

Sustainability report  
Model Group 2025



**MODEL**

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# Overview

# 2025 at a glance



1,060    3,251

Number of employees: 4,311




2025 Share of FSC-certified and controlled materials used for packaging: 96 %

# CHF

Turnover:  
936 Mio. CHF



110 apprentices in the Group



2025 Share of recycled materials used: 83 %



Investments:  
36 Mio. CHF



2.7 Mio. CHF spent on training



79 % of our waste was recovered

1x                      1x                      3x

<https://recognition.ecovadis.com/jDICfMIFD0aNA23h1FdXkA>

# EcoVadis Awards

# Great Place To Work





## Advancing Circularity with a Fiber-Based Transport Solution

Model GmbH in Germany has developed a corrugated cardboard transport box in which heavy machine parts of various sizes can be shipped safely worldwide. In addition to high functionality, the new solution also simplifies the packaging process for the customer. And thanks to a well-established and reliable circular recycling system for corrugated cardboard, the result is also an environmentally friendly product.

### The challenge

Until now, the customer has used custom-made wooden boxes and specially developed plastic boxes. Although the latter were intended to be reusable, this proved impossible in practice - not even for a subset of shipments within Germany. Both variants were material-intensive, expensive to purchase, required complex just-in-time logistics with precise handling - and still ended up as disposable packaging.

### The solution

Model has developed a solution for this challenge using corrugated cardboard and other fiber-based elements. The box is optimized for the automatic packing process, can be stacked without slipping, and is protected from contamination thanks to a barrier coating. At the end of its useful life, the box can be safely disposed of in the paper container and recycled to produce new paper.

Thanks to a functioning recycling cycle, fiber-based single-use packaging is the best solution here, as it works reliably. As part of the corrugated cardboard industry, we are committed to a circular economy in which valuable products remain in the cycle and are turned into new packaging at the end of their useful life.



## Plastic-Free by Design: A New Retail Display Solution

For our customer Lotte Wedel, a leading confectionery manufacturer in Poland, we developed an innovative display concept for candy bars sold in retail chain stores. The customer was seeking a solution that would provide additional product visibility beyond the already crowded shelves typically available in supermarkets.

While such secondary placement solutions do exist, they are predominantly made from plastic. To offer a more sustainable alternative, we worked closely with the customer to design a functional and attractive "tie" display made entirely from corrugated cardboard. This solution integrates seamlessly into the retail environment, supports effective product presentation, and avoids the use of conventional plastic materials.

By replacing plastic-based displays with a recyclable cardboard option, we enabled improved brand visibility while contributing to more environmentally responsible retail practices.



## Foreword by Sarah Model, Member of the Executive Board and COO of Model AG



Sarah Model, COO Model AG

Model Group is in a privileged position: our business model is – and has always been – circular. This provides us with a clear head start on the journey toward sustainability. While our production is energy- and water-intensive, we make a significant contribution to the circular economy through the use of recycled fibers as raw materials. Fiber – the smallest building block of our product – can be reused up to 27 times. As circularity lies at the core of our business, becoming more sustainable is not about changing what we do, but how we do it. This means our priority is to continuously improve our processes and use resources more efficiently.

At the same time, sustainable business practices increasingly take place in a demanding regulatory environment. The growing density of requirements and documentation obligations absorbs considerable resources, while the regulatory landscape evolves at an unprecedented pace, placing additional pressure on our operations. For example, we made investments in preparation for EUDR compliance, the introduction of which was subsequently postponed due to limited alignment between regulatory requirements and business realities.

During the reporting period, external factors also had a direct impact on our sustainability performance. The temporary shutdown of the Gösgen nuclear power plant required us to switch to fossil fuels for steam production at one of our paper mills, leading to a transient increase in specific greenhouse gas emissions.

At the same time, we continued to make tangible progress. Our achievements include recognition for our work culture (Great Place to Work certifications in Switzerland and the Czech Republic) and sustainability performance (EcoVadis Platinum status in Hanau and Gold status in Switzerland), investments in renewable energy and energy storage, advancements in occupational safety, developments in sustainable logistics – including the deployment of electric trucks – as well as regional engagement. These examples reflect our commitment to integrating ecological, social, and economic responsibility in a holistic way.

This sustainability report provides a transparent view of our current position, our progress, and our ambitions.

We thank our employees, customers, and partners for their continued commitment in shaping this path together with us.

## **Basis of the sustainability statement**

ESRS 2 BP-1; GRI 2-1/2/3/5

This report was prepared in accordance with the European Sustainability Reporting Standard (ESRS, as of December 2025) and with reference to the standards of the Global Reporting Initiative (GRI) for the period 01.01.2025 - 31.12.2025. The report is published on an annual basis.

The Model Group manufactures paper-based packaging at 15 locations across Europe. Its core operations include the production of recycled paper at three sites in Switzerland and Germany, followed by the conversion into corrugated board and packaging at 11 facilities in Switzerland, Germany, the Czech Republic, Poland, and Croatia. Additionally, solid board packaging is produced at three sites in Germany and the Czech Republic. The company also manages its own logistics operations in Switzerland and Germany.

The sustainability report was prepared based on the Model Group's consolidated data and includes the following entities:

- The parent company Model Holding AG, Liechtenstein
- The companies of Model Holding AG:
  - Model Holding AG, Switzerland
    - Model AG, Switzerland
      - Model Beteiligungen GmbH, Germany
        - Model GmbH, Germany
          - Model Logistik GmbH, Germany
          - Model Sachsen Papier GmbH, Germany
    - Model Kramp GmbH, Germany
    - Model Obaly a.s., Czech Republic
    - Model Opakowania Sp. Z o.o., Poland
    - Model Pakiranja d.d., Croatia

Compared to the scope of consolidation of the annual financial statements, the following companies were excluded from the sustainability reporting: Pack Shop Linz GmbH and Model Obaly Slovakia s.r.o.. These two office-only companies were classified as not material for the Group's sustainability reporting.

In addition to the Group's own business activities, the upstream and downstream value chain is also considered in the sustainability reporting. For this purpose, both the upstream and downstream value chain in the form of the Model Group's key suppliers and customers were considered when assessing the materiality of impacts, risks and opportunities. The strategies, measures and objectives essentially relate to the company's own business activities and, to a limited extent, to the upstream value chain. The same applies to the parameters contained in the report.

The Model Group does not make use of the option to omit classified and confidential information.

The report has not been audited by an independent body.

For questions about the report, please use the following contact:

Dr. Bernadette Nowak  
Group Sustainability Manager  
Model Holding AG  
sustainability@modelgroup.com

## **Correction of information**

ESRS 2 BP-2; GRI 2-4

The Model Group has the calculation of its emission values audited externally for compliance with the Greenhouse Gas Protocol. This has resulted in minimal changes to the Scope 1-3 values for 2024 compared to the previous year's report.

The number of reported fatalities as a result of work-related injuries or ill health (ESRS S1-14) must be corrected due to incorrect data. The two fatalities originally reported for 2024 were not work-related.

It has been reported that, according to WRI Aqueduct, the Hostinne plant in the Czech Republic is located in a region experiencing water stress, whereas the Opava plant in the Czech Republic is not. This is incorrect; the Opava plant in the Czech Republic is the one located in an area experiencing water stress.

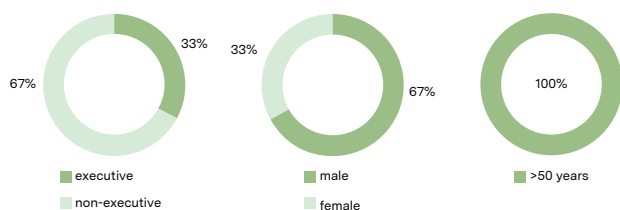
The core of our corporate culture has always been closely linked to sustainable development and is reflected both in our corporate philosophy, **QUINTESSENCE**, and in our business model, the closed paper cycle. For us, it is not a question of whether economy and ecology go well together. It is a law of nature and the basis of our business. We are convinced that only sustainable management can guarantee lasting success.

**Governance structure**

ESRS 2 GOV-1; GRI 2-9 to 2-14, 2-17

The highest management and supervisory body of the Model Group is the Board of Directors. This consists of the owner couple and an independent member.

Board of Directors



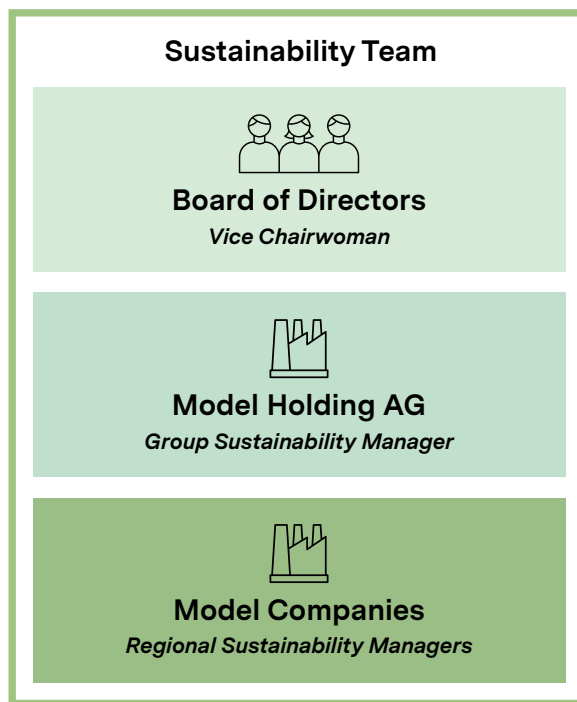
Within the Board of Directors, the Vice Chairwoman is responsible for sustainability. Specifically, this includes all topics identified as part of the materiality analysis and the following tasks:

- Approval of policies, guidelines, commitments and initiatives
- Overseeing and guiding strategies relating to sustainability
- Approving targets and monitoring progress towards achieving them
- Reviewing and managing the assessment process for dependencies, impacts, risks and opportunities
- Monitoring reporting, audit and verification processes




The expertise of the responsible member of the Board of Directors with regard to sustainability issues is ensured through involvement in regular meetings of the sustainability team, regular consultation with external stakeholders and experts and participation in further training on environmental issues, international legislation and standards as well as best practice examples.

ESRS 2 GOV-2, GRI 2-13

Within the organization, all sustainability issues are managed by the sustainability team. In addition to the Vice Chairwoman of the Board of Directors, the Group Sustainability Manager and the regional sustainability managers of the operating companies are represented on this team. The sustainability team meets every six weeks.



The tasks within the sustainability team are allocated as follows:

	 <b>Board of Directors</b> <i>Vice Chairwoman</i>	 <b>Model Holding AG</b> <i>Group Sustainability Manager</i>	 <b>Model Companies</b> <i>Regional Sustainability Managers</i>
<b>Policies, commitments &amp; strategies</b>	<ul style="list-style-type: none"> <li>- Overseeing</li> <li>- Guidance</li> <li>- Approval</li> </ul>	<ul style="list-style-type: none"> <li>- Development</li> <li>- Implementation</li> <li>- Monitoring</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation</li> <li>- Action plans</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>- Approval</li> <li>- Monitoring</li> </ul>	<ul style="list-style-type: none"> <li>- Setting</li> <li>- Monitoring</li> </ul>	<ul style="list-style-type: none"> <li>- Monitoring</li> <li>- Action plans</li> <li>- Setting sub-targets</li> </ul>
<b>Dependencies, impacts, risks &amp; opportunities</b>	<ul style="list-style-type: none"> <li>- Overseeing</li> <li>- Guidance</li> </ul>	<ul style="list-style-type: none"> <li>- Assessment</li> </ul>	<ul style="list-style-type: none"> <li>- Assessment</li> </ul>
<b>Reporting &amp; verification</b>	<ul style="list-style-type: none"> <li>- Monitoring</li> <li>- Approval</li> </ul>	<ul style="list-style-type: none"> <li>- Managing</li> </ul>	<ul style="list-style-type: none"> <li>- Provide data</li> </ul>

ESRS 2 GOV-4

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	Section Overview “Governance structure” & “Business model & strategy”
Engaging with affected stakeholders in all key steps of due diligence	Section Overview “Business model & strategy”
Identifying and assessing adverse impacts	Sections Protecting ecosystems and Empowering people “Material impacts, risks and opportunities”
Taking actions to address those adverse impacts	Sections Protecting ecosystems and Empowering people “Actions”
Tracking the effectiveness of these efforts and communicating	Sections Protecting ecosystems and Empowering people “Actions”

ESRS 2 GOV-5

Sustainability reporting is prepared during the year by the sustainability team and the necessary data is consolidated once a year within the Group.

The Group Sustainability Manager is responsible for the completeness and comprehensibility of the information requested from the individual business units and reviews the necessary data points annually against the reporting standards used, ESRS and GRI. She is also responsible for consolidating the data.

The Regional Sustainability Managers are responsible for the completeness and accuracy of the reported data and must ensure that the necessary processes have been

introduced to achieve high data quality, which also includes internal control measures. The plausibility of the reported data is also checked by the Group Sustainability Manager as part of the consolidation process and any conspicuous data is questioned.

Problems and anomalies in data collection are communicated to the responsible management of the units concerned and, if necessary, addressed to the Board of Directors.

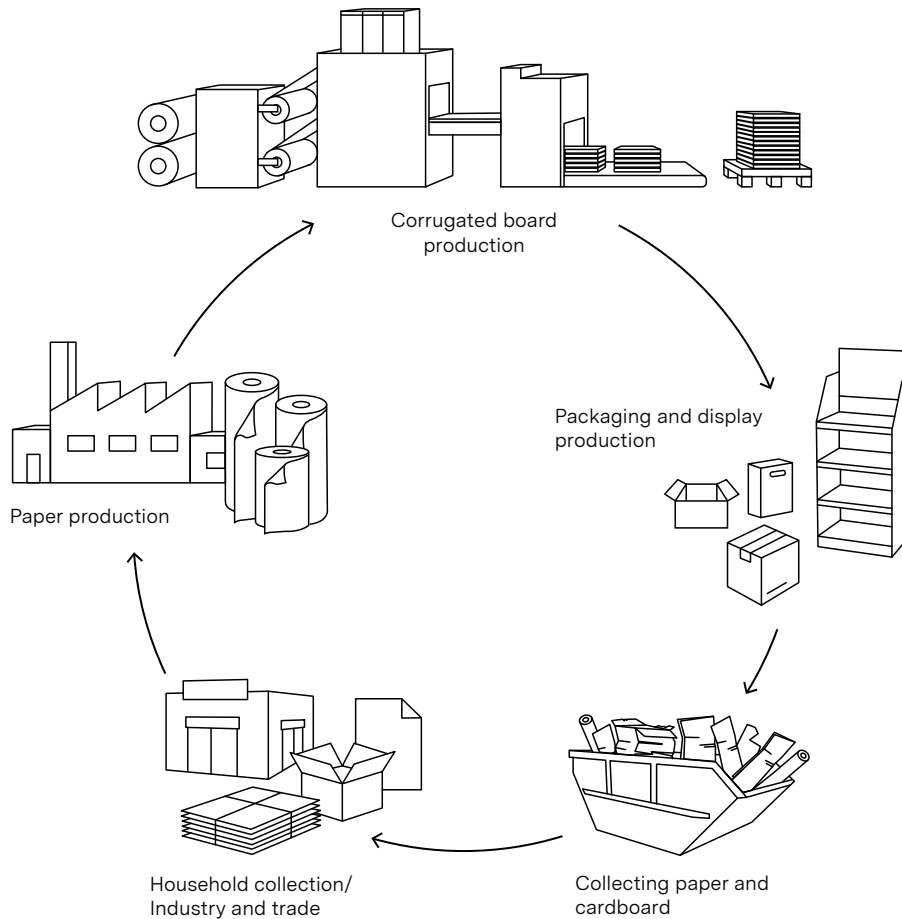
The final report is approved prior to publication by the responsible member of the Board of Directors.

**Business model & strategy**

ESRS 2 SBM-1; GRI 2-6,

Since our inception in 1882, the Model Group has upheld a closed paper cycle principle, realizing the value of recycling recovered paper. Since then, we have been producing packaging solutions from corrugated and solid board. Our business model is based on a vertically integrated value

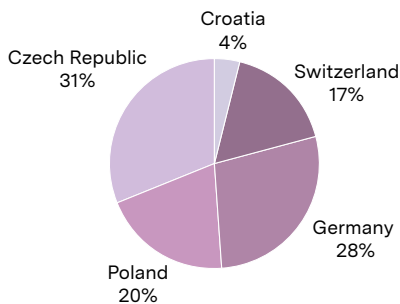
chain that covers all steps from development to production and delivery of packaging solutions. This integration enables us to ensure quality and efficiency along the entire process and to meet the specific requirements of our customers.



The Model Group’s main areas of business are the production of 100 % recycled paper, the manufacture of corrugated cardboard and packaging made from it, and the production of packaging made from solid board.

In 2025, we generated turnover of CHF 936 million with the production of 771,000 tons of recycled paper, 1.42 million m<sup>2</sup> of corrugated cardboard packaging and 17,000 tons of solid board packaging.

**Employees**



ESRS 2 SBM-2; GRI 2-29

Stakeholder engagement is a key priority for the Model Group. This involves communication with various stakeholders at different levels. While interactions with customers, employees, suppliers, and local communities

primarily occur as part of daily business within individual organizational units, Group-wide issues are addressed at the group level.

Stakeholder Group	Key Topics	Engagement Methods	Strategic Influence
<b>Customers</b>	<ul style="list-style-type: none"> <li>sustainable packaging</li> <li>product quality</li> <li>cost efficiency</li> <li>product innovation</li> <li>environmental impact</li> <li>regulatory compliance</li> <li>supply chain transparency</li> </ul>	<ul style="list-style-type: none"> <li>meetings</li> <li>surveys</li> <li>feedback sessions</li> <li>workshops</li> <li>industry events</li> <li>ethics channel</li> </ul>	Drives product innovation, eco-friendly solutions, compliance with market demands, and cost optimization
<b>Employees</b>	<ul style="list-style-type: none"> <li>fair wages</li> <li>job security</li> <li>career development</li> <li>workplace safety</li> <li>work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>meetings with works council</li> <li>training programs</li> <li>performance reviews</li> <li>employee surveys</li> <li>ethics channel</li> </ul>	Influences talent retention, productivity, innovation, and corporate culture
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>price stability</li> <li>ethical sourcing</li> <li>supply chain resilience</li> <li>innovation in packaging materials</li> </ul>	<ul style="list-style-type: none"> <li>meetings</li> <li>supplier audits</li> <li>long-term contracts</li> <li>industry partnerships</li> <li>ethics channel</li> </ul>	Impacts raw material costs, production efficiency, sustainability goals, and supply chain security
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>business profitability</li> <li>long-term stability</li> <li>succession planning</li> <li>corporate governance</li> <li>strategic growth</li> </ul>	<ul style="list-style-type: none"> <li>board meetings</li> <li>direct involvement in key decisions</li> <li>strategic planning sessions</li> </ul>	Influences overall business direction, risk appetite, investment priorities, and company values
<b>Credit and insurance institutions</b>	<ul style="list-style-type: none"> <li>financial performance</li> <li>ESG (Environmental, Social, Governance) criteria</li> <li>risk management</li> <li>long-term growth strategy</li> </ul>	<ul style="list-style-type: none"> <li>annual reports</li> <li>investor calls</li> <li>sustainability disclosures</li> </ul>	Affects capital allocation, strategic investments, risk tolerance, and corporate governance
<b>Authorities</b>	<ul style="list-style-type: none"> <li>compliance with environmental laws</li> <li>decarbonization</li> <li>waste management</li> <li>recycling regulations</li> <li>safety standards</li> </ul>	<ul style="list-style-type: none"> <li>compliance audits</li> <li>industry consultations</li> <li>plant visits</li> </ul>	Shapes sustainability strategies, operational policies, and legal risk mitigation
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>environmental impact</li> <li>job creation</li> <li>community development</li> <li>open communication</li> </ul>	<ul style="list-style-type: none"> <li>open days sponsoring</li> <li>local partnerships</li> <li>open days</li> <li>ethics channel</li> </ul>	Affects brand reputation, social license to operate, and long-term sustainability commitments

Additionally, all interested parties have the opportunity to raise concerns through the ethics channel available on the company's website

### Our material topics

ESRS 2 IRO-1, IRO-2; GRI 3-1, 3-2, 3-3

In 2024, the Model Group carried out a comprehensive double materiality assessment in order to integrate the interests of our stakeholders into the strategic direction of the group.

The assessment followed the guidelines of the German Sustainability Code and EFRAG IG1 Materiality Assessment. The process consisted of six key steps:

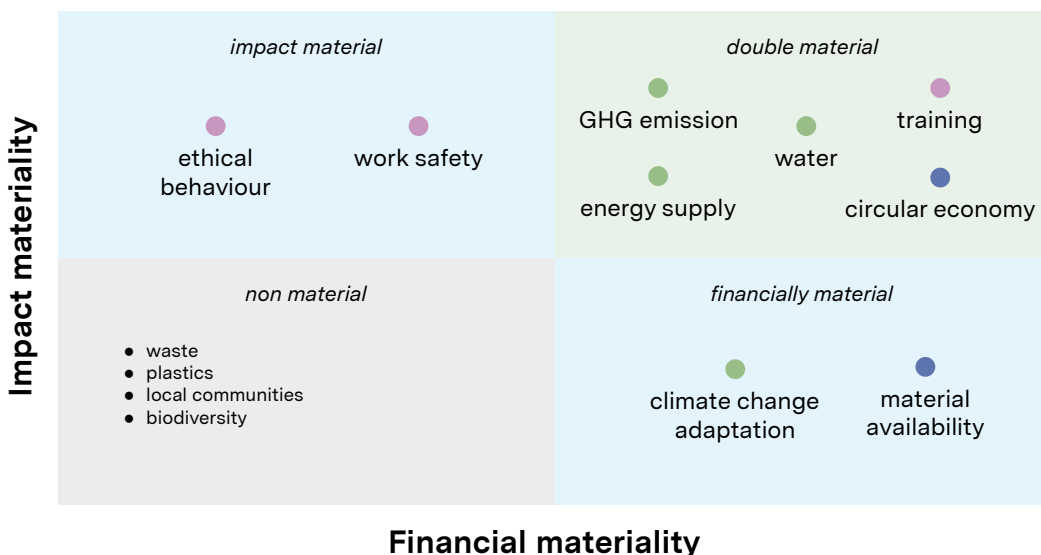
- defining the scope
- conducting an environmental analysis
- identifying company-specific impacts, risks, and opportunities (IROs)
- engaging with key stakeholders
- evaluating material impacts
- identifying material information for disclosure.

The internal scope covers all Model companies and business units, including paper mills, packaging plants,

and logistics operations. The external scope considers the upstream and downstream value chain, acknowledging the company’s role in a closed-loop paper cycle.

The company conducted an environmental analysis to assess its impact as an employer, its proximity to ecologically sensitive areas, and industry-related sustainability concerns. Key stakeholders - customers, employees, owners, and suppliers - were identified based on their mutual influence with the company. Internal and external stakeholder perspectives were integrated through surveys, reports, and market research.

IROs were evaluated based on scope, irreversibility, likelihood, and materiality thresholds, categorizing them into topics that need to be observed, handled, or actively shaped. This assessment resulted in a materiality matrix that was validated by internal stakeholders.



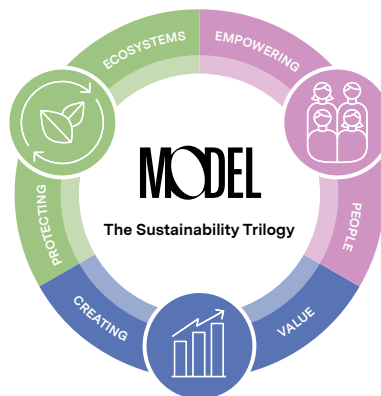
A reassessment will be conducted in the course of 2026, acknowledging the final changes of the ESRS by EFRAG. The results of the reassessment will be reported in the sustainability report 2026.


## Sustainability Strategy

ESRS 2 SBM-3, GRI 2-22


As part of our sustainability strategy, the “sustainability trilog”, we pursue three focus areas: Protecting ecosystems, Creating value, Empowering people.

Within each pillar of our sustainability strategy our internal measures are always accompanied by the involvement of our supply chain in order to live up to our responsibility and ensure environmental, human and labor rights along our value chain.





### Protecting ecosystems




Our environmental strategy is guided by a preventive approach and a strong focus on resource efficiency, addressing the key environmental impacts, risks, and opportunities identified through our materiality assessment. It aims to systematically reduce environmental impacts while strengthening the long-term resilience and sustainability of our operations and value chains.


We are committed to reducing greenhouse gas emissions in line with our Science Based Targets initiative (SBTi) validated targets and to increasing the share of non-fossil energy in our operations to 50 % by 2030. In parallel, we strengthen water stewardship by continuously lowering water intensity and ensuring the full treatment of wastewater at all paper mill locations.

As timber is the primary raw material for our products, sustainable forestry and a strict no deforestation approach are central pillars of our environmental strategy. In 2025, 96 % of our input materials were sourced from FSC certified and controlled materials. Our clear ambition is to achieve 100 % FSC certified and controlled materials input materials across all operations.

Our environmental performance is managed through defined targets, key performance indicators, and regular monitoring. Continuous improvement and transparent reporting, as well as robust waste, chemical, and hazard management systems form the foundation of our environmental governance and support the long-term resilience, compliance, and environmental performance of our operations.



### Creating value



Our value creation strategy is rooted in circularity, resource efficiency, and long-term collaboration across the value chain, with a clear focus on meeting customer requirements and creating tangible value for our customers. By aligning sustainable solutions with customer needs, we strengthen product performance, resource efficiency, and supply security.

With the closed paper cycle at the core of our business model, we operate our paper mills with 0 % virgin fiber input and aim to achieve 85 % recycled content in our packaging production by 2030. We work systematically to reduce material use, optimize packaging design, and increase the return of used packaging from customers, thereby supporting efficient and circular material flows.

Responsible supply chain management is an integral part of our value creation approach. By 2026, all suppliers will be required to commit to our Supplier Code of Conduct, reinforcing shared standards for labor rights, environmental protection, and business ethics and supporting the integrity and stability of our value chain.

Through this integrated and customer oriented approach to circularity and responsible sourcing, we strengthen the resilience of our value chain, minimize environmental impacts, and create long term, sustainable value for our customers, partners, and society.



### Empowering people



Our strategy for empowering people is built on a strong commitment to human rights, fair working conditions, and a culture of safety, integrity, and respect. It addresses the social topics identified as material and aims to create a working environment in which employees feel valued, protected, and empowered to contribute to the long term success of the company.

Occupational health and safety are a core focus of our people strategy. We are committed to providing a safe and healthy workplace and pursuing the ambition of zero incidents of harassment and avoidable workplace accidents. Ethical conduct and integrity guide our actions and decision making. Clear principles for responsible behavior, respect for human rights, freedom

of association, and the responsible handling of data and information form the basis for trust, accountability, and compliance across the organization.

Learning and professional development are essential to empowering our people and strengthening long term organizational resilience. Through continuous investment in education, skills development, and training opportunities, we support employability, enable personal growth, and foster a culture of continuous improvement.

Our employees are at the heart of our company's success. By working together across functions and locations, they bring our vision to life and shape our shared future. This shared commitment strengthens collaboration, fosters personal responsibility, and empowers our people to act as engaged partners in driving sustainable and long term value creation.

### Our contribution to the SDGs

The United Nations Sustainable Development Goals (SDGs) provide a globally recognized framework for addressing key environmental, social, and economic challenges. As a packaging company with a strong focus on circularity, resource efficiency, and responsible business practices, we contribute to selected SDGs where we can achieve the greatest impact through our operations, products, and value chain.

Our contribution to the SDGs is closely aligned with our material topics and is embedded in our sustainability trilogy.

Rather than addressing all goals, we focus on those where our activities, targets, and measures can most effectively support sustainable development.

By focusing on these SDGs, we ensure that our sustainability efforts are both meaningful and measurable. Our contribution to the SDGs is continually reviewed and further developed in line with our materiality assessment, strategic priorities, and evolving stakeholder expectations.



A central focus of our contribution is SDG 12 (Responsible Consumption and Production). With a closed paper cycle at the core of our business model, we promote circular material flows, high recycling rates, and resource efficient packaging solutions. By reducing material use, increasing recycled content, and enabling the return of used packaging, we actively support the transition toward a circular economy.

SDG 13 (Climate Action) is another key priority of our sustainability strategy. Through our climate and energy initiatives, we aim to reduce greenhouse gas emissions, increase the share of non fossil energy sources, and strengthen climate resilience across our operations. In this context, our actions also contribute to SDG 7 (Affordable and Clean Energy), which we address as a complementary objective alongside our climate efforts.

Our contribution to the social dimension of sustainable development is primarily reflected in SDG 8 (Decent Work and Economic Growth). We promote safe and healthy working conditions, ethical conduct, and respect for human rights across our operations. Continuous investment in training and professional development supports employability, skills development, and the long term resilience of our organization.

In addition to these focus areas, we see further opportunities to contribute to selected environmental goals. Responsible water management forms part of our environmental strategy and supports SDG 6 (Clean Water and Sanitation) through reduced water intensity and comprehensive wastewater treatment at our production sites. Moreover, the responsible sourcing of raw materials and the protection of ecosystem related values within our value chain contribute to SDG 15 (Life on Land).

# Ratings

## Carbon Disclosure Project (CDP)



The Carbon Disclosure Project (CDP) is an international non-profit organization that encourages companies, cities, and regions around the world to disclose their environmental impacts. Established in the United Kingdom in 2000, CDP was designed to provide investors, customers, and other stakeholders with transparent and comparable insights into organizations’ environmental strategies, emissions, and long-term ambitions. Today, CDP operates the world’s largest environmental disclosure system, with more than 23,000 companies and over 1,100 cities and regions reporting annually.

CDP evaluates organizations across three key themes: Climate Change, Water Security, and Forests. Its assessments are based on comprehensive questionnaires that examine governance structures, transparency, emissions and resource management, identified risks and opportunities, as well as actions and targets. Scores range from A (demonstrating leadership) to D (limited disclosure or progress), providing a clear indication of how effectively organizations manage their environmental responsibilities. A rating of B or higher is widely recognized as evidence of solid, proactive environmental management.

Against this background, the Model Group again achieved a strong B rating across all three CDP categories - Climate Change, Water, and Forests - in 2025. This result highlights the Group’s consistent commitment to environmental performance and demonstrates meaningful progress across multiple sustainability dimensions. Achieving a uniform B rating in all areas underscores the robustness of the Group’s environmental governance and reflects the effectiveness of its ongoing initiatives to reduce emissions, strengthen responsible water management, and safeguard forest-related supply chains.

## Ecovadis



EcoVadis is a globally recognized platform that provides a comprehensive and holistic evaluation of companies’ sustainability performance. Its methodology goes far

beyond assessing environmental impact alone. Instead, it looks at four key dimensions that define responsible business practices today: environmental stewardship, labor and human rights, ethical business conduct, and sustainable procurement. By integrating these areas, EcoVadis offers one of the most widely adopted and trusted sustainability assessment frameworks across industries.

Participating companies receive detailed scorecards that break down their performance in each of these categories. These scorecards not only include numerical ratings - ranging from 0 to 100 - but also highlight specific strengths and identify clear opportunities for improvement. This enables companies to understand their current maturity level, benchmark themselves against industry peers, and develop targeted action plans. Because the results follow a harmonized, internationally recognized methodology, they can be shared transparently with customers, business partners, and other stakeholders to demonstrate credible progress and commitment.

EcoVadis also awards medals to companies that achieve outstanding results. These medals—Bronze, Silver, Gold, and Platinum—are reserved for organizations that score within the highest percentiles of all companies assessed globally. Earning such a distinction is not only an important signal of strong sustainability performance but also increasingly a prerequisite for participating in responsible supply chains and meeting customer expectations.

In 2025, our packaging-producing entities participated in the EcoVadis assessment, achieving outstanding results that highlight the effectiveness of our sustainability efforts and our commitment to continuous progress. Model Kramp GmbH in Germany reached an exceptional milestone by earning the Platinum Medal - the highest distinction awarded by EcoVadis - placing the company within the top 1% of all assessed organizations worldwide. Model AG in Switzerland also achieved an excellent outcome, receiving a Gold Medal and ranking among the top 5% of participating companies. Model Obaly a.s. in the Czech Republic and Model Opakowania Sp. Z o.o. in Poland were each awarded a Silver Medal, placing them within the top 15% of all assessed businesses.

These accomplishments reflect our high level of maturity in environmental protection, social responsibility, ethical business practices, and sustainable purchasing processes. Together, these results demonstrate not only the strength of our sustainability strategy but also the commitment and dedication of our teams across all regions.



Protecting  
ecosystems

The Model Group's core business is the manufacture of corrugated cardboard packaging, with key stages of the value chain integrated into its operations. This includes both the production of 100 % recycled paper in our own paper mills and the downstream processing into corrugated board and packaging solutions at subsequent production sites. The vertical integration of paper production and packaging manufacturing is a core element of our business model.

### Strategic Capacity Expansion

During the reporting period, the expansion of production capacities for recycled paper was advanced as a key component of the group's strategic direction. The starting point was an annual production capacity of approximately 400,000 tonnes from two existing paper mills. Through the acquisition and conversion of an additional paper mill to produce corrugating medium, total capacity has gradually increased since 2024. By 2030, an expansion to more than 1 million tonnes per year is planned.

This capacity expansion represents a significant structural change and must be considered when interpreting the environmental figures presented in this chapter.

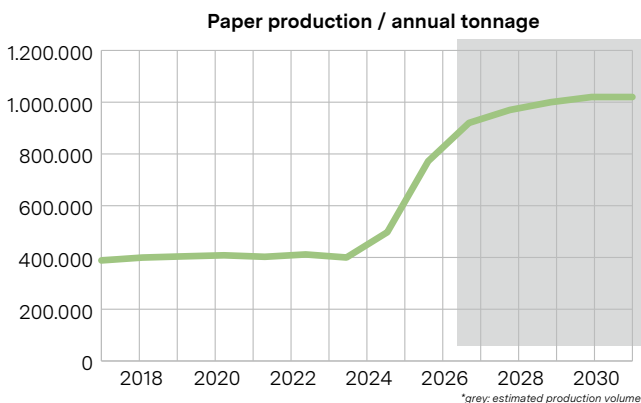
### Context within the Sustainability Strategy

Sustainability is understood as an integrated approach encompassing ecological, economic, and social dimensions. Expanding paper production is a key lever for strengthening internal value creation and security of supply. At the same time, the geographical integration of production sites contributes to reducing transport distances and associated emissions.

Conversely, the expansion of paper production leads to an increase in absolute consumption of energy, water, and materials, as the production of recycled paper is more resource intensive than the downstream processing into corrugated board.

### Key Changes in the Production Structure

Changes in environmental key figures during the reporting period are largely attributable to the ramp up of a new paper machine. The machine has a planned annual capacity of more than 600,000 tonnes and is expected to account for a significant share of total production in the future.



### Impact on Environmental Figures

The capacity expansion and the change in production structure have a significant impact on the development of the Group's environmental figures:

- Energy consumption and emissions:  
Increase in absolute energy consumption due to higher production volumes in the more energy intensive paper manufacturing process.
- Water:  
Increase in water withdrawal and consumption resulting from the higher share of paper production.
- Resource use and circular economy:  
Increased material input alongside a continued focus on the use of 100 % recycled raw materials.

### Methodology and Comparability of Key Figures

Due to the structural changes described above, comparability of absolute environmental figures with previous years is limited. In particular, the increasing share of paper production has a significant influence on aggregated Group level figures.

To improve transparency and analytical value, additional intensity based indicators will be presented in the following subchapters on Climate Change & GHG Emissions, Water, and Resource Use & Circular Economy. These indicators enable a differentiated assessment of resource efficiency that is independent of production volumes.

### Context and Objectives

The developments presented illustrate that increasing production volumes as part of strategic capacity expansion can lead to higher absolute environmental impacts in the short term. In the long term, the Group aims to reduce environmental impacts per unit of production through efficiency measures, optimized processes, and the strengthening of closed material loops, thereby continuously improving overall sustainability performance.

# Climate change & GHG emissions

## Material impacts, risks and opportunities in relation to climate change

### ESRS 2 SBM-3; GRI 201-2

With regard to climate change, the Model Group has identified the key opportunities and risks listed in the table below. The findings indicate that long-term success depends on a proactive and comprehensive strategy focused on reducing emissions, enhancing resource efficiency, and fostering sustainable product development. By actively addressing these challenges and implementing innovative

solutions, the Model Group seeks to mitigate potential risks while capitalizing on opportunities that align with evolving environmental standards and market expectations. To achieve this, the Model Circular Impact Plan has been developed, and its successful implementation is critical not only for environmental protection but also for ensuring the company's continued growth and competitiveness.

Description	Type	Value chain	Time horizon	Probability	Anticipated effects for Model Group
<b>Increasing demand for sustainable packaging</b>	Opportunity	Own operations	Short-, medium-, and long-term	Very high	Circularity and the use of recycled raw materials are becoming key factors in customers' purchasing decisions, leading to a growing demand for sustainable packaging solutions
<b>Innovation potential and differentiation</b>	Opportunity	Own operations	Short-, medium-, and long-term	Very high	Competitive advantages can be achieved by offering lighter and more durable recycled materials. Additionally, providing closed-loop material cycles can enhance customer retention and strengthen long-term business relationships
<b>Regulatory risks due to increased reporting requirements</b>	Transition risk, financial risk	Own operations Upstream Downstream	Short-, medium-, and long-term	Very high	Stricter environmental and climate reporting obligations could increase administrative workload, require additional resources, and lead to higher compliance costs
<b>Increase of energy prices</b>	Financial risk	Own operations Upstream	Short-, medium-, and long-term	Very high	The cost of energy supply is rising, which leads to an increase in our production costs.
<b>Rising demand for recycled materials (recovered paper)</b>	Financial risk	Own operations Upstream	Short-, medium-, and long-term	High	The growing demand for recycled raw materials, particularly recovered paper, could lead to higher procurement costs and potential supply shortages.
<b>Water availability and quality</b>	Physical risk, regulatory risk	Own operations Upstream	Medium-, and long-term	Medium	Stricter water usage regulations in regions with higher water stress could impact production processes and increase operational costs.
<b>Customer expectations and reputational risks</b>	Transition risk, reputational risk	Own operations Upstream Downstream	Short-, medium-, and long-term	Very high	Customers and other stakeholders increasingly expect low-carbon or even carbon-neutral supply chains. Companies that fail to meet these expectations risk losing market share and damaging their brand reputation.

## Model Circular Impact Plan - Transition plan for climate change mitigation and adaptation

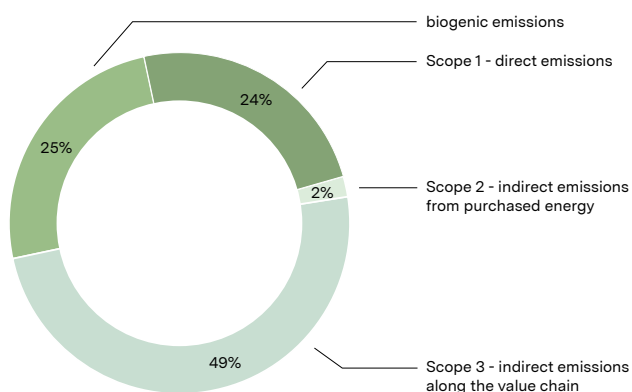
### ESRS E1-1

In alignment with our business model, we recognize our greatest potential for mitigating climate change in the promotion of a circular economy. This has been at the heart of our activities - for over 140 years. The conservation of natural resources and the responsible use of raw materials remain our constant priorities. However, even within a circular economy, emissions are inevitable. That is why we have set science-based targets to actively reduce them.

These targets for 2030 have been validated by the Science Based Targets initiative (SBTi) in alignment with limiting global warming to well below 2 °C. However, with the upcoming revalidation of our targets in 2026, we will adjust our target to the more ambitious 1.5 °C threshold.

To achieve our targets, we have set up the Model Circular Impact Plan, which outlines the strategies and key measures defined by the Model Group to achieve its emission reduction targets for 2030. The plan encompasses both the Group's own operations and its value chain, with a particular focus on the upstream value chain, where the majority of emissions are generated.

#### GHG emissions 2025



Our Model Circular Impact Plan is built around four main pillars:

- Promoting the use of 100 % recycled products
- Transitioning our energy mix to low emission energy sources
- Reducing our energy use by improving energy efficiency
- Engaging our suppliers to implement emission reduction programs

The Model Circular Impact Plan provides for general targets at Group level to ensure that the targets set are met by 2030. The plan sets out the main levers for achieving these targets. The precise roadmaps are then drawn up and implemented by the individual business units. Specific stakeholder requirements of the respective unit are also taken into account.

The strategy for adapting to climate change is based on the results of the climate risk analysis, which covers various scenarios and is carried out at Group level. Here too, the

subsequent planning and implementation of measures takes place at the level of the individual business units, which in turn report progress to the Board of Directors on a regular basis. The most important climate risks and opportunities are listed in the previous table. An annual gap analysis is then carried out at Group level to minimize risks.

## Model Group's policies related to climate change mitigation and adaptation

### ESRS E1-2

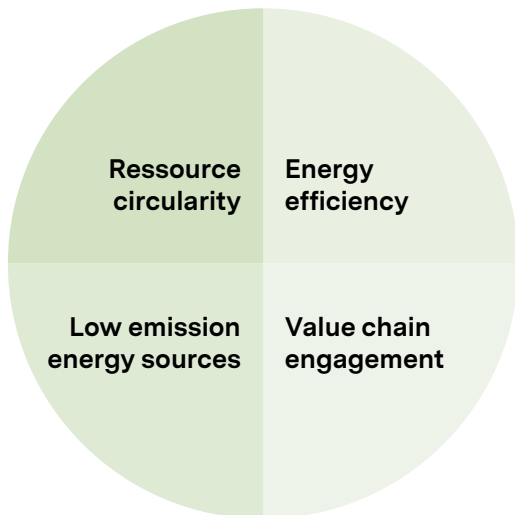
As a company group whose business model is based on producing packaging from recycled paper, we naturally strive to use resources economically and minimize any negative impact on people and the environment. With our new Group-wide sustainability policy, which was drawn up in 2024, we are setting clear targets for climate-friendly production, the circular economy and responsible procurement. With regard to climate change it addresses the Model Groups commitment to reducing greenhouse gas emissions in accordance with the Paris Climate Agreement and increasing the proportion of renewable energy.

Alongside our Code of Conduct, which was already established in 2017, we have thus created a new guiding framework for our company. Through transparency and continuous improvements, we ensure that our packaging is not only environmentally friendly but also meets the highest quality and sustainability standards.

## Climate protection actions

ESRS E1-3; GRI 302-4, 305-5

As described in our Model Circular Impact Plan, our strategy to combat climate change is based on 4 pillars:



### Resource circularity

Compared to paper made from virgin fibers, the production of recycled paper produces an average of 15 % fewer emissions, energy consumption is reduced by 68 % and water consumption by as much as 78 %.<sup>1</sup> By cleverly combining different papers, grammages and flute types, we are able to achieve the mechanical properties of a product made from virgin fibers. This enables our customers to switch to 100 % recycled products (read more about our INLIGHT project in the “creating value” section).

### Low-emission energy sources

The Model Group’s integrated value approach - which spans nearly the entire value creation, from recycled paper production to packaging manufacturing, logistics, and recovered paper collection - identifies several key areas for reducing emissions in our own operations.

The three paper mills are by far the largest energy consumers within the Group. Due to a smart energy supply, two of the three sites already had no Scope 2 emissions for several years and also use biogas resulting in lower Scope 1 emissions compared to the use of natural gas.

The measures in the Group’s packaging plants focus on the installation of photovoltaic systems, as well as supplementary battery storage systems and the adaptation of the energy mix to renewable energy sources.

We are also working on converting parts our fleets to electric drives.

### Energy efficiency

We prioritize energy consumption considerations for new production equipment right from the procurement stage. However, enhancing energy efficiency is equally crucial in maintaining our existing plants. For instance, by replacing motors in our paper machines, we have successfully saved over 1.2 GWh of energy annually.

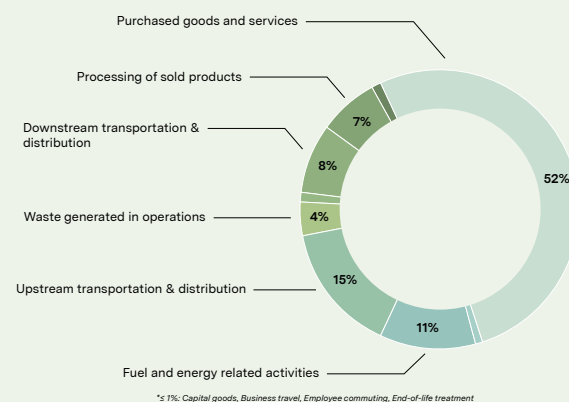
Beyond improving the energy efficiency of production equipment, we also focus on the entire facility’s periphery. For example, we have already converted most of our lighting systems to LEDs, with plans to complete the transition in stages over the coming years. Additionally, various insulation measures have been implemented in recent years, with more planned for the future.

All our production sites are certified according to ISO 50001 and/or ISO 14001 standards, ensuring continuous improvement in our energy and overall environmental performance.

### Value chain engagement

With 52 % for purchased goods, 11 % for fuel & energy related activities and 15 % for upstream transportation & distribution the upstream value chain accounts for most of Model Groups Scope 3 emissions.

Scope 3 Emissions



We have developed a multi-stage plan to reduce these emissions. In the first stage, which began in 2024, we are requiring our main suppliers to record their Scope 1 and 2 emissions through the Model Supplier Code of Conduct. We also encourage all suppliers to participate in limiting greenhouse gases and to join the Science Based Targets initiative (SBTi).

Since 2025, we have been collecting product-specific emission data for key categories driving upstream Scope 3 GHG emissions.

<sup>1</sup> UBA-texts 123/2022



## From Solar Generation to Smart Energy Management

In 2025, the Model Obaly plant in Moravské Budějovice (Czech Republic) made substantial progress in modernizing its energy infrastructure. A key milestone was the preparation and installation of the company's first battery energy storage system (BESS).

By combining on-site photovoltaic generation with battery storage, the plant will be able to use a larger share of its renewable electricity directly on site. This reduces purchased grid electricity, lowers exposure to price volatility, and decreases CO<sub>2</sub> emissions. The battery system also contributes to greater operational stability by supporting internal grid performance and enabling the smarter use of renewable energy.

By the end of 2025, the project had progressed from planning and technical design to physical installation. With commission scheduled for early 2026, the initiative



demonstrates how targeted investments in modern energy systems deliver immediate operational benefits while simultaneously supporting long-term sustainability goals.






In addition, the installation serves as a pilot project within Model Obaly, supporting the development of a scalable concept for future applications at other sites. Preparatory work at the Opava plant has already begun, highlighting the potential for broader deployment informed by the lessons learned in Moravské Budějovice.

## Model Group's climate and emissions targets

### ESRS E1-4

The Model Group has set science-based targets for reducing GHG emissions. A total of three targets were set, each for the totals of Scope 1 and 2 emissions, once for the Paper division and once for the Packaging division. In addition, a target was set for the total Scope 3 emissions of all areas. The target set at the time was based on limiting global warming to well below 2 °C.

In 2026, we will adopt the ambitious target of limiting global warming to no more than 1.5 °C as part of the revalidation of our goals by the SBTi. In anticipation of this target switch, our decarbonization plan, the Model Circular Transition Plan, is already aligned with the expected revalidated targets. In this context, we will also recalculate our baseline to reflect the fact that we have acquired an additional paper mill. 2017 will remain our base year.

	Paper 	Packaging 
Scope 1 	-22.9% / t Target 1	-32.5% / abs. Target 2
Scope 2 		
Scope 3 	-26% / t Target 3	

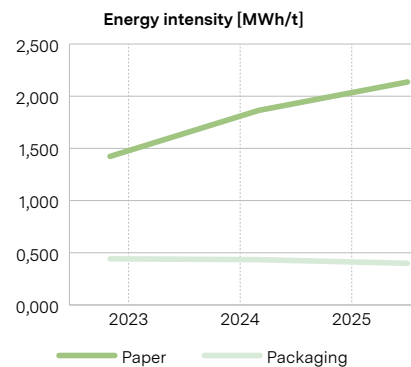
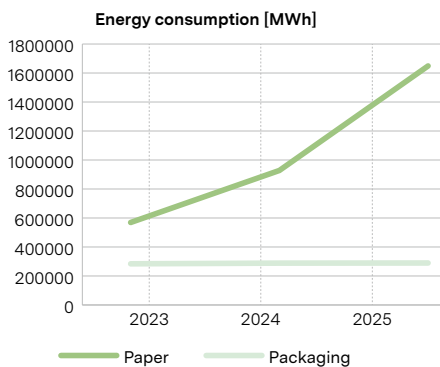
## Energy consumption and mix

ESRS E1-5; GRI 302-1

Energy consumption and mix	Unit	2025	2024	2023
Total fossil energy consumption	MWh	1,487,375	716,116	370,789
Share of fossil sources in total energy consumption	%	77	59	43
Consumption from nuclear sources	MWh	207,541	304,626	304,854
Share of consumption from nuclear sources in total energy consumption	%	11	25	36
Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	139,071	103,904	90,897
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	101,394	89,497	85,553
Total renewable energy consumption	MWh	243,480	195,672	177,317
Share of renewable sources in total energy consumption	%	13	16	21
Total energy consumption	MWh	1,938,396	1,216,414	852,960

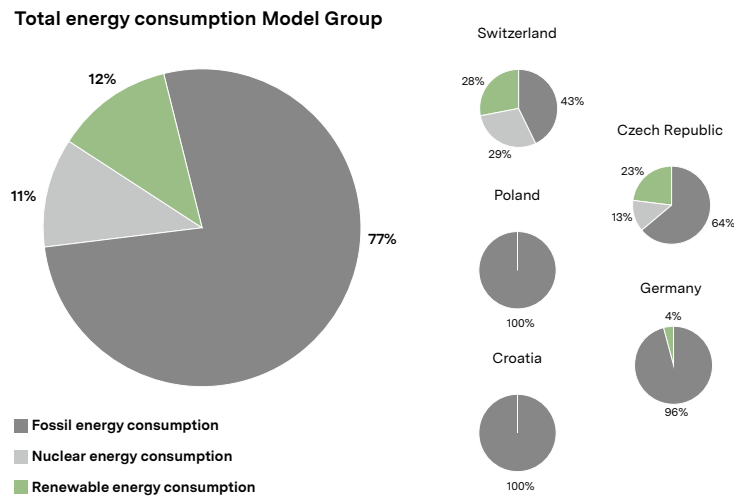
In 2025, the development of the Model Group's energy consumption was strongly influenced by the strategic expansion of paper production capacities and the resulting structural shift within the production network. Total energy consumption increased significantly between 2023 and 2025, reaching approximately 1.9 million MWh in 2025, primarily driven by the ramp-up of the new paper machine and the growing share of paper production within the Group.

At the same time, the composition of the energy mix changed considerably. The consumption of fossil energy increased sharply, with its share rising from 43% in 2023 to 77% in 2025. This development is mainly linked to the energy supply structure of the new paper mill, which currently relies on natural gas-based steam generation. In contrast, the share of nuclear energy declined significantly over the same period, reflecting the reduced relative contribution of existing mills that continue to benefit from lower-emission energy sources.



A differentiated view by business segment shows diverging trends between paper and packaging production. Energy consumption in paper production increased steeply between 2023 and 2025, reflecting the ramp-up of the new paper machine, while energy consumption in the packaging segment remained largely stable over the same period. A similar pattern can be observed in energy

intensity: the energy intensity of paper production rose significantly, indicating the still ongoing ramp-up phase and less efficient operating conditions, whereas the energy intensity of the packaging business slightly decreased, pointing to continuous efficiency improvements in this segment.



The scope of energy consumption covers the 15 production sites, see ESRS 2 BP-1. The few office-only sites are insignificant compared to the production sites and their consumption is therefore not included. All consumption figures are given as upper heating values. The data is reported by each site to the Group's sustainability data collection.

## GHG emissions

ESRS E1-6; GRI 305-1/2/3

The scope of GHG emissions covers the Group's production sites, see ESRS 2 BP-1. The few office-only sites are insignificant compared to the production sites and their emissions are therefore not included.

The emissions were calculated based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). For the calculation all greenhouse gases that are relevant according to the IPCC Assessment Report were considered: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulphur hexafluoride (SF<sub>6</sub>), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and nitrogen trifluoride (NF<sub>3</sub>). All greenhouse gas emissions were converted into CO<sub>2</sub> equivalents. The calculation was based on the data reported by each site to the Group's sustainability data collection.

The emissions calculations have been externally verified in accordance with the GHG Protocol and ISO 14064-1.

In 2025, the development of the Model Group's GHG emissions was strongly influenced by the strategic expansion of paper production capacities and the

resulting structural shift within the production network. Total GHG emissions increased significantly compared to previous years, primarily driven by a notable rise in Scope 1 and Scope 3 emissions, alongside improvements in data coverage.

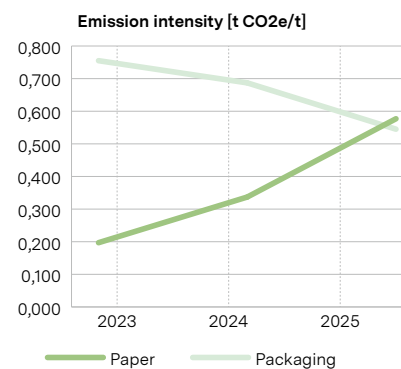
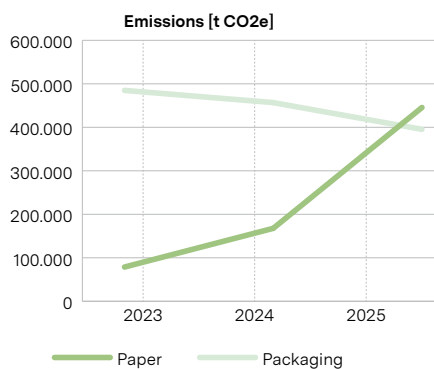
The increase in Scope 1 emissions reflects both higher production activity and refined emission accounting, particularly regarding biogenic emissions. Scope 3 emissions also rose, mainly due to expanded reporting boundaries and the inclusion of additional categories such as capital goods and processing of sold products. While emissions from purchased goods and services declined significantly, increases were observed in fuel- and energy-related activities, transportation, and waste generated in operations.

Overall, total GHG emissions reached approximately 840,000 t CO<sub>2</sub>e (market-based), reflecting a combination of operational growth and methodological enhancements in emissions accounting.

GHG emissions of the Model Group	Unit	2025	2024	2023
<b>Total Scope 1 GHG emissions</b>				
Gross Scope 1 GHG emissions	t CO <sub>2</sub> e	267,665	119,950	51,793
<b>Total Scope 2 GHG emissions</b>				
Gross location-based Scope 2 GHG emissions	t CO <sub>2</sub> e	40,304	42,240	40,588
Gross market-based Scope 2 GHG emissions	t CO <sub>2</sub> e	26,468	30,406	24,805
<b>Total Scope 3 GHG emissions</b>				
Total gross indirect (Scope 3) GHG emissions	t CO <sub>2</sub> e	546,872	474,184	546,556
1 Purchased goods and services	t CO <sub>2</sub> e	281,621	353,898	384,628
2 Capital Goods	t CO <sub>2</sub> e	6,596	Not included	Not included
3 Fuel and energy-related activities	t CO <sub>2</sub> e	62,175	25,392	21,262
4 Upstream transportation and distribution	t CO <sub>2</sub> e	82,130	59,134	52,463
5 Waste generated in operations	t CO <sub>2</sub> e	22,427	12,297	10,951
6 Business travel	t CO <sub>2</sub> e	129	86	48
7 Employee commuting	t CO <sub>2</sub> e	4,409	3,795	7,530
9 Downstream transportation and distribution	t CO <sub>2</sub> e	44,715	16,316	13,017
10 Processing of sold products	t CO <sub>2</sub> e	38,422	Not included	Not included
12 End-of-life treatment	t CO <sub>2</sub> e	4,248	3,377	Not included
<b>Total GHG emissions</b>				
Total GHG emissions (location-based)	t CO <sub>2</sub> e	854,841	636,778	571,529
Total GHG emissions (market-based)	t CO <sub>2</sub> e	841,005	624,931	563,611
<b>Total Biogenic GHG emissions</b>				
	t CO <sub>2</sub> e	285,727	36,077	30,567

The absolute emissions from paper production increased significantly between 2023 and 2025, reaching approximately 445,000 t CO<sub>2</sub>e in 2025. This development is primarily driven by the ramp-up of the new paper machine and the increasing share of paper production within the Group. At the same time, emissions from packaging production decreased steadily, declining from around

485,000 t CO<sub>2</sub>e in 2023 to approximately 395,000 t CO<sub>2</sub>e in 2025. This reflects a positive development in the packaging segment, which benefits from efficiency improvements and a comparatively less emission-intensive production process. As a result, emissions from both segments converge in 2025, highlighting the growing importance of upstream activities.



A similar trend can be observed for emission intensity. The emission intensity of the packaging business improved continuously, decreasing from approximately 0.76 t CO<sub>2</sub>e/t in 2023 to around 0.55 t CO<sub>2</sub>e/t in 2025, indicating clear efficiency gains. In contrast, the emission intensity of paper production increased from about 0.2 to 0.58 t CO<sub>2</sub>e/t over the same period.

This increase is not only linked to higher production volumes, but also to the energy supply structure of the new paper mill. While the existing mills are largely supplied with lower-emission steam from a nuclear power plant and a waste-to-energy facility, the new paper machine currently relies on natural gas-based steam generation, resulting in a higher carbon intensity.

At the same time, it should be noted that the new paper machine has not yet reached its full operational capacity in 2025. As ramp-up continues and production volumes increase in the coming years, a significant improvement in emission intensity is expected due to economies of scale and more stable, optimized operations.

In addition, the interpretation of 2025 data is affected by methodological changes. In particular, biogenic emissions increased significantly, not only due to higher production volumes but also because, for the first time, biogenic emissions in the upstream value chain were included alongside direct biogenic emissions. Furthermore, the expanded Scope 3 coverage limits comparability with previous years.



## Pilot Testing Electric Trucks

### **Pilot Testing Electric Trucks: Insights on Performance and Carbon Efficient Alternatives**

*As part of our efforts to reduce the environmental footprint of transporting our products, we tested the use of electric trucks for local deliveries over distances of approximately 80–100 km in cooperation with our main logistics partner. During the testing phase, we evaluated two electric heavy-duty vehicles from different manufacturers, focusing on real-world driving range, operational reliability, and driver experience. The driving range of both vehicles met our requirements, and drivers rated the driving performance very positively. However, the main limitation identified was higher operating costs, which, according to the carrier's calculations, were nearly double those of diesel vehicles.*



*This was primarily due to the high acquisition costs of electric trucks combined with relatively low annual mileage on local routes. Under current conditions, a transition to HVO fuel therefore appears to be a more efficient and economically viable solution, offering a lower carbon footprint at significantly lower costs than fully electric road freight transport.*

# Water

## Management of Risks, opportunities and impacts related to water

ESRS 2 SBM-3; GRI 303-2

As a packaging manufacturer based on recycled paper, we recognize water as a vital natural resource and are committed to its responsible use across our value chain.

Regarding water, the Model Group has therefore identified the key impacts, opportunities and risks listed in the table below.

Description	Type	Value chain	Time horizon	Probability	Anticipated effects for Model Group
<b>Conservation of water as a natural resource</b>	Positive impact	Own operations	Short-, medium-, and long-term	High	The operation of water treatment plants contributes to maintaining the water quality of natural water sources
<b>Substitution of water-related substances</b>	Positive impact	Own operations	Short-, medium-, and long-term	High	The reduction of water-related substances contributes to the conservation of water resources and reduces our production costs.
<b>Regulatory risks due to increased reporting requirements</b>	Transition risk, financial risk	Own operations Upstream Downstream	Short-, medium-, and long-term	Very high	Stricter environmental and climate reporting obligations could increase administrative workload, require additional resources, and lead to higher compliance costs
<b>Water availability and quality</b>	Physical risk, regulatory risk	Own operations Upstream	Medium-, and long-term	Medium	Stricter water usage regulations in regions with higher water stress could impact production processes and increase operational costs.

### Model Group's policies related to water

ESRS E3-1; GRI 303-1

Water is an essential resource in the paper production process and, consequently, in the manufacturing of paper-based packaging. It plays a crucial role in fiber processing, paper formation, and various refining steps. However, compared to virgin fiber paper production, recycled paper requires significantly less water and fewer chemicals, making Model papers a more sustainable alternative in terms of both water consumption and the protection of natural water bodies.

By further increasing the use of recycled paper across our packaging plants in line with the Model Circular Impact Plan, we not only minimize resource use but also lower the water intensity of our operations throughout the value chain.

Our approach to produce our packaging materials in a closed paper cycle reflects our broader commitment to sustainability, balancing operational efficiency with environmental responsibility and with the aim to protect critical resources for future generations.

### Water protection actions

ESRS E3-2

Our paper production process requires dissolving collected paper waste in water to transform it into new paper. This process introduces various substances into our water circulation system, which we diligently treat before discharge. Our paper mills, located in Switzerland and Germany, operate under strict monitoring and adhere to rigorous regulatory standards. We collaborate closely with local authorities to ensure compliance with environmental regulations and to continuously improve our water management practices.

Beyond our paper mills, we actively monitor water consumption in our packaging plants and aim to reduce usage wherever possible. We also strive to minimize the presence of water-polluting substances at all sites, maintaining them at the lowest necessary levels. To support this commitment, we maintain hazardous substance registers and regularly evaluate alternatives to replace potentially harmful chemicals with more sustainable options.

In areas at water risk, we only operate packaging plants that consume significantly less water than the paper mills.



## Ensuring Responsible Water Use

In 2025, our colleagues at Model Pakiranja d.d. in Croatia reached an important milestone in our environmental commitment by completing the modernization and automation of the industrial wastewater treatment plant (WWTP). This investment significantly enhances the quality of our treated water, strengthens the protection of local ecosystems, and further reduces the environmental footprint of our operations.

The upgraded WWTP now uses energy more efficiently, operates with improved process stability, and ensures consistently high treatment performance. Automation allows the system to run with greater precision, helping us avoid unnecessary resource use and minimize waste. These improvements contribute directly to cleaner water released back into the environment and support the long term preservation of natural habitats.

Overall, the modernization project demonstrates how we continue to integrate environmental responsibility into our production processes. By ensuring better water quality, reducing energy demand, and strengthening ecosystem protection, we are taking another meaningful step toward a more sustainable future.



### Model Group's water targets

#### ESRS E3-3

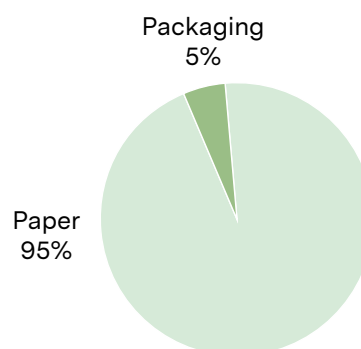
In accordance with our sustainability policy, we aim to decrease our water intensity by 2030 by 5 % compared to 2017. We also aim to minimize the use of water-polluting substances, which are generally only disposed of via disposal companies and do not end up in the natural water cycle. We also treat 100 % of the wastewater produced in our paper mills.

### Use of water

#### ESRS E3-4; GRI 303-3/4/5

At 95 % of the total volume, the majority of the water extracted is used for paper production. The waste paper is pulped in water so that the fibers are released. New recycled paper is produced from the resulting fiber pulp. In addition to paper production, water is used for the corrugated cardboard production and for sanitary facilities.

### Water withdrawal



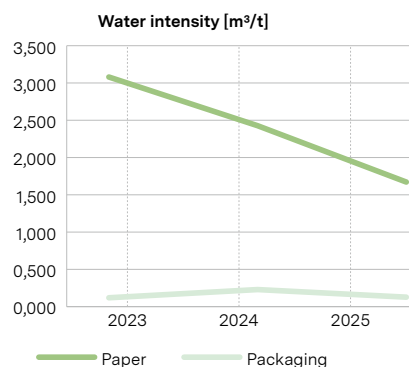
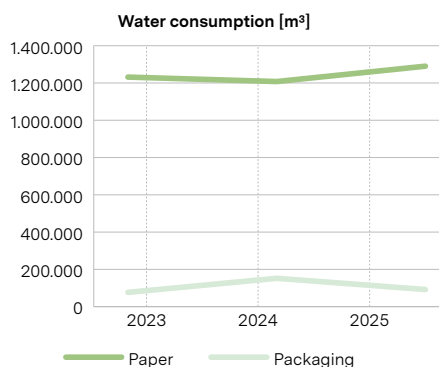
	Unit	2025	2024	2023
<b>Total water consumption</b>	<b>m<sup>3</sup></b>	<b>1,381,993</b>	<b>1,359,842</b>	<b>1,308,191</b>
Total water consumption in areas at water risk	m <sup>3</sup>	32,380	31,364	35,401
Total water recycled and reused	m <sup>3</sup>	0	0	0
Total water stored and changes in storage	m <sup>3</sup>	0	0	0
<b>Total water withdrawals</b>	<b>m<sup>3</sup></b>	<b>6,163,726</b>	<b>4,408,974</b>	<b>2,893,921</b>
Total water withdrawals from groundwater	m <sup>3</sup>	2,465,696	2,646,956	2,709,099
Total water withdrawals from surface water	m <sup>3</sup>	3,525,793	1,593,522	0
Total water withdrawals in areas at water risk	m <sup>3</sup>	71,626	70,215	74,119
<b>Water intensity</b>	<b>m<sup>3</sup> / Mio. CHF</b>	<b>1,282</b>	<b>1,409</b>	<b>1,338</b>
<b>Total water discharge</b>	<b>m<sup>3</sup></b>	<b>4,781,733</b>	<b>3,049,132</b>	<b>1,585,730</b>
Total water discharge in areas at water risk	m <sup>3</sup>	39,246	38,851	38,718
Total water discharge to groundwater	m <sup>3</sup>	0	0	0
Total water discharge to surface water	m <sup>3</sup>	3,592,141	1,992,277	145,774

The Model Group's water consumption in 2025 reflects the effects of the ongoing strategic capacity expansion. Total water consumption increased slightly to 1.38 million m<sup>3</sup>, while water withdrawals rose more significantly, driven by the higher share of paper production following the ramp-up of the new paper machine.

This development is structurally linked to the Group's vertically integrated business model and the expansion of recycled paper capacity. Paper production is considerably more water-intensive than downstream packaging activities, and its growing share in the production mix is therefore the main driver of the increase in absolute water figures.

At the same time, a differentiated view across business segments highlights contrasting trends:

- In the paper segment, water consumption remains high but is accompanied by a clear reduction in water intensity, indicating improved efficiency and the positive impact of process optimization measures despite higher output volumes.
- In the packaging segment, water use remains low and relatively stable, reflecting the structurally lower water requirements of these operations.



Overall, the development in 2025 illustrates the expected short-term effect of capacity expansion: higher absolute water use due to structural changes in production, combined with efficiency gains on a per-unit basis, particularly in paper manufacturing. This confirms the Group's strategic direction of improving resource efficiency over time, even as production volumes continue to grow.

The scope of water usage covers the production sites, see ESRS 2 BP-1. The few office-only sites are insignificant compared to the production sites and their water usage is therefore not included.

The water usage data is reported by each site to the Group's sustainability data collection. Water withdrawal and discharge are measured daily in the paper mills and annually in the packaging mills. Consumption is calculated from the difference between the quantities withdrawn and discharged.

According to WRI Aqueduct four sites of the Model Group are located in areas at water stress. These are Berka/Werra and Hanau in Germany as well as Opava and Moravske Budejovice in Czech Republic, all of them packaging plants with respective low water consumption compared to the paper mills. The overall water risk is low or low – medium at all sites of the Model Group.

# Resources use & circular economy

## Management of Risks, opportunities and impacts related to resource use

ESRS 2 SBM-3; GRI 306-2

Regarding resource use and circular economy, the Model Group has identified the key opportunities and risks outlined in the table below. Achieving both short- and long-term success hinges on the company's ability to meet customer and regulatory requirements for circular products.

Innovation plays a crucial role in this effort. By proactively tackling these challenges and developing creative solutions, the Model Group not only mitigates potential risks but also capitalizes on emerging opportunities aligned with evolving recycling standards and market expectations.

Description	Type	Value chain	Time horizon	Probability	Anticipated effects for Model Group
<b>Increasing demand for sustainable packaging</b>	Opportunity	Own operations, Downstream	Short-, medium-, and long-term	Very high	Circularity and the use of recycled raw materials are becoming key factors in customers' purchasing decisions, leading to a growing demand for sustainable packaging solutions
<b>Innovation potential and differentiation</b>	Opportunity	Own operations	Short-, medium-, and long-term	Very high	Competitive advantages can be achieved by offering lighter and more durable recycled materials. Additionally, providing closed-loop material cycles can enhance customer retention and strengthen long-term business relationships
<b>Regulatory risks due to increased legal requirements</b>	Transition risk, financial risk	Own operations Upstream Downstream	Short-, medium-, and long-term	Very high	Stricter obligations on resource use and recyclability could increase administrative workload, require additional resources, and lead to higher compliance costs
<b>Rising demand for recycled materials (recovered paper)</b>	Financial risk	Own operations Upstream	Short-, medium-, and long-term	High	The growing demand for recycled raw materials, particularly recovered paper, could lead to higher procurement costs and potential supply shortages.

## Model Group's policies related to resource use & circular economy

ESRS E5-1; GRI 306-1

For the Model Group, promoting the circular economy is at the core of our sustainability strategy. That is why it is also a key element of our Carbon Reduction Plan, the Model Circular Impact Plan (see page 20). From using recovered paper as a raw material for our paper production to manufacturing packaging from recycled paper and collecting used packaging from our customers, everything in our company revolves around a closed-loop paper cycle.

To further promote efficient resource usage and circular economy we have identified the following main levers, which also require the involvement of our upstream and downstream value chain:

- Enhance the usage of recycling paper
- Establish a system for the return of used packaging
- Decrease packaging weight
- Expand share of FSC-certified materials

## Resource use & circular economy actions

### ESRS E5-2

A key element of our strategy for resource management and the circular economy is ensuring a steady inflow of recycled materials. To this end, the Model Group has invested over 400 million CHF in recent years to acquire and renovate an additional paper mill in Eilenburg. This expansion increases our production capacity for 100 % recycled paper by 600,000 tons per year, securing the supply of recycled paper for our packaging plants for years to come. This unprecedented investment in our over 140-year company history underscores our strong commitment to advancing the circular economy.

Such a significant capacity expansion also requires parallel measures to ensure a stable raw material supply for the new paper mill. To meet this need, we source raw materials from household collection programs in nearby municipalities, production offcuts from our own packaging plants, and the traditional recovered paper market. Additionally, through our Recover project, we offer a take-back service for corrugated waste from our customers, further closing the material loop and reinforcing our commitment to sustainability.

Unlike the traditional waste hierarchy, which prioritizes prevention and reduction before recycling, a company producing corrugated cardboard packaging focuses primarily on recycling due to the nature of its products and industry constraints. Packaging is essential for protecting goods, making complete avoidance or significant reduction impractical. Since our production process is already based on recycled materials, recycling remains the most effective sustainability strategy. Corrugated cardboard is biodegradable and highly recyclable, allowing for an efficient closed-loop system where disposal is minimized. Established recycling infrastructure ensures that used packaging is collected, processed, and reused, making recycling the most impactful approach.

Nevertheless, we have also identified potential to further reduce the overall weight of our packaging solutions. In 2024, we therefore initiated the INLIGHT project, which focuses on developing lighter packaging designs, optimizing material use, and exploring innovative lightweighting technologies that maintain both product protection and performance standards. By doing so, we aim to reduce resource consumption, improve transport efficiency, and enhance the environmental profile of our packaging portfolio.

Additional details on the objectives, approach, and preliminary results of the INLIGHT project are presented in the "Creating Value" section of this report.

## Model Group's resource use & circular economy targets

### ESRS E5-3

#### Our Resource Utilization Goals

- Maintain 0 % virgin fibers as input materials in our paper mills
- Achieve 85 % recycled input materials in our packaging production by 2030
- Reduce packaging weight and minimize material consumption

#### Responsible Sourcing and Certification

- Achieve 100 % FSC-certified and controlled input materials
- Maintain at least 90 % FSC-Certified Packaging by 2030
- Increase the volume of returned packaging from our customers

## Resource inflows

ESRS E5-4; GRI 301-1/2/3

The main inflows for the Model Group consist of recovered paper for paper production, as well as paper and cardboard for packaging production.

The papers used to produce corrugated packaging are largely produced in-house. Purchased materials primarily include bleached papers and kraft papers, both of which are used to meet specific customer requirements.

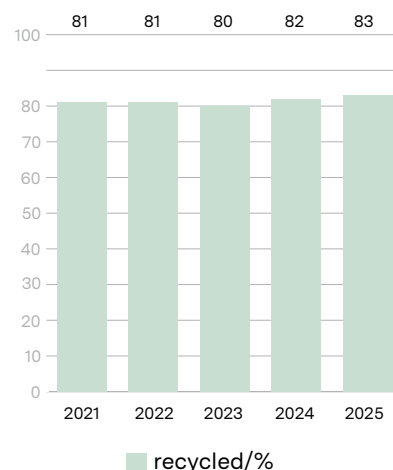
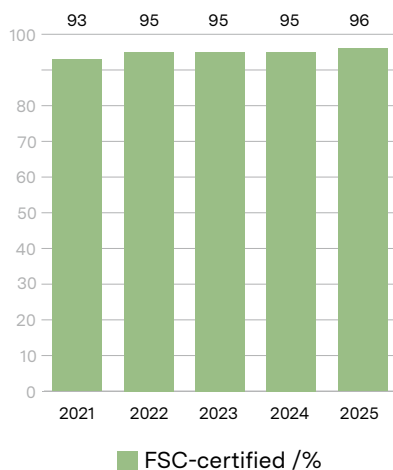
Besides energy and water, which are reported in previous chapters, starch, inks and varnishes are also used but in significantly smaller quantities compared to fiber-based materials. Plastic is only used to a small extent as packaging material.

A significant portion of the packaging materials used is self-produced corrugated cardboard. In addition, we purchase pallets, packaging papers, and packaging films.

Resource inflows	Unit	2025	2024	2023
<b>Biological materials</b>				
Total input paper waste for paper production	1,000 t	837	525	424
Total input fiber-based materials for packaging production	1,000 t	739	728	685
Of this FSC-certified and controlled materials	1,000 t	706	695	650
	%	96	95	95
Of this recycled content	1,000 t	615	601	549
	%	83	82	80
<b>Technical materials</b>				
Plastic materials used for packaging	1,000 t	0.9	0.8	0.6
Of these recycled plastic (min. 30 % PCR)	1,000 t	0.3	0.3	0.2
	%	39	39	34

In 2025, material inflows at the Model Group increased significantly, reflecting the structural shift towards expanded recycled paper production. The most notable development is the sharp rise in paper waste used as input for paper production, which reached 837 thousand tonnes, up from 525 thousand tonnes in 2024. This increase is directly linked to the ramp-up of the new paper machine and the overall growth in paper output to 771 thousand tonnes. It highlights the central role of recovered paper as a key raw material and underlines the importance of circular material flows within the vertically integrated business model.

By contrast, fiber-based material input for packaging production remained relatively stable at 739 thousand tonnes, in line with the more moderate increase in packaging volumes. At the same time, the Group maintained a consistently high level of sustainable sourcing, with 96% FSC-certified and controlled materials and 83% recycled content, demonstrating continuity in responsible procurement despite higher total volumes.



The use of technical materials, such as plastics, remained limited at 0.9 thousand tonnes, with a stable share of 39% recycled plastic. Overall, the development of material inflows in 2025 is clearly driven by the expansion of paper production, which is structurally more material-intensive, while the packaging segment shows comparatively stable and less resource-intensive input patterns.

The figures are based on delivered values. The data is reported by each site to the Group's sustainability data collection.

## Resource outflows

ESRS E5-5; GRI 306-3/4/5

Material outflows in 2025 increased in line with higher production volumes, particularly in the paper segment. The outflows are the manufactured products, recycled paper and packaging materials based on corrugated cardboard and solid board, as well as production waste.

Products	Unit	2025	2024	2023
Total paper production	1,000 t	771	497	400
Total packaging production	1,000 t	726	665	642
of this corrugated board*	1,000 t	709	648	625
of this cardboard	1,000 t	17	17	17

\*The quantity of corrugated cardboard production is recorded in m<sup>2</sup> and calculated with an average grammage of 0.5 kg/m<sup>2</sup>

Non-hazardous waste rose to 199 thousand tonnes in 2025. This increase is largely attributable to higher throughput in paper manufacturing. The majority of our waste consists of paper and cardboard, a significant portion of which is returned to the paper production cycle as recovered material. Overall, more than 79% of our waste is recovered. An additional 18% is sent for incineration, leaving only 2.5% disposed of in landfill.

Hazardous waste remained relatively stable at 5.21 thousand tonnes, representing 2.5% of our total waste. A significant share of this waste originates from incineration residues at one paper mill, where approximately 4.6 tonnes must be disposed of in landfill due to regulatory requirements. This represents a structural limitation to further reductions in this category.

Waste	Unit	2025	2024	2023
Total non-hazardous waste	1,000 t	199	186	172
to recycling	1,000 t	163	149	132
to incineration	1,000 t	37	36	39
to landfill	1,000 t	0.2	0.2	0.1
Total hazardous waste	1,000 t	5.21	5.19	4.83
to recycling	1,000 t	0.02	0.03	0.04
to incineration	1,000 t	0.33	0.51	0.50
to landfill	1,000 t	4.83	4.52	4.29

The data is reported by each site to the Group's sustainability data collection.



## Our Contribution to Biodiversity

*The responsible use of natural spaces and the promotion of biodiversity are key priorities across our value chain. In addition to focusing on FSC-certified raw materials in our upstream supply chain, we also implement targeted measures at our own sites to compensate for interventions in nature and the landscape and to preserve or enhance ecological habitats in the long term.*

*At Model Sachsen GmbH in Eilenburg, the conversion of the plant into a production site for containerboard led to an increase in sealed areas. To compensate for the associated impact on ecosystems, comprehensive compensation measures were implemented in close coordination with the responsible nature conservation authority. These include, in particular, the restoration of green structures and the replanting of native trees and shrubs at a ratio of 1:2 – an approach that not only restores the original condition but also improves the ecological quality of the area.*

*An essential part of these measures is the new orchard meadow with 30 fruit trees, which was planted in autumn 2024. Orchard meadows are among the most species-rich cultivated landscapes and provide valuable habitats for numerous insect, bird, and small animal species. Bee colonies that have been at the site since 2021 can now also benefit from a diverse and attractive year-round food source that complements the existing natural areas.*

*Model Kramp GmbH in Hanau also has a large, unsealed area in the immediate vicinity of the factory, which is landscaped with numerous fruit trees and other natural structures. The bee colonies settled there find a wide range of food and habitat, which enhances the ecological value of the entire factory site.*

*With the measures taken at both locations, we are making an effective contribution to promoting local biodiversity. The combination of targeted compensation planting, near-natural areas, and support for pollinator populations helps to strengthen the resilience of regional ecosystems in the long term and to shape our operational footprint responsibly.*





Creating  
value

**Fully Integrated. Fully Circular. Fully Model.**

Our value creation strategy is based on two main concepts: the closed paper loop and the integrated value chain. It thus follows our company’s values of acting economically, generating knowledge and creating added value through cooperation.

**Our history**

Our company is run in the fourth generation by Daniel and Maria Elisabeth Model. As you can see, our company history goes back 144 years and yet we have to prove ourselves on the market every day with our products and services.

Our lean organization is geared towards an efficient flow of business processes. The individual locations are structured in a process-oriented manner, have their own sales and development teams and have a high level of decision-making responsibility.

When Louis Model founded the company in 1882, he was actually already doing what we do today. Only by other means: In the hand cardboard factory in Ermatingen, waste paper was dissolved in large boilers, the porridge was poured into flat molds and the paper sheets were hung up to dry. Solid cardboard and packaging – handmade – was created from several glued pages. Today we have machines for this, but one thing has not changed: Our adhesive is still natural potato and wheat starch, as it was 140 years ago.

The industrial production of cardboard began with Otto Model in the 1930s. In the USA, he bought a round sieve board machine that could be used to produce cardboard products. This cost no less than four times the annual turnover of the company at that time. A bold move that paid off. Due to a tragic accident, Otto Model was only able to accompany the success until 1940. His wife took over the company in Weinfelden. As an extraordinary entrepreneur and strong woman, Els Müller-Model is still the heroine of our company history.

In the 1950s, the demand for corrugated board increased because it has a high lightness and stability compared to other packaging and transport materials. Our company also specialized in the production of corrugated board, which was constantly expanded under Otto Model jun. – who took over the management of the company in 1961.

Daniel Model, son of Otto Model jun., experienced the fall of the Berlin Wall and the mood of departure in 1989. At that time he was working as a consultant in Potsdam and recognized the possibilities of the new markets in the European East. In 1991, Daniel Model joined the company and seized the opportunity to take over a plant in the Czech Republic. The first step towards internationalization was taken.

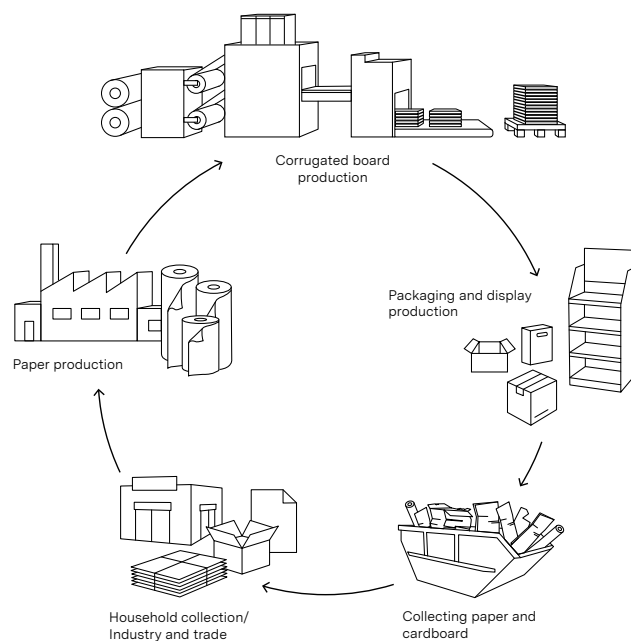
Today, paper production by hand has become individual stages of the value chain. Instead of individual sheets, we produce paper industrially on huge rolls. Machines glue 450 meters of paper per minute to corrugated board. From these corrugated sheets, we create the packaging in various further processing steps. With our locations, we are now in a compact Central European position. With David and Sarah Model, the fifth generation is already part of the Model Group.

**Closed paper cycle**

At Model, we are committed to sustainable production through a fully closed paper cycle. Our packaging is made primarily from recycled fibers, which we obtain from used paper products. These fibers are processed into new paper, which then serves as the basis for producing high-quality corrugated board and packaging solutions.

Once the packaging is manufactured, it is delivered to our customers for use in a wide range of applications. After fulfilling its purpose, we actively support the return and recovery of the used packaging materials. By collecting and reintegrating them into our production cycle, we significantly reduce the need for virgin resources.

This circular approach not only minimizes waste but also helps conserve energy and raw materials. By continuously reusing valuable fibers and optimizing our processes, we contribute to a more sustainable future and work hand in hand with our customers to promote environmental responsibility across the entire value chain.



Creating value

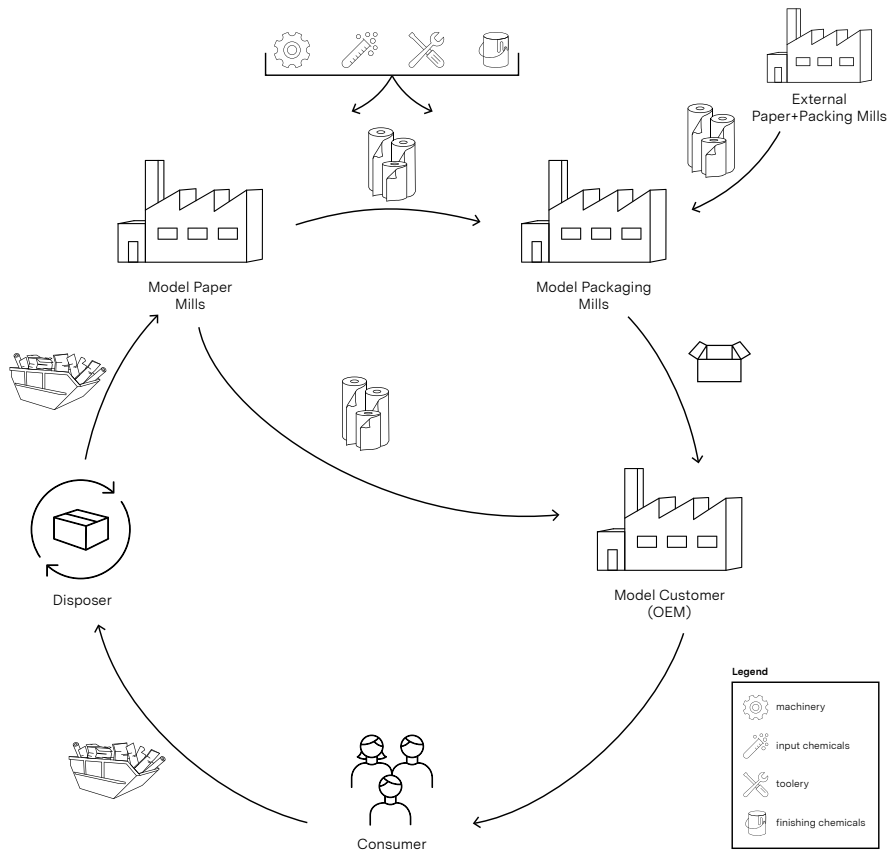
### Integrated value chain

Sustainability and value creation are two sides of the same coin within the Model Group. With the strategic acquisition and comprehensive modernization of an additional paper mill, Model will soon be able to cover its entire demand for recycled paper through its own production. This represents the next step towards a fully integrated process that ensures control, quality and environmental responsibility at every stage.

From recycled paper production to in-house corrugated board manufacturing, from intelligent packaging development to the production of high-quality, customized packaging solutions, every step is seamlessly coordinated within the Model Group.

The integration continues beyond production. Model's dedicated logistics network ensures reliable delivery across Europe while actively supporting the circular economy. Used packaging can be collected during delivery and returned directly to our facilities, where it is reprocessed into raw material for new paper.

By combining paper manufacturing, corrugated board production, packaging design, logistics, and recycling within one company, Model creates a closed loop that reduces environmental impact and increases value. It is more than packaging. It is a smarter and more sustainable way of working.



Creating value



## Customer Event 2025 – Experiencing Printing Expertise First-Hand

*In March 2025, we welcomed around 100 customers to Weinfeldten for a special event dedicated to the theme of “Printing Expertise.” The goal: to foster exchange along the entire value chain and to demonstrate how modern technologies strengthen sustainable partnerships.*

*Our goods reception area has completely transformed. Between digital and flexo print samples, a space full of ideas emerged, crowned by a floating ceiling of cardboard boxes – a symbol of our packaging expertise and closed material loop. With coffee and croissants, our guests immediately found opportunities to connect upon arrival.*



*A special highlight: The photos taken at the beginning of the event were produced during the tour on our digital printing machine, framed in the Packaging Competence Center, and handed to our guests as a personal keepsake. Fast, precise and individual – this is how technology becomes tangible.*

*To round off the day, a grill station invited everyone to continue the exchange – a perfect conclusion that underlined the collaborative spirit of the event.*



*After the welcome address by Sarah Model, the group visited our newly installed digital and flexo printing machines from the previous year.*

*Here, participants were able to experience the production process up close and see how modern printing technologies combine efficiency, flexibility and resource conservation.*



## INLIGHT – Lightweight packaging by Model

The Model INLIGHT team has developed an innovative, highly reliable single-step method for simultaneously predicting the mechanical properties and carbon footprint of corrugated board. This enables Model to design customized packaging quickly, cost-effectively, and with high precision.

This breakthrough was made in line with the extensive modernization and realignment of the paper machine in Eilenburg, which now allows Model to produce lightweight paper for lightweight packaging. What would have already been a significant achievement in reducing packaging weight has evolved into a source of exciting possibilities, thanks to a company-wide project involving experts from all areas of the Model Group.

By bringing together specialists from paper and board production, research and development, quality assurance, and sales, Model has made significant progress toward more sustainable packaging solutions.

The biggest challenge in this project was identifying the right parameters to accurately predict the mechanical properties of the finished packaging. After more than 50 tests on various corrugators and extensive round-robin testing in laboratories across the group, the decisive correlation was found. This paved the way for developing customized packaging without requiring extensive test phases on the corrugators.

The precision of our prediction has proven to be higher than 98 % accurate. The prediction includes all kinds of papers, flute types, single and double flute.

In the next phase, our packaging plants will gradually transition their product portfolios to optimized INLIGHT packaging, always in close collaboration with our customers. Together, we are working toward the goal of reducing the environmental impact of our products by making them lighter, generating less waste, and lowering emissions, all while maintaining the mechanical strength needed for optimal product protection.

Here are just a few examples of the possibilities:

	Weight	ECT	PCF	
Feature Set 1	↓ ↓ significantly reduced	→ unaffected	↓ ↓ significantly reduced	Maintaining mechanical properties while intensively reducing weight and PCF
Feature Set 2	→ unaffected	↑ ↑ significantly improved	→ unaffected	Significantly Improving mechanical properties while maintaining weight and PCF



### INLIGHT in Action: From Concept to Execution

*In March 2024, we launched a comprehensive optimization project based on lightweight and high-performance papers, related in part to the launch of our new paper mill. The project involves reducing the grammage of our cardboard while maintaining its strength parameters, which was made possible thanks to the new generation paper machine installed in Eilenburg.*

*By October 2025, over 65% of Model Opakowania's corrugated cardboard volume is already produced using lightweight and high-performance papers ordered from our paper mills. Since March 2024, over 200 customers recruited from each Model plant in Poland have successfully utilized our optimized packaging solutions. Reducing the average grammage by almost 5% directly translates into a lower Scope 3 carbon footprint for our customers.*



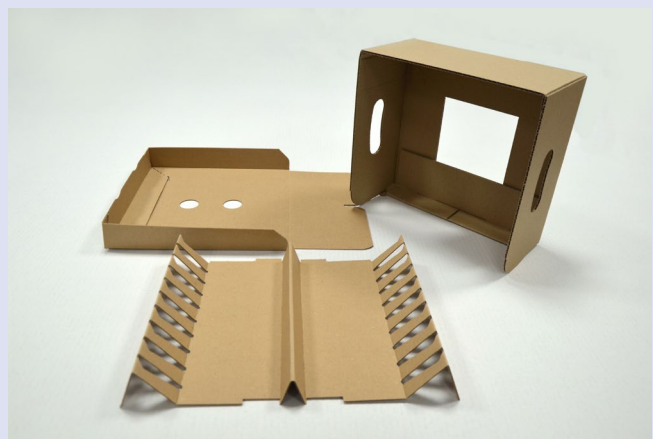
## Resource-Efficient by Design: Optimized Packaging for the Dairy Industry

For a customer in the dairy industry, we successfully redesigned the packaging solution for their cheese products- achieving significant material savings and improving overall production efficiency.

The project began with a redesign of the box structure, enabling more precise production planning and reducing material waste. Building on this foundation, we replaced three separate standard components, two stabilizing inserts and a separator, with one fully integrated insert. This simplification not only reduced the number of components but also streamlined the customer's packaging workflow.

As the final step, we substituted the previously glued lid with our innovative "magic" design, which removes the need for a gluing stage altogether. This design upgrade further improved process efficiency and reduced resource consumption.

Altogether, these combined modifications led to a reduction of nearly 30% in the total packaging surface. The decreased material use, combined with fewer components, had a clearly positive impact on the customer's packaging process and delivered both environmental and operational benefits.





## Model Young Package: Supporting Sustainable Innovation Through Design

Since 1996, Model Group has been organizing the international Model Young Package competition, a long-term initiative that engages students, educators, and independent design enthusiasts from secondary schools, universities, and creative communities worldwide. Over the years, the competition has gained strong recognition among design professionals and academic institutions, becoming a respected platform for emerging talent and future-oriented thinking in packaging design.

Each year, Model Young Package introduces a unique theme that reflects current challenges in packaging, sustainability, and society. Past editions have focused on areas such as food, beverages, or e-commerce packaging. In 2025, the competition was held under the theme *Sweets in the Box*, focusing on packaging design for confectionery products. The edition attracted more than 400 participants from 38 countries. With the involvement of jury members from leading industry companies such as Lindt & Sprüngli, E. Wedel, Medovník, Kraš and Läderach, the competition highlighted innovative concepts for sweets including chocolate, bars, cakes, lollipops and other popular treats.

The award ceremony also introduced a preview of the upcoming 2026 edition. Under the theme *Unpacking Taboo*, the competition will open a discussion on sensitive and often overlooked product categories, exploring how packaging can contribute to awareness, responsible communication and broader societal dialogue.

Expert-driven evaluation is a core part of the competition's structure. Each year, the competition regularly brings together a professional jury composed of Model Group representatives and experts from relevant partner companies linked to the annual theme. Designs are assessed according to clearly defined criteria including functionality, material efficiency, sustainability, design quality, and feasibility of production. This approach ensures that creativity is balanced with practical applicability and responsible use of resources.

Winning participants receive attractive prizes, combining financial rewards with opportunities for professional development. These include potential internships and hands-on collaboration within Model Group operations across different countries, supporting knowledge exchange and career growth for young designers.

Each edition concludes with an on-site award ceremony that brings together designers, Model Group representatives, business partners, academic institutions, media, and fellow participants. This event serves as a platform for networking, inspiration, and the exchange of ideas, reinforcing Model Group's commitment to fostering sustainable innovation, education, and cross-generational dialogue through design.





Empowering  
people

# Own Workforce



## Model Your Dreams Competition

The **Model Your Dreams** competition is one of our long-standing commitments to fostering talent and supporting young people in our local communities. The initiative is organized by our Polish colleagues from Model Opakowania Sp. Z o.o. and was first launched in Biłgoraj in 2013, expanded to Czosnów in 2016, and introduced in Nowa Sól in 2024.

The program is designed to inspire students to cultivate their creativity, explore their passions, and build confidence as they shape their future career paths. We support this development by awarding financial grants to the winners, giving them the resources they need to pursue the activities or make the purchases that will help them achieve their goals. Unlike traditional academic competitions, **Model Your Dreams** emphasizes motivation, innovation, and original thinking rather than grade point averages.

To date, approximately 250 young people have participated in the competition. For many of them, receiving recognition for their skills has provided a powerful incentive to pursue their personal and professional ambitions. This encouragement - being seen, appreciated, and supported - often becomes a meaningful turning point and a source of inspiration for shaping their future path.



## Management of Risks, opportunities and impacts related to own workforce

### ESRS 2 SBM-3

Employees are a key element of the Model Group's long-term success, making their development, engagement, and well-being key strategic priorities. The Model Group's employee strategy is therefore built around the key topics outlined in the following table. Investing in training and digital skills drives productivity and fosters innovation, while ensuring compliance with labor standards and workplace safety mitigates risks and strengthens the

company's reputation. Addressing workforce shortages through career development and internal upskilling secures future talent needs and ensures operational stability. By integrating these aspects into its strategy, the Model Group cultivates a resilient, motivated, and future-ready workforce, reinforcing its commitment to sustainable growth and responsible business practices.

Description	Type	Time horizon	Probability	Anticipated effects for Model Group
<b>Employee Training &amp; Development</b>	Opportunity	Short-, medium-, and long-term	High	Investing in continuous employee training enhances workforce qualifications, leading to increased productivity and better utilization of innovation potential. It also contributes to employee satisfaction and strengthens long-term retention within the company.
<b>Availability of Skilled Workforce &amp; Career Growth</b>	Financial risk	Medium-, and long-term	Medium	A shortage of skilled workers may create difficulties in filling key positions, causing delays in company projects. Recruitment costs are likely to increase, and companies will need to expand internal training programs to compensate for missing competencies.
<b>Working Conditions, Health &amp; Safety</b>	Positive impact	Short-, medium-, and long-term	High	Providing good working conditions and a comprehensive safety management system reduces workplace accidents and health risks. This leads to higher employee satisfaction, improved productivity, and better compliance with legal regulations.
<b>Employee Engagement &amp; Innovation</b>	Opportunity	Medium-, and long-term	Medium	Actively involving employees in decision-making processes and innovation projects strengthens their identification with the company, increases motivation, and contributes to the development of new, competitive products and processes.
<b>Compliance with Labor Regulations &amp; Standards</b>	Financial & reputational risk	Short-, medium-, and long-term	High	Ensuring compliance with labor laws and international standards is crucial to avoid fines, legal disputes, and reputational damage. Transparent and law-abiding corporate governance also enhances trust among investors, customers, and employees.
<b>Digital Skills &amp; Adaptation to New Technologies</b>	Opportunity	Short-, medium-, and long-term	High	Promoting digital skills within the workforce facilitates the adoption of new technologies, optimizes workflows, and increases operational efficiency. This allows companies to respond more quickly to market changes and secure a competitive advantage.

## Model Group's policies related to own workforce

### ESRS S1-1

#### Human rights

The Model Group represents a social organism consisting of voluntary members wherein everyone does what they can and contributes to the whole. Individuals are expected to have as much freedom to associate with others as possible so that their abilities can be enhanced to the fullest. In this context human rights represent an important achievement for protecting the individual against powerful organizations and institutions. We respect and value the human rights proclaimed by the international community and support compliance with these rights in our sphere of influence. We categorically reject all forms of forced labor, child labor, modern slavery, and human trafficking. Additionally, we adhere to International Labour Organization (ILO) Convention No. 138, which establishes the minimum working age.

The Model Group maintains a strict zero-tolerance policy towards harassment, sexual harassment, insults, bullying, intimidation, abuse, violence, or any other form of unacceptable behavior. We explicitly prohibit discrimination based on race, skin color, gender, disability, age, sexual orientation, religion, political beliefs, or national, ethnic, or social origin.

These principles are firmly embedded in our Code of Conduct and sustainability policy. To reinforce them, our employees receive regular training to recognize and address violations of ethical and behavioral standards.

#### Working conditions and labour rights

We are committed to meet the high standards as stated by various European laws concerning working conditions including minimum wages, working hours and social benefits. We recognize the right to freedom of association, collective bargaining and comply with all local laws governing the right of employees to elect or not elect company representatives.

#### Employee health and safety

The Model Group does not have employees: it has partners. We are home to strong individuals who forge connections by working together to create our vision and make it a reality. This unifying goal is the inspiration behind all our activities and is our most precious asset. It turns our employees into partners, ensuring everyone takes personal responsibility for their own actions. As an employer, we do everything we can to offer our employees a safe working environment. At the same time, we expect our employees to do their part to protect their own health and the health of their colleagues through prudent behavior and compliance with all applicable work regulations.

#### Business ethics

We are committed to ethical behavior and prohibit all forms of corruption, fraud, money laundering, bribery, conflicts of interest, data and information security incidents and violations of antitrust laws. In particular, we demonstrate clearly that the UN Convention against corruption must be observed, and we are committed to doing so.

## Employee consultation

### ESRS S1-2

As a packaging company with multiple locations across Europe, we recognize that our employees are at the heart of our success. We are committed to maintaining open, transparent, and respectful communication with our workforce on all matters that impact them directly.

Our approach to employee involvement is rooted in local responsiveness and flexibility. While some of our sites operate with formal workers' councils, others function effectively without them. We respect and support both models, tailoring our engagement strategies to the local context and regulatory environment.

We operate with flat hierarchies and empower our local organizations with a high degree of autonomy. This decentralized structure enables each country team to shape leadership and organizational practices in a way that best fits their cultural and operational needs, while staying aligned with the Model Group's values and goals.

In locations with established workers' councils, we maintain regular dialogue and cooperation to ensure mutual understanding and shared decision-making where appropriate. In other locations, we prioritize direct employee communication and foster a strong feedback culture, so that all voices are heard and considered in shaping our workplace.

This flexible and inclusive approach helps us build trust, foster engagement, and continuously improve the working environment for all our employees across Europe.



## Poland Business Run Partnership

*In 2025, we strengthened our social engagement in Poland by partnering with the Poland Business Run Foundation, which has supported people at risk of social exclusion, particularly individuals with mobility impairments, for more than 14 years.*

*The Foundation organizes the largest charity relay race in the country, bringing together thousands of participants each year to promote inclusion and raise funds for rehabilitation and mobility equipment. Participants can either join the stationary relay run in Kraków or take part in the virtual run, which allows people across Poland to run at any time during the first week of September and submit their results via a dedicated app.*

*Every team receives a starter kit containing shirts, race numbers and the relay baton as well as commemorative medals for virtual participants. For the first time, the runners' starting kits were delivered in boxes produced at our Biłgoraj plant. More than 9,000 boxes were supplied to teams representing 1,832 companies across Poland.*

*In addition, we presented our company and our commitment to community engagement at a dedicated booth during the two day main event in Kraków.*



## Actions on significant workforce impacts

### ESRS S1-4

At Model, we are committed to providing a safe, fair, and empowering working environment for all our employees. Based on our materiality assessment, we have identified several key areas where our operations may impact our workforce, including training, work safety, and ethical behaviour.

We place great importance on continuous training, as our employees are the foundation of our success. We invest in both specialized skill development and broader training programs covering occupational safety, environmental responsibility, and ethics. Many of our sites also offer apprenticeship programs to ensure we cultivate a skilled workforce trained specifically for the needs of our industry.

Safety is a fundamental priority at Model. We conduct regular safety inspections across our sites to identify and eliminate potential hazards, with the goal of minimizing workplace accidents. By 2030, we aim to achieve ISO 45001 certification at all our sites. Compliance with national regulations is a given and is monitored systematically.

We also uphold a strong code of conduct that applies to all employees, regardless of role or location. Regular training, clear internal policies, and a dedicated whistleblowing channel ensure that every employee understands their rights and responsibilities. We foster a culture of integrity, transparency, and mutual respect, with zero tolerance for discrimination, harassment, or any form of unethical behavior.



## Supporting Active Lifestyles and Community Engagement

Across the Model Group, promoting an active lifestyle is an integral part of our approach to employee well being. Physical activity contributes not only to health, but also to motivation, collaboration and social exchange. For this reason, participation in sports and movement based activities is encouraged at all Group locations, taking into account local interests and opportunities.

Employees across the Group regularly engage in a broad spectrum of sports activities, including endurance sports, outdoor activities and team based formats. These activities take place both within the company context and in connection with local or regional initiatives, enabling participation across functions, age groups and locations. The decentralized structure allows each site to shape its engagement in a way that best fits its workforce and local conditions, while contributing to a shared Group culture that values health and movement.

In addition to internal participation, the Model Group fosters strong ties with its surrounding communities through sport. Many locations maintain long standing relationships with local sports initiatives and clubs. Support is provided in various forms, ranging from sponsorships and equipment contributions to financial support for infrastructure or youth development. Through this ongoing engagement, we aim to strengthen social cohesion and contribute positively to community life in the regions where we operate.



## Model Group's targets for managing workforce impacts and risks

### ESRS S1-5

The Model Group aims to uphold human rights compliance 100 %, both within its own workforce and in its wider sphere of influence. This includes the exclusion of forced and child labor, modern slavery and human trafficking.

In addition, the Model Group aims to pay all employees a living wage in accordance with the "wage indicator" by 2030.

By 2025, we aim for zero incidents of harassment, sexual harassment, insults, bullying, intimidation, abuse, violence and discrimination.

Regarding occupational safety, the Model Group strives for zero incidents and the certification of all production sites according to ISO 45001 by 2030.

## Characteristics of own workforce

### ESRS S1-6; GRI 2-7, 401-1

In 2025, the Model Group employed an average of 4,311 employees, representing a slight increase compared to 2024 and confirming the stabilization of workforce growth following the expansion in the previous year. Our workforce structure continues to reflect our focus on long-term employment, operational stability, and sustainable business development across all locations.

Germany, the Czech Republic, Poland, and Switzerland remained our key employment locations in 2025, with employment levels largely stable year on year. Workforce numbers in Croatia also remained broadly unchanged, indicating a balanced distribution of personnel across the Group.

Employees by gender (headcount)	2025	2024	2023
<b>Total</b>	<b>4,311</b>	<b>4,270</b>	<b>3,887</b>
Male	3,251	3,261	2,973
Female	1,060	1,009	914

Employees by country (headcount)	2025	2024	2023
Switzerland	750	789	759
Germany	1,204	1,272*	951
Poland	859	850	826
Czech Republic	1,335	1,193	1,187
Croatia	163	166	164

\* 261 of new employees coming from the additional plant in Eilenburg, Germany.

The vast majority of employees were employed on permanent contracts, underlining our ongoing commitment to job security and long-term workforce development. At the same time, the use of temporary employees and

subcontract workers continued to support short-term operational needs and flexibility, particularly in production environments with fluctuating demand.

The workforce remains predominantly male; however, the female headcount further increased in 2025, reflecting continuous progress toward a more diverse workforce. Employment models also continued to diversify. While full-time employment remained the dominant model, part-time roles continued to play an important role in supporting flexible working arrangements and better work-life balance.

Employees by contract type and gender (headcount)	2025	2024	2023
<b>Permanent employees</b>	<b>4,166</b>	<b>4,104</b>	<b>3,840</b>
Male	3,144	3,143	2,932
Female	1,022	960	908
<b>Temporary employees</b>	<b>62</b>	<b>112</b>	<b>47</b>
Male	45	79	27
Female	17	33	21

Employees by contract type (headcount)	2025	2024	2023
<b>Full-time employees</b>	<b>4,203</b>	<b>4,104</b>	<b>3,738</b>
Male	3,210	/	/
Female	993	/	/
<b>Part-time employees</b>	<b>107</b>	<b>135</b>	<b>104</b>
Male	42	/	/
Female	64	/	/
<b>Subcontract workers</b>	<b>157</b>	<b>111</b>	<b>103</b>
<b>Apprentices</b>	<b>110</b>	<b>110</b>	<b>79</b>

Apprenticeships continue to be an established element of workforce development in Switzerland, Germany, and the Czech Republic, while they remain uncommon in Poland and Croatia due to structural differences in local vocational training systems.

Employee turnover declined further in 2025, with a turnover rate of 12.3 %, reflecting improved workforce stability and retention across the Group.

Employees who left the company	2025	2024	2023
<b>Turnover headcount</b>	<b>529</b>	<b>556</b>	<b>577</b>
<b>Turnover %</b>	<b>12.3</b>	<b>13.0</b>	<b>14.8</b>

All employee characteristics data are reported as averages across the reporting period and are collected at site level through the Group's sustainability data collection process.

Employees by contract type and country (headcount)		Permanent employees	Temporary employees	Apprentices	Full-time employees	Part-time employees	Subcontract workers
Switzerland	2025	703	4	44	705	45	30
	2024	789	0	43	715	74	27
	2023	759	0	36	671	43	27
Germany	2025	1,124	40	53	1,158	46	18
	2024	1,122	92	53	1,203	38	26
	2023	929	22	30	904	47	47
Poland	2025	859	2	0	858	1	45
	2024	850	0	0	849	1	0
	2023	826	0	0	826	0	0
Czech Rep.	2025	1,320	15	13	1,325	10	56
	2024	1,180	13	14	1,171	22	49
	2023	1,176	11	13	1,173	14	21
Croatia	2025	161	2	0	158	5	9
	2024	162	4	0	166	0	9
	2023	150	14	0	164	0	8

## ESRS S1-7; GRI 2-8

Employees by contract type (Headcount)	2025	2024	2023
Subcontract workers	157	111	103

Workers employed through subcontractors are generally assisting in production to help to compensate for short-term staff shortages or temporarily high production volumes.

## Diversity metrics

## ESRS S1-9; GRI 405-1

In 2025, the total workforce increased slightly to 4,311 employees. While the workforce remains predominantly male, the number of female employees continued to grow, reaching 1,060 employees, compared to 1,009 in the previous year. This development reflects ongoing, gradual progress toward a more gender-diverse workforce.

Headcount in top management increased to 54 employees in 2025. Female representation amounted to nine positions, compared to eight in the previous year. Overall, the gender distribution in top management remained largely unchanged.

The reported figures for middle management must be interpreted in light of a change in definition introduced in 2025. Until 2024, a uniform Group-wide definition was applied, primarily based on a formal disciplinary supervisory function. From 2025 onward, individual Group companies are permitted to apply company-specific definitions that better reflect their organizational structures. These definitions may include matrix organizations with purely functional leadership responsibilities, while at the same time allowing for the exclusion of roles such as shift leaders or foremen from middle management classification.

As a result of this methodological change, headcount in middle management decreased compared to 2024. The gender distribution within this group continues to broadly reflect the overall workforce structure.

Employees by gender (headcount)	2025	2024	2023
<b>Total</b>	<b>4,311</b>	<b>4,270</b>	<b>3,887</b>
Male	3,251	3,261	2,973
Female	1,060	1,009	914
<b>Top management</b>	<b>54</b>	<b>47</b>	<b>45</b>
Male	45	41	38
Female	9	8	7
<b>Middle management</b>	<b>208</b>	<b>290</b>	<b>264</b>
Male	181	254	234
Female	27	36	30

All diversity data are reported as an average across the reporting period. The data is reported by each site to the Group's sustainability data collection.

## Training and skills development

ESRS S1-13; GRI 205-2, 403-5, 404-1, 404-3

	Unit	2025	2024	2023
<b>Investments for training and education</b>	<b>TCHF</b>	<b>2,690</b>	<b>1,489</b>	<b>1,135</b>
<b>Training</b>	<b>hours</b>	<b>52,649</b>	<b>37,172</b>	<b>35,675</b>
of this work safety	hours	14,025	10,101	11,105
of this ethics	hours	6,327	2,659	2,300
<b>Training per employee</b>	<b>hours</b>	<b>12.2</b>	<b>8.7</b>	<b>9.2</b>
<b>Coverage of regular performance assessment</b>	<b>%</b>	<b>83</b>	<b>81</b>	<b>86</b>
male	%	50	48	47
female	%	59	63	60

### Empowering Leaders at All Levels

At Model Obaly, Czechia, a tiered development approach is used to systematically strengthen leadership capabilities across all organizational levels. For frontline leaders, the Model Foreman Program (M4M) focuses on practical competencies required for daily team and operational management, including process knowledge, technological and financial literacy, and fundamental HR and labor law topics.

The Model Leadership Academy (MLA) supports the systematic development of middle management through a 2.5 year program that combines theoretical foundations with real-world application. It builds skills in communication, motivation, time management, and - starting in 2025 - also emotional intelligence, self reflection, and creative problem-solving.

To prepare future leaders, the Model Talent Academy (MTA) offers a two-year, practice-oriented curriculum that integrates workshops, real work assignments, mentoring, and coaching. It strengthens strategic and economic thinking, change management, cross functional collaboration, and digital and AI competencies.

For top management, the semi annual Management Forum provides a dedicated platform to explore strategic and societally relevant topics. Through external speakers and thought leaders, it encourages openness, challenges established thinking patterns, and supports modern leadership aligned with the company's long-term sustainability goals.

Together, these programs create a continuous learning culture that empowers leaders at every level and supports the long-term resilience and competitiveness of our company.



Empowering people

## Health and safety metrics

ESRS S1-14; GRI 403-8/9/10



### Authentic Voices for a Stronger Safety Culture

Occupational safety is a top priority at the Model Group, and we actively promote a strong safety culture through a broad range of initiatives. One example is our poster campaign on “safe behavior,” which was rolled out at our sites in Bad Bentheim, Berka/Werra, and Weinfeldern.

Employees were invited to apply for participation in the campaign, and the selected motifs are closely connected to their real private lives. Each poster features an employee portraying a specific safety topic in both professional and personal contexts. The scenes depict everyday situations in which protective measures are essential, such as wearing cut resistant gloves when handling sharp edges or using hearing protection in noisy environments.

By presenting authentic and relatable real life scenarios, the campaign highlights the importance of consciously choosing safety in every situation and reinforces our commitment to preventing accidents at work and beyond.



	Unit	2025	2024	2023
<b>Employees covered by health and safety management system</b>	head-count	4,237	4,070	3,739
<b>Work-related injuries</b>	number	156	130	94
employees	number	153	128	92
Non-employees	number	3	2	2
Rate of work-related injuries	Number/500 FTE	2.3E-11	2.1E-11	1.6E-11
<b>Work related ill health</b>	number	0	70	46
<b>Fatalities as a result of work related injuries or ill health</b>	number	0	0	1
Days lost to work-related injuries or ill health	number	3,002	2,651	2,464

The sites in Switzerland, Czech Republic and the sites Eilenburg and Hanau in Germany, representing a total of 2,483 employees are covered by a health and safety system that is based on ISO 45001 and externally audited.

**Work-life balance metrics**

ESRS S1-15

At Model, we understand that a healthy work-life balance is essential to the well-being, motivation, and long-term engagement of our employees. As part of our broader commitment to social protection, we provide a variety of measures that support employees in managing their professional responsibilities alongside their personal lives. We offer flexible working arrangements, including part-time roles, adapted working hours, and remote work options, depending on the role and local regulations.

All Model employees are entitled to parental leave, supporting both mothers and fathers in fulfilling their family responsibilities. In 2025, we took this commitment a step further by opening our first in-house childcare facility at our Weinfelden site in Switzerland.

Our country organizations are encouraged to design and implement work-life balance initiatives tailored to local needs and cultural contexts, while remaining aligned with our shared values.

Through these efforts, we strive to foster a workplace where employees can thrive both professionally and personally, helping to build a resilient, loyal, and motivated workforce.



**Model Daycare Center  
“Biberbau”**

*In March 2025, we took an important step toward further strengthening our social sustainability and improving work-life balance: a daycare center was opened in the former offices of the Model AG in Weinfelden, Switzerland.*

*The daycare center is operated by an external provider, Kita Biber Bau GmbH. As a company, we provide suitable premises for this purpose within our company premises, thus creating childcare facilities close to home and work for our employees’ children and for children from the region. The daycare center can accommodate up to 16 children per day.*

*Our employees benefit from discounted kindergarten places. In addition, they are given preferential consideration when places are allocated, especially when there are waiting lists. This enables more reliable planning for returning to work after parental leave and helps to ease the burden on families in their everyday working lives.*

*By setting up the company daycare center, we promote equal opportunities, support our employees in different stages of life, and at the same time increase our attractiveness as a family-friendly employer. This measure is a central component of our commitment to social responsibility.*



Empowering people



# Indices

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GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	Governance structure	p. 08-09
GOV-3 - Integration of sustainability-related performance in incentive schemes	not applicable	
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IRO-2 – Disclosure requirements in ESRS covered by the undertaking’s sustainability statement	Business model and strategy	p. 12
<b>ESRS E1 Climate Change</b>	<b>Protecting ecosystems - Climate Change and GHG emissions</b>	
E1-1 – Transition plan for climate change mitigation	Model Circular Impact Plan - Transition plan for climate change mitigation and adaptation	p. 19
E1-2 – Policies related to climate change mitigation and adaptation	Model Groups policies related to climate change mitigation and adaptation	p. 19
E1-3 – Actions and resources in relation to climate change policies	Climate protection actions	p. 20
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E1-5 – Energy consumption and mix	Energy consumption and mix	p. 22-23
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	GHG emissions	p. 23-25
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	Not applicable	
E1-8 – Internal carbon pricing	Not applicable	
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not included in 2025 report	
<b>ESRS E3 Water</b>	<b>Protecting ecosystems - Water</b>	
E3-1 – Policies related to water and marine resources	Model Groups policies related to water	p. 26
E3-2 – Actions and resources related to water and marine resources	Water protection actions	p. 26
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E3-4 – Water consumption	Use of water	p. 27-28
E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Not included in 2025 report	
<b>ESRS E5 Resources use and circular economy</b>	<b>Protecting ecosystems - Resources use and circular economy</b>	
E5-1 – Policies related to resource use and circular economy	Model Groups policies related to resource use & circular economy	p. 29
E5-2 – Actions and resources related to resource use and circular economy	Resource use & circular economy actions	p. 30

E5-3 – Targets related to resource use and circular economy	Model Groups resource use & circular economy targets	p. 30
E5-4 – Resource inflows	Resource inflows	p. 31-32
E5-5 – Resource outflows	Resource outflows	p. 32
E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not included in 2025 report	
<b>ESRS S1 Own Workforce</b>	<b>Empowering people</b>	
S1-1 – Policies related to own workforce	Model Groups policies related to own workforce	p. 44
S1-2 – Processes for engaging with own workers and workers’ representatives about impacts	Employee consultation	p. 44
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	To further strengthen accountability, the Model Group has implemented an anonymous whistleblower hotline, enabling employees and stakeholders to report unethical conduct or human rights concerns without fear of retaliation. The hotline can be accessed via the Model Group Website and all information received in this context will be treated confidentially.	
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating mater	Actions on significant workforce impacts	p. 46
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Model Groups targets for managing workforce impacts and risks	p. 47
S1-6 – Characteristics of the undertaking’s employees	Characteristics of own workforce	p. 47-48
S1-7 – Characteristics of non-employee workers in the undertaking’s own workforce	Characteristics of own workforce	p. 48
S1-8 – Collective bargaining coverage and social dialogue	The employees in Czech Republic as well as at the Eilenburg site in Germany are covered by a collective bargaining agreement. This corresponds to 100 % of the workforce in Czech Republic, 20 % of the workforce in Germany or 37 % of the total workforce of the Model Group.	
S1-9 – Diversity metrics	Diversity metrics	p. 48
S1-10 – Adequate wages	Not included in 2024 report	
S1-11 – Social protection	All Model employees are covered by social protection against loss of income due to sickness, unemployment starting from when the own worker is working for the undertaking, employment injury and acquired disability, parental leave and retirement.	
S1-12– Persons with disabilities	At Model Group 2.0 % of employees are people with disabilities. Data is collected only in countries where this is required by law. This is not the case in Switzerland. Similarly, the definition of what constitutes an employee with a disability is governed by the national laws of the countries where our locations are situated.	
S1-13 – Training and skills development	Training and skills development	p. 49
S1-14 – Health and safety metrics	Health and safety metrics	p. 50
S1-15 – Work-life balance metrics	Work-life balance metrics	p. 51
S1-16 – Compensation metrics (pay gap and total compensation)	Not included in 2025 report	

S1-17 – Incidents, complaints and severe human rights impacts	<p>During the reporting period, the Group recorded a limited number of work-related incidents and complaints relating to employee privacy, interpersonal conduct, and workplace relations. One case concerned insufficient transparency regarding workplace monitoring practices, where it could not be demonstrated that all employees had been adequately informed in accordance with applicable data protection requirements. Corrective actions included the discontinuation of the monitoring activity and the strengthening of internal procedures on communication and consent.</p> <p>In addition, isolated cases of inappropriate interpersonal behavior were reported, including conduct with potential impact on employees' dignity and working relationships. These cases were addressed through immediate organizational measures, management involvement, and preventive actions aimed at avoiding further escalation. Where necessary, formal warnings were issued and cases escalated to external authorities.</p> <p>Furthermore, minor complaints relating to internal communication and perceived unequal recognition were addressed through clarification and improved communication measures. All incidents were handled in accordance with internal policies, with the majority resolved during the reporting period. No severe human rights violations as defined under ESRS were identified. One case remains subject to external administrative review.</p>	
<b>ESRS G1 Business Conduct</b>		
G1-1 – Corporate culture and business conduct policies and corporate culture	<p>Our corporate culture is shaped by values of respect, fairness, and ethical responsibility. Management leads by example and fosters a safe environment where employees feel empowered to speak up. The Code of Conduct serves as a cornerstone of our business ethics, supported by ongoing communication, training, and internal monitoring. We offer an anonymous whistleblower channel accessible via our website, enabling both employees and external stakeholders to report concerns confidentially. Through these efforts, we aim to maintain a high level of integrity and trust.</p>	
G1-2 – Management of relationships with suppliers	<p>We are committed to building responsible and ethical relationships with our suppliers. A newly developed Supplier Code of Conduct sets out our expectations regarding human rights, labor conditions, environmental responsibility, and anti-corruption. We are currently rolling out this Code across our supply chain and engaging suppliers to support its implementation. Our procurement is largely regional, with the majority of goods sourced within Europe. Our key raw material – paper and cardboard – was 96 % FSC certified in 2025, reflecting our commitment to sustainable sourcing and supply chain transparency.</p>	

G1-3 – Prevention and detection of corruption and bribery	We maintain a zero-tolerance policy toward corruption and bribery, which is clearly defined in our Code of Conduct and communicated to all employees. Regular mandatory training ensures that staff understand relevant risks and know how to identify and report misconduct. A whistleblower channel is available via our website, allowing both internal and external parties to report concerns confidentially and anonymously. All reported cases are handled through a defined internal process, including investigation and, where necessary, corrective actions. The highest governing body in this process is the Ethics Committee, consisting of the Chairman of the Board of Directors and CEO of the Model Group, the Vice Chairman of the Board of Directors and the CFO of the Group. The Ethics Committee is regularly informed about submitted concerns.
G1-4 – Confirmed incidents of corruption or bribery	None
G1-5 – Political influence and lobbying activities	The company does not engage in lobbying activities or provide financial contributions to political parties, politicians, or related organizations. We do not pursue any form of political influence. Our participation in political or regulatory discussions is limited to involvement in regional industry associations, which are non-partisan and focus on sector-specific topics. These activities aim to support knowledge exchange and the development of industry standards rather than influence political agendas.
G1-6 – Payment practices	As a multinational organization operating across several countries, Model Group acknowledges the importance of responsible payment practices as part of our commitment to sustainable and ethical business conduct. Our payment terms and practices are designed to foster strong, long-term relationships with our suppliers while ensuring financial stability across our value chain. Due to the diverse regulatory and business environments in the countries where we operate, payment terms may vary by legal entity and jurisdiction. However, we aim to apply consistent principles wherever possible. In most cases, our standard target is to settle supplier invoices within 14 days of receipt, reflecting our commitment to timely and fair payment

## GRI Index

Disclosure Number	Section or comment	Page
<b>GRI 2: General Disclosures 2021</b>		
2-1 Organizational details	Basis of the sustainability statement	p. 07
2-2 Entities included in the organization's sustainability reporting	Basis of the sustainability statement	p. 07
2-3 Reporting period, frequency and contact point	Basis of the sustainability statement	p. 07
2-4 Restatements of information	Correction of information	p. 07
2-5 External assurance	Basis of the sustainability statement	p. 07
2-6 Activities, value chain and other business relationships	Business model and strategy	p. 10
2-7 Employees	Characteristics of own workforce	p. 47-48
2-8 Workers who are not employees	Characteristics of own workforce	p. 48
2-9 Governance structure and composition	Governance structure	p. 09

2-10 Nomination and selection of the highest governance body	Governance structure	p. 09
2-11 Chair of the highest governance body	Governance structure	p. 09
2-12 Role of the highest governance body in overseeing the management of impacts	Governance structure	p. 09
2-13 Delegation of responsibility for managing impacts	Governance structure	p. 09
2-14 Role of the highest governance body in sustainability reporting	Governance structure	p. 09
2-15 Conflicts of interest	The highest governance body consists of two members of the owner family and one external member whose other activities do not conflict with the activities of the Model Group.	
2-16 Communication of critical concerns	The Model Group has established a process for submitting critical concerns. The highest governing body in this process is the Ethics Committee, consisting of the Chairman of the Board of Directors and CEO of the Model Group, the Vice Chairman of the Board of Directors and the CFO of the Group. The Ethics Committee is regularly informed about submitted concerns.	
2-17 Collective knowledge of the highest governance body	Governance structure	p. 09
2-18 Evaluation of the performance of the highest governance body	Governance structure	p. 09
2-19 Remuneration policies	Not included in 2025 report	
2-20 Process to determine remuneration	Not included in 2025 report	
2-21 Annual total compensation ratio	Not included in 2025 report	
2-22 Statement on sustainable development strategy	Sustainability strategy	p. 13
2-23 Policy commitments	"Our commitment to responsible and sustainable business practices is firmly anchored in our Code of Conduct. We uphold the values of the United Nations Universal Declaration of Human Rights and fully support the core labor standards of the International Labour Organization (ILO), including the rights to fair working conditions, freedom of association, and protection from discrimination. To ensure that these principles are also respected beyond our own operations, we have set up a comprehensive Supplier Code of Conduct, which we will now gradually implement with our suppliers. This document clearly defines our expectations regarding ethical business behavior, social responsibility, and environmental stewardship throughout our supply chain. We are committed to transparency: should any violations occur, we investigate them thoroughly, take appropriate action, and communicate openly with stakeholders. Our unwavering goal is to proactively prevent any form of child labor, forced labor, restriction of freedom of association, discrimination, environmental harm, or other human rights abuses across our entire value chain."	
2-24 Embedding policy commitments	Governance structure	p. 10
2-25 Processes to remediate negative impacts	Reports of breaches of the Code of Conduct, both internally and via our ethics channel, are investigated and remedied immediately. A report is made to the Ethics Committee, which is regularly informed of the status of the measures taken, as is the reporting person.	

2-26 Mechanisms for seeking advice and raising concerns	To further strengthen accountability, the Model Group has implemented an anonymous whistleblower hotline, enabling employees and stakeholders to report unethical conduct or human rights concerns without fear of retaliation. The hotline can be accessed via the Model Group Website and all information received in this context will be treated confidentially.	
2-27 Compliance with laws and regulations	Compliance with laws and regulations is regularly monitored by the authorities and by internal and external auditors as part of the effectiveness audit of the management systems. Changes to legal requirements are communicated to local management as part of the respective management systems and to the Model Group's Board of Directors in the case of international legislation. The results of the internal and external audits are also reported to the respective management as part of the management review.	
2-28 Membership associations	The Model Group is a member of various regional chambers of commerce and industry, as well as associations in the paper and packaging industry in Switzerland, Germany, the Czech Republic, Poland, and Croatia. These memberships strengthen our ties to the local economy and keep us informed about developments in our industry and the regulatory environment. The Group holds a seat on the board of the Thurgau Chamber of Commerce and Industry in Switzerland; in all other cases, our memberships are passive. We do not make any financial contributions beyond the regular membership fees.	
2-29 Approach to stakeholder engagement	Business model and strategy	p. 11
2-30 Collective bargaining agreements	The employees in Czech Republic as well as at the Eilenburg site in Germany are covered by a collective bargaining agreement. This corresponds to 100 % of the workforce in Czech Republic, 20 % of the workforce in Germany or 37 % of the total workforce of the Model Group.	
<b>GRI 3: Material Topics 2021</b>		
3-1 Process to determine material topics	Business model and strategy	p. 12
3-2 List of material topics	Business model and strategy	p. 12
3-3 Management of material topics	Business model and strategy	p. 12
<b>GRI 201: Economic Performance 2016</b>		
201-1 Direct economic value generated and distributed	Included in separate financial reporting	
201-2 Financial implications and other risks and opportunities due to climate change	Material impacts, risks and opportunities in relation to climate change	p. 18
201-3 Defined benefit plan obligations and other retirement plans	Included in separate financial reporting	
201-4 Financial assistance received from government	Included in separate financial reporting	
<b>GRI 202: Market Presence 2016</b>		
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not included in 2025 report	
202-2 Proportion of senior management hired from the local community	The managers of the Model Group companies come from the country in which the respective organization is based. The majority also come from the region (50 km radius) of the respective plant. The executive committee of the Model Group is made up of representatives of the respective country organizations, each of whom comes from the country represented.	

<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1 Infrastructure investments and services supported	Included in separate financial reporting	
203-2 Significant indirect economic impacts	Included in separate financial reporting	
<b>GRI 204: Procurement Practices 2016</b>		
204-1 Proportion of spending on local suppliers	The majority of suppliers come from the country where the respective site is located or from other European countries.	
<b>GRI 205: Anti-corruption 2016</b>		
205-1 Operations assessed for risks related to corruption	According to the Corruption Perception Index, no site is located in a country with a high risk of corruption.	
205-2 Communication and training about anti-corruption policies and procedures	Training and skills development	p. 49
205-3 Confirmed incidents of corruption and actions taken	None	
<b>GRI 206: Anti-competitive Behavior 2016</b>		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None	
<b>GRI 207: Tax 2019</b>		
207-1 Approach to tax	Included in separate financial reporting	
207-2 Tax governance, control, and risk management	Included in separate financial reporting	
207-3 Stakeholder engagement and management of concerns related to tax	Included in separate financial reporting	
207-4 Country-by-country reporting	Included in separate financial reporting	
<b>GRI 301: Materials 2016</b>		
301-1 Materials used by weight or volume	Resource inflows	p. 31-32
301-2 Recycled input materials used	Resource inflows	p. 31-32
301-3 Reclaimed products and their packaging materials	Resource inflows	p. 31-32
<b>GRI 302: Energy 2016</b>		
302-1 Energy consumption within the organization	Energy consumption and mix	p. 22-23
302-2 Energy consumption outside of the organization	Energy consumption and mix	p. 22-23
302-3 Energy intensity	Energy consumption and mix	p. 22-23
302-4 Reduction of energy consumption	Climate protection actions	p. 20
302-5 Reductions in energy requirements of products and services	Not applicable	p. 20
<b>GRI 303: Water and Effluents 2018</b>		
303-1 Interactions with water as a shared resource	Model Groups policies related to water	p. 26
303-2 Management of water discharge-related impacts	Management of Risks, opportunities and impacts related to water	p. 26
303-3 Water withdrawal	Use of water	p. 27-28
303-4 Water discharge	Use of water	p. 27-28
303-5 Water consumption	Use of water	p. 27-28
<b>GRI 305: Emissions 2016</b>		
305-1 Direct (Scope 1) GHG emissions	GHG emissions	p. 23-24
305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions	p. 23-24
305-3 Other indirect (Scope 3) GHG emissions	GHG emissions	p. 23-24
305-4 GHG emissions intensity	GHG emissions	p. 24-25
305-5 Reduction of GHG emissions	Climate protection actions	p. 20
305-6 Emissions of ozone-depleting substances (ODS)	None	
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	None	
<b>GRI 306: Effluents and Waste 2016</b>		
306-3 Significant spills	None	
<b>GRI 306: Waste 2020</b>		

306-1 Waste generation and significant waste-related impacts	Model Groups policies related to resource use & circular economy	p. 29
306-2 Management of significant waste-related impacts	Management of Risks, opportunities and impacts related to resource use	p. 29
306-3 Waste generated	Resource outflows	p. 32
306-4 Waste diverted from disposal	Resource outflows	p. 32
306-5 Waste directed to disposal	Resource outflows	p. 32
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1 New suppliers that were screened using environmental criteria	The Supplier Code of Conduct, which was newly introduced in 2024, is still in the implementation phase. Full implementation by all suppliers is scheduled for 2026. By the end of 2025, 26% of suppliers across the Group had signed the Supplier Code of Conduct.	
308-2 Negative environmental impacts in the supply chain and actions taken	None	
<b>GRI 401: Employment 2016</b>		
401-1 New employee hires and employee turnover	Characteristics of own workforce	p. 47-48
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Part-time and temporary employees are subject to the same provisions on working conditions as full-time employees. Anyhow, some benefits are only provided after the end of the probationary period, such as company pension plans or personalized protective equipment (in which case non-personalized equipment is provided in the meantime). The provided benefits depend on national laws and can differ from one national organization to another.	
401-3 Parental leave	All Model employees are covered by social protection against loss of income due to sickness, unemployment starting from when the own worker is working for the undertaking, employment injury and acquired disability, parental leave and retirement.	
<b>GRI 402: Labor/Management Relations 2016</b>		
402-1 Minimum notice periods regarding operational changes	The Model Group operates across multiple countries with differing legal frameworks and employment practices. As such, there is no uniform, group-wide policy regarding minimum notice periods for significant operational changes. In each country, the relevant national labor laws and, where applicable, collective agreements determine the required notice periods. These typically range from several days to several weeks, depending on the nature of the change and the jurisdiction involved. While there is no central policy, the Model Group is committed to transparent communication and fair treatment of employees. In practice, local management teams strive to inform employees and, where applicable, employee representatives as early as possible in the event of significant operational changes such as restructuring, relocations, or major process changes. In some locations, consultation processes with workers' councils or trade unions are standard practice.	

GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	The Model Group maintains management systems for health and occupational safety. These systems take into account the legal requirements for occupational safety applicable at each location. The sites in Switzerland, Czech Republic and the sites Eilenburg and Hanau in Germany, representing a total of 2,483 employees are also covered by a health and safety system that is based on ISO 45001 and externally audited.
403-2 Hazard identification, risk assessment, and incident investigation	Structured processes for hazard identification, risk assessment, and incident investigation are in place across all Model Group sites, aligned with national occupational health and safety regulations. Workplace risks are regularly assessed by qualified personnel, and preventive measures are implemented based on severity and likelihood. Employees are actively involved through safety committees, reporting channels, and workplace inspections. All incidents and near misses are documented, investigated to identify root causes, and followed up with corrective actions. Lessons learned are shared across the organization to support continuous improvement.
403-3 Occupational health services	<p>Access to occupational health services is provided at Model Group sites in accordance with local legal requirements and operational needs. Depending on the location, medical examinations and consultations are offered to employees, primarily through external occupational health physicians.</p> <p>These services focus on preventive care, including periodic health checks, return-to-work assessments, and support in managing work-related health risks. All services are confidential and aim to protect and promote employees' physical and mental well-being.</p>
403-4 Worker participation, consultation, and communication on occupational health and safety	Employee participation in occupational health and safety is an integral part of Model Group's safety culture. Participation and consultation processes are structured in accordance with national legal requirements and site-specific practices in each country where we operate. In Germany, Poland, and the Czech Republic, formal worker representation through works councils or health and safety committees is in place, as required by national labor and occupational safety legislation. These bodies are actively involved in safety-related decision-making, risk assessments, and the implementation of preventive measures. In Switzerland and Croatia, employee consultation on occupational health and safety is conducted through internal safety representatives or site-level coordination teams. Employees are regularly informed and consulted on workplace safety matters through meetings, briefings, and safety walk-throughs. Across all locations, employees are encouraged to report hazards, unsafe conditions, or near misses without fear of retaliation. Regular training and communication ensure that employees understand their rights and responsibilities related to workplace health and safety.

403-5 Worker training on occupational health and safety	Training and skills development	p. 49
403-6 Promotion of worker health	The Model Group promotes the health and well-being of its employees through a range of location-specific initiatives that go beyond legal occupational health requirements. Depending on the site and country, employees have access to medical check-ups provided by external occupational health physicians, as well as targeted health services such as vaccinations, ergonomic consultations, and return-to-work support after illness or injury. In addition to preventive health measures, selected sites offer further activities to support physical and mental well-being, such as fitness programs, stress management workshops, or health awareness campaigns. These offerings are tailored to local needs and regulations. All services are provided on a voluntary basis and in a confidential manner, in line with data protection and medical privacy standards.	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Contractors operating on Model Group premises must comply with local safety regulations and internal safety protocols. This includes participation in mandatory site-specific safety briefings, adherence to access control procedures, and - in higher-risk environments - additional requirements such as permit-to-work systems and supervision. In 2024, the Model Group introduced a Supplier Code of Conduct that sets out clear expectations regarding occupational health and safety, among other ethical and sustainability standards. This Code applies to all suppliers and was progressively rolled out across the Group in 2025. It requires suppliers to provide safe and healthy working conditions for their employees, prevent workplace hazards, and comply with applicable health and safety legislation.	
403-8 Workers covered by an occupational health and safety management system	Health and safety metrics	p. 50
403-9 Work-related injuries	Health and safety metrics	p. 50
403-10 Work-related ill health	Health and safety metrics	p. 50
<b>GRI 404: Training and Education 2016</b>		
404-1 Average hours of training per year per employee	Training and skills development	p. 49
404-2 Programs for upgrading employee skills and transition assistance programs	Upgrading employee skills and transition assistance programs are planned within the respective company as part of the management system and are based on the Model Group's strategy for the continuous training of employees.	
404-3 Percentage of employees receiving regular performance and career development reviews	Training and skills development	p. 49
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1 Diversity of governance bodies and employees	Diversity metrics	p. 48
405-2 Ratio of basic salary and remuneration of women to men	Not included in 2025 report	
<b>GRI 406: Non-discrimination 2016</b>		
406-1 Incidents of discrimination and corrective actions taken	None	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None	

<b>GRI 408: Child Labor 2016</b>		
408-1 Operations and suppliers at significant risk for incidents of child labor	None	
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	None	
<b>GRI 410: Security Practices 2016</b>		
410-1 Security personnel trained in human rights policies or procedures	Not applicable	
<b>GRI 411: Rights of Indigenous Peoples 2016</b>		
411-1 Incidents of violations involving rights of indigenous peoples	None	
<b>GRI 413: Local Communities 2016</b>		
413-1 Operations with local community engagement, impact assessments, and development programs	All Model Group companies are involved in the local community through open days, organizing and participating in events, supporting local clubs, donations, etc. Potential and actual impacts on the local community are regularly assessed as part of the management system.	
413-2 Operations with significant actual and potential negative impacts on local communities	None	
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1 New suppliers that were screened using social criteria	The Supplier Code of Conduct, which was newly introduced in 2024, is still in the implementation phase. Full implementation by all suppliers is scheduled for 2026. By the end of 2025, 26% of suppliers across the Group had signed the Supplier Code of Conduct.	
414-2 Negative social impacts in the supply chain and actions taken	None	
<b>GRI 415: Public Policy 2016</b>		
415-1 Political contributions	None	
<b>GRI 416: Customer Health and Safety 2016</b>		
416-1 Assessment of the health and safety impacts of product and service categories	Impacts of products and services on health and safety are regularly assessed as part of the management system. All products comply with the applicable product safety regulations.	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	None	
<b>GRI 417: Marketing and Labeling 2016</b>		
417-1 Requirements for product and service information and labeling	All products produced by the Model Group comply with the applicable regulations in terms of information and labeling. Compliance with the regulations is regularly reviewed as part of the management system.	
417-2 Incidents of non-compliance concerning product and service information and labeling	None	
417-3 Incidents of non-compliance concerning marketing communications	None	
<b>GRI 418: Customer Privacy 2016</b>		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	None	

# MODEL

Model Holding AG - Industriestraße 33 - 8570 Weinfelden - Switzerland



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