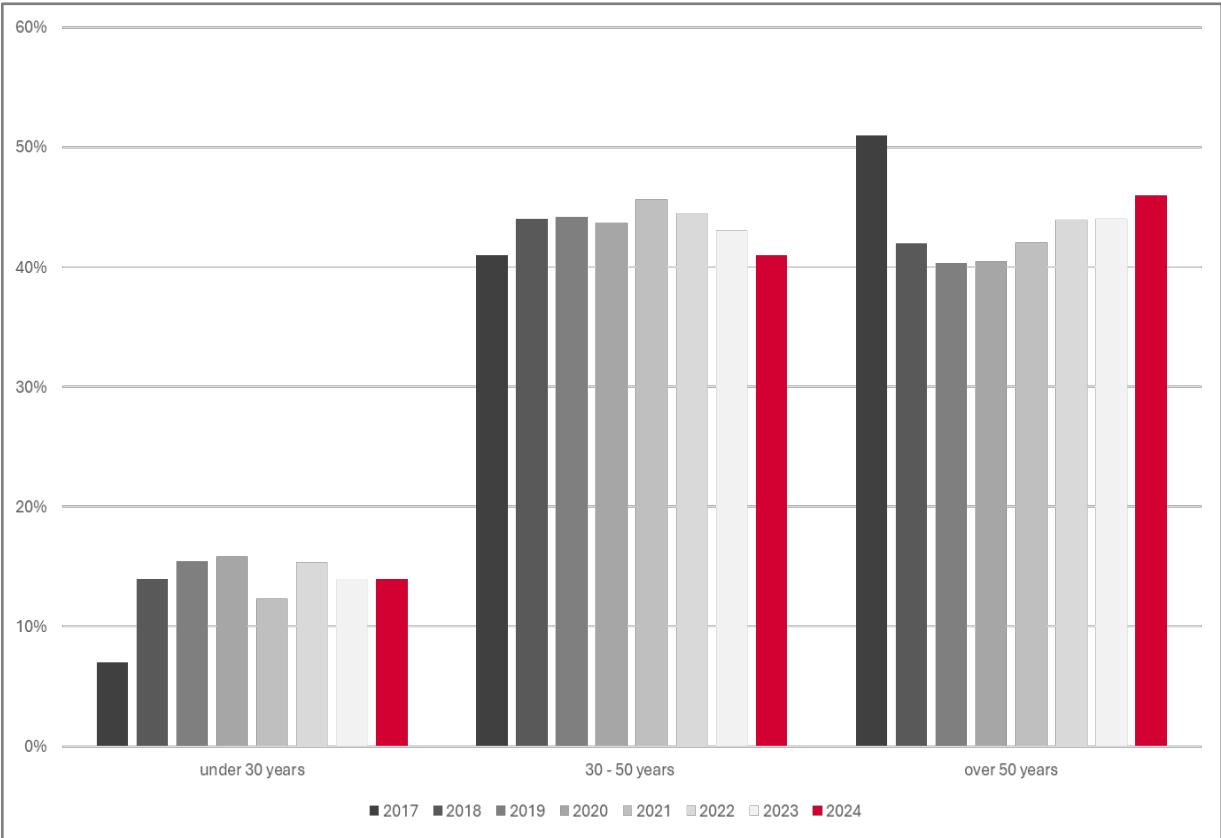
Forms of employment, remuneration systems and inclusion

FP pays particular attention to aspects of equal treatment in its remuneration system. The basic remuneration is aligned to the requirements of the activities performed and the responsibility assumed (GRI 401-2, GRI 405-2).

Some German Group companies ensure this together with employee representatives through a collectively agreed remuneration system (GRI 2-30). In the event of operational changes, the employee representatives are notified in accordance with legal and company regulations. In addition, FP maintains close contact with employee representatives in various bodies (GRI 402-1).

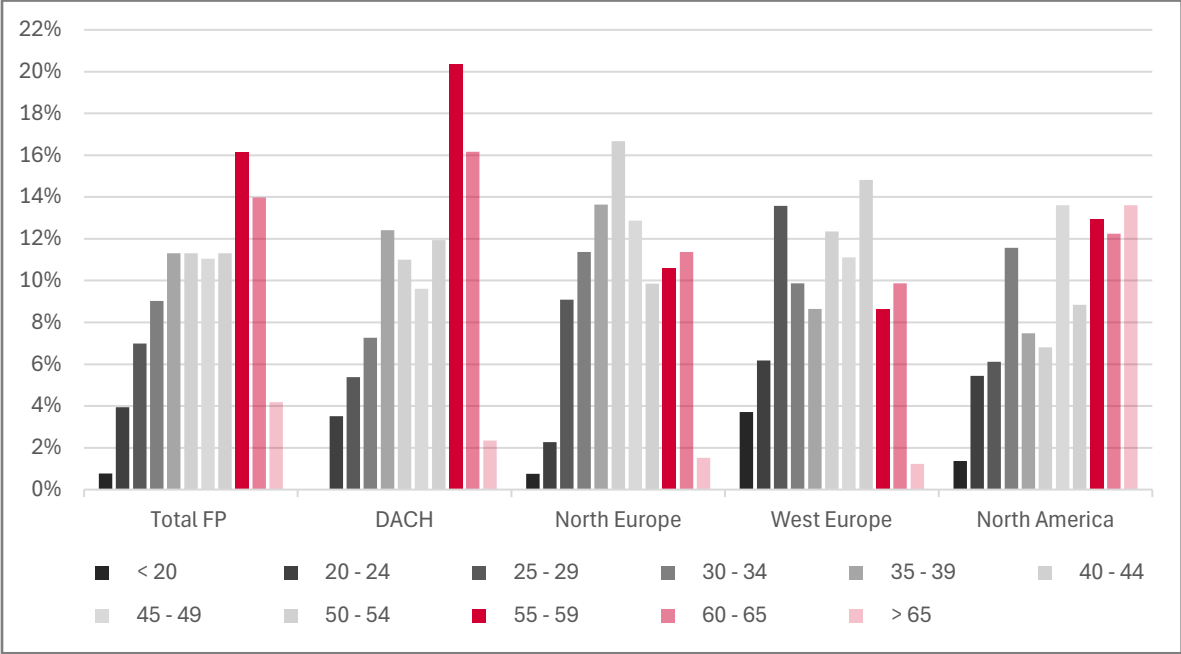
There were no known incidents of discrimination during the 2023 fiscal year.

Diversity in terms of age structure has been a particular issue for FP for several years, as the two charts below illustrate:



Nevertheless, the actual dimensions of this particular topic do not yet become clear when analysed solely according to the age structure subgroups of up to 30 or 50 years and over 50 years specified by the GRI Standards. Only an analysis that combines a higher granularity level of 5 years, e.g. initially with a geographical distribution, leads to the first truly relevant insights into the age structure of the FP workforce.

As this chart illustrates, the age structure of the DACH region in particular signals a certain need for action in the search for successors, but also in operational aspects of day-to-day FP knowledge management.



The inclusion of people with severe disabilities or restrictions is also a major concern for the company. Even after the sale of freesort, the FP Group still employs 25 people with physical or mental illnesses. In this context, special forms of communication are of particular importance for FP. Supervisors and colleagues are trained in cooperation with communities and professional integration services to ensure that these special teams can communicate well. At FP Produktionsgesellschaft, a pilot project entitled “Ways into Work” has been in place for several years, organised in cooperation with Lebenshilfe Prignitz. The goal is the employment of people with disabilities.

Respect for human rights (GRI 1)

FP complies with internationally recognised human rights and therefore vehemently rejects all forms of forced or child labour (GRI 408-1, GRI 409-1). FP recognises the right of all employees to form democratic unions and employee representative bodies within the framework of national law (GRI 407-1). All of FP’s employees are entitled to fair pay. Pay and other benefits meet the legal standards or requirements of the respective country and region or of the national economic sectors/industries and regional levels. As relatively high standards are expected at these locations, and respect for human and workers’ rights is fundamental at FP, compliance with human rights at the locations in Germany and abroad is not an unusual requirement. FP maintains good relationships with all stakeholders and works in accordance with business and company principles (GRI 412-2).

There were no significant investment agreements or contracts that included human rights clauses or underwent human rights screening. Similarly, FP does not do business or invest in high-risk countries (GRI 412-3).

Governance

From the perspective of the FP Group, long-term successful corporate activity can be ensured only in a carefully calibrated balance between the economic and environmental interests of FP as a company and the interests of its stakeholders, i.e. shareholders, employees, customers and suppliers. The FP Group's governance therefore focuses on sustainable management and future-oriented action.

Governance and compliance: overall picture, structures and processes

Risk and opportunity management

Francotyp-Postalia Holding AG and its subsidiaries are exposed to an array of risks as part of their business activities. These are inextricably linked to entrepreneurial activity.

The Management Board has overall responsibility for the risk and opportunity management system of the FP Group. Risk and opportunity management is closely intertwined with compliance management and is an integrated aspect of corporate governance. A system for monitoring risks has been set up in line with section 91 (2, 3) of the Aktiengesetz (AktG – German Stock Corporation Act). The FP Group's risk and compliance situation is regularly analysed in a strategic manner and the identified risks are assessed, managed and mitigated.

Compliance management (GRI 3-3)

Doing business in accordance with the law and internal rules is an integral part of FP's corporate culture.

Compliance with rules and fair dealings with business partners and employees are indispensable elements of successful business activity for the company. Equally important is the open and appreciative corporate culture anchored in the company.

These values are reflected in the FP Compliance Management System, which establishes Group-wide standards and processes to ensure compliance in day-to-day work. The Management Board is responsible for compliance with the law and internal policies, and ensures compliance with these throughout the Group companies. Questions of compliance are regularly discussed between the Supervisory Board or the Chairman of the Supervisory Board and the Management Board.

The corporate culture of the FP Group is characterised by trust and mutual respect, and by the will to adhere strictly to laws and internal regulations. Nonetheless, statutory violations due to individual misconduct can never be completely ruled out. Employees and third parties have the opportunity to report misconduct at the Group to the Compliance Officer. Anonymous reports are also followed up on. The FP Group is very keen to minimise the risk of compliance violations as far as possible, to uncover misconduct and to deal with it systematically.

Rules and principles, as well as the responsible handling of insider information, are set forth in the FP Code of Conduct. It serves as a guide for all employees to act with integrity in business practices. Managers and employees receive regular training on the FP Code of Conduct. In cases of doubt, they can and should consult the Compliance Officer at any time. Internal Audit carries out risk-oriented audits of compliance with regulations.

Integrated management system

The requirements of the international ISO 14001, ISO 50001 and ISO 45001 standards provide a system for implementing environmental, energy and occupational health and safety management and pave the way for personal responsibility and self-commitment. With this in mind, occupational health and safety at FP are directly linked to environmental protection issues, which also offers advantages for sustainability, reporting, and risk and process management.

Quality management (GRI 3-3)

FP sets the highest quality standards for its products. For this reason, the quality of its franking systems is measured with an indicator. The quality indicator measures the change in product quality in the area of franking machines on the basis of annual service calls in relation to the weighted average number of machines. A lower value indicates a relative decrease in service calls and thus an improvement in quality. Ongoing changes, such as the introduction of new products or the optimisation of existing products, are also taken into account. This indicator was initially measured in Germany only and used comparatively for the international subsidiaries – for example, to support cost calculation. Since 2020, this indicator has been called PQI - Germany and supplemented by the indicator PQI - International. The Product Quality Indicator - International is also made up of the average machine inventory and the annual service calls. However, the data from Austria, Belgium, Canada, Germany, Italy, the Netherlands, Sweden and the USA are analysed together.

These are the countries that support the FP Group with data on service calls in identifying opportunities for improvement. As the value of the PQI - International is calculated differently than that of the PQI - Germany, the two indicators cannot be compared with each other. Both PQIs (since 2019) only consider products that are currently produced in Wittenberge.

Customer service and satisfaction

The FP Group conducts regular customer analyses and surveys to examine customer satisfaction. These are used to assess the quality of FP's products and services. An engineering change management process is used to convert customer enquiries concerning existing products into specific product improvements.

Customers know that FP will keep its performance promise. In this regard, they value FP not only for its products but especially for its service offerings.

Governance and compliance: objectives and results

Risk and opportunity management

FP's risk and opportunity management serves to identify risks at an early stage and to continue monitoring risks that could jeopardise the company as a going concern. Detailed market and competition analyses and forecast scenarios, together with the intensive examination of relevant value and cost drivers, serve to determine opportunities.

A detailed list of all risks and opportunities can be found in the Group management report, which can be accessed via the following link: <https://www.fp-francotyp.com/reporting-centre/>

Compliance management (GRI 3-3)

FP's central compliance objective is to act in accordance with legal regulations and internal rules, as compliance violations not only jeopardise the company's reputation, but can also result in criminal prosecution or a loss of revenue. Continuous further development of existing guidelines and processes is essential.

The Management Board and the FP Group's compliance officers have not become aware of any compliance violations for the 2024 fiscal year.

Quality management (GRI 3-3)

Thanks to the new development of PostBase franking systems, FP has been able to significantly improve quality in recent years. The PQI value in Germany, which indicates the number of technician deployments per machine, also remained at a relatively low level of 10.6% in 2024 (previous year: 9.8%). The PQI - International improved to 34.5% in the 2024 financial year (previous year: 38.1%). The PQI - Germany and the PQI - International are expected to deteriorate slightly in 2025 due to the introduction of new franking systems.

The improvement indicator (nf IQ) also records the quality of FP products and, in particular, the quality of new franking systems. Previously, it was based on the cost of parts for repairs to delivered machines and measured the ratio of parts costs from warranties to total franking machine sales. A lower value indicated a relative decrease in the cost of parts under warranty and thus an improvement in quality. The FP Group collects the necessary data monthly, whereby an analysis of previous years have shown that the indicator tends to increase when new franking systems are introduced.

FP's key figures

Key figure		Unit	2024	2023
ENVIRONMENT	Resource consumption			
	Total energy requirement	MWh	3.030,08	3.330,20
	Gas requirement	t CO ₂	80.13	86.22
	Heating oil	t CO ₂	99.71	116.65
	District heating	t CO ₂	49.35	46.09
	Diesel	t CO ₂	363.16	419.21
	Paraffin Oil	t CO ₂	38.47	28.08
	Electricity consumption	t CO ₂	52.05	59.70
	CO2 emissions (Scope 1 and 2)	t CO ₂	682.87	755.95
	Total weight of waste	t	167.6	167.0
Water consumption	m ³	2.206	1.788	
SOCIAL	Employee structure (international)			
	Number of employees (annual average)		787	864
	Age structure:			
	Aged 30 or under		92	117
	Aged 31–50		336	368
	Aged over 50		359	379
	Length of service:			
	Under 1 year		70	130
	Aged 5 or under		219	216
	Aged 10 or under		147	164
	Aged 15 or under		106	104
	More than 15 years		245	250
Female/diverse employees in the Group		329	355	
Proportion of the workforce (in %)		42	41	
Female managers in the Group (first and second management levels)		9	8	
GOVERNANCE	Supply chain			
	Total suppliers		225	226
	Germany		195	204
	Europe		19	16
International		11	6	

GRI index

GRI SRS Number	Disclosure Number	GRI Standard Title	Aspect	Disclosure Title - DE	Page
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GRI 3	3-3	Material Topics: 2021	Disclosures on material topics	Management von wesentlichen Themen	3, 9
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GRI 303	303-2	Water and Effluents: 2018	Water discharge	Wasserrückführung	5
GRI 303	303-3	Water and Effluents: 2018	Water consumption	Wasserverbrauch	5
GRI 306	306-3	Effluents and Waste: 2016	Significant spills	Erheblicher Austritt schädlicher Substanzen	6
GRI 306	306-4	Effluents and Waste: 2016	Transport of hazardous waste	Transport von gefährlichem Abfall	6
GRI 308	308-2	Supplier Environmental Assessment: 2016	Negative environmental impacts in the supply chain and actions	Negative Umweltauswirkungen in der Lieferkette und ergriffene Maßnahmen	9
GRI 2	2-27	Compliance with laws and regulations	non-compliance, or failure to comply with, laws and regulations that apply to the organization	Einhaltung von Gesetzen und Vorschriften	9
Social					
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GRI 2	2-26	General Disclosures: 2021	Mechanisms for seeking advice and raising concerns	Verfahren für die Einholung von Ratschlägen und die Meldung von Anliegen	24
GRI 2	2-30	General Disclosures: 2021	Collective bargaining agreements	Tarifverträge	24
GRI 401	401-2	Employment: 2016	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Betriebliche Leistungen, die nur vollzeitbeschäftigten Angestellten, nicht aber zeitarbeitnehmern oder teilzeitbeschäftigten Angestellten angeboten werden	24
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GRI 403	403-1	Occupational Health and Safety: 2018	Occupational health and safety management system	Managementsystem für Sicherheit und Gesundheit am Arbeitsplatz	23
GRI 403	403-2	Occupational Health and Safety: 2018	Hazard identification, risk assessment, and incident investigation	Gefahrenidentifizierung, Risikobewertung und Untersuchung von Vorfällen	23

GRI 403	403-3	Occupational Health and Safety: 2018	Occupational health services	Arbeitsmedizinische Dienste	23
GRI 405	405-2	Diversity and Equal Opportunity: 2016	Ratio of basic salary and remuneration of women to men	Verhältnis des Grundgehalts und der Vergütung von Frauen zum Grundgehalt und zur Vergütung von Männern	24
GRI 407	407-1	Freedom of Association and Collective Bargaining: 2016	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Betriebsstätten und Lieferanten bei denen das Recht auf Vereinigungsfreiheit und Tarifverhandlungen bedroht sein könnte	25
GRI 408	408-1	Child Labor: 2016	Operations and suppliers at significant risk for incidents of child labor	Betriebsstätten und Lieferanten mit einem erheblichen Risiko für Vorfälle von Kinderarbeit	25
GRI 409	409-1	Forced or Compulsory Labor: 2016	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Betriebsstätten und Lieferanten mit einem erheblichen Risiko für Vorfälle von Zwangs- oder Pflichtarbeit	25
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