



FABER-CASTELL
since 1761

Change needs creativity.



Change needs creativity.

A sustainable future needs new ideas as well as people who are eager to shape that future in a creative way. We as Faber-Castell are a driving force for sustainable development in our industry: with our products, we motivate people to unleash their creative potential.

As a family-owned business in the ninth generation, we take our responsibility seriously. Sustainability is not a new trend for us, but an integral part of our value culture and a proven success factor in our company's history.

We understand sustainability in **ecological, social and economic terms**. We are pioneers in the industry with our own certified forest management for securing a long-term source of raw material. But we are also committed to biodiversity, renewable energies, the conservation of resources, equal opportunities and diversity. As a globally renowned brand company, we see ourselves as a key player in the economy: our actions have a significant impact on both the environment and society.

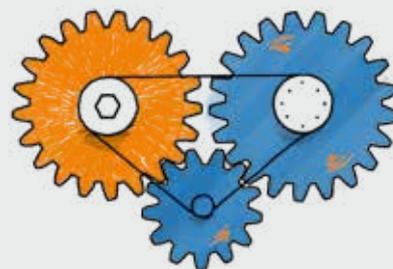
**Environmental
responsibility
(Environmental)**



**Social
responsibility
(Social)**



**Business
responsibility
(Governance)**



Faber-Castell's contribution to the Sustainable Development Goals

We as Faber-Castell believe that our actions can contribute to achieving the Sustainable Development Goals (SDGs). We have therefore committed ourselves to these sustainability goals, initiated by the United Nations in 2015.



These goals are of great relevance as they represent the key factors that can enable a sustainable global community from an **Environmental, Social and Governance (ESG)** perspective by 2030. In our Sustainability Insights presented here, we therefore showcase our commitment in these three areas.

Environmental responsibility

We have always placed a high value on environmental sustainability (the “E” in ESG). Faber-Castell is active in this field with numerous projects and initiatives, ranging from sustainable forestry and renewable energy to resource conservation. Over the following pages, we present our environmental commitment.



More information on our environmental commitment can be found online:
www.faber-castell.com/corporate/sustainability/ecological

Sustainable forestry and biodiversity

Since the 1980s, our managed forests in Prata, southeastern Brazil, have fulfilled numerous roles. They are crucial for raw material supply and also serve as a habitat for diverse animal and plant species. Additionally, the trees absorb CO₂ from the atmosphere through photosynthesis, converting it into biomass and oxygen. We are fully aware of the significance of this unique forestry project and are committed to its protection.

Key natural resource

Wood is the raw material for our pencils, making it vitally important. We manage 4.5 million pine trees across 8,200 hectares – equivalent to 11,000 football fields – meeting most of our wood needs. Every year, we plant 300,000 new seedlings to ensure consistent reforestation.

Our managed forests are fully certified by the Forest Stewardship Council (FSC®), and all wood used in our global production of wood-cased pencils is either FSC® or PEFC certified.



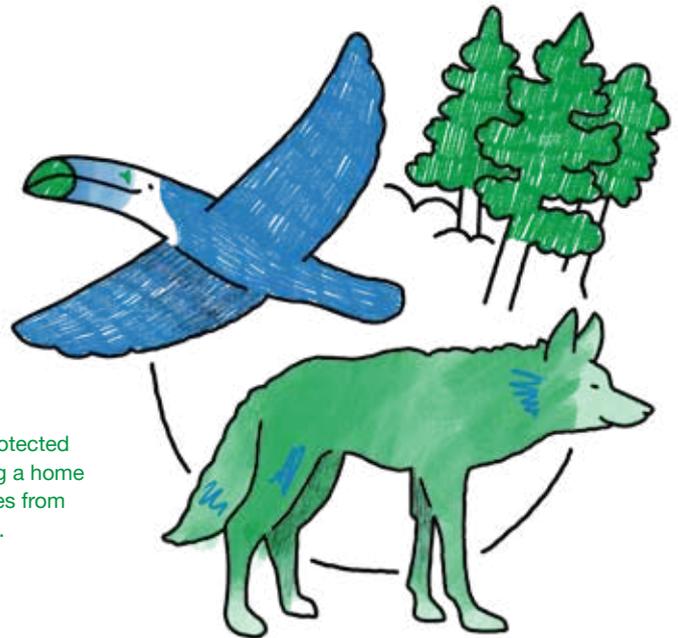
The mark of responsible forestry

1/4

of the forest area is a protected nature reserve, providing a home to 467 native tree species from 29 different tree families.

3/4

of the forest area consists of pine trees (tree species *Pinus caribaea*).



Reservoir for biodiversity

A part of our managed forests in Brazil is left untouched and has evolved into a habitat for local wildlife. Species like the anteater, macaw, maned wolf, porcupine and white-eared puffbird find a home here.

722

different animal species live in the forests.

Our environment and biodiversity projects

For many years, we have been committed to a range of programs for environmental protection and biodiversity in our managed forests:

“**Animalis**” and “**Arboris**”. These long-term projects are dedicated to the conservation and establishment of native fauna and flora. Scientists monitor the biodiversity and its distribution. There has been a steady increase in biodiversity since the start of the initiatives.

“**Aqua**”. This program oversees the water quality and levels to detect and prevent contamination and droughts early.

“**Soils**”. This initiative aims to counteract soil erosion, including regular analysis and mapping of the forests soil for monitoring and to put in place countermeasures.



Energy efficiency and self-sufficiency

Our aim is to reduce our corporate carbon footprint. To achieve this, we monitor our CO₂ emissions at all production and affiliated distribution sites and take targeted action to reduce them. We are working on improving our energy efficiency and striving for self-sufficiency through renewable energy.

Focus on energy efficiency

We can significantly lower our energy consumption by switching to more energy-efficient products, machines and facilities at our worldwide production sites.

Investment in renewable energy

We generate our own renewable energy from various sources, including hydropower, solar energy and thermal energy from wood waste from our production. We also ensure sustainability in purchased energy. Where possible, energy purchases adhere to the internationally recognised I-REC standard, ensuring transparency and traceability.

89%

of the total energy consumption at our worldwide production sites is met by renewable sources (fiscal year 2022/23).



100%

of the electricity used at our production sites in Brazil, Peru, Austria and Germany comes from renewable sources (fiscal year 2022/23).

Our energy projects

Renewable energy generation is a tradition for us. We therefore continue to expand the necessary technologies at our global locations:

Since 1956, we have operated a Kaplan turbine at our headquarters in **Stein**, generating over 1.5 million kilowatt-hours of electricity annually through hydropower. This can cover around 20 percent of the site's electricity needs.

At our production sites in **Brazil, Indonesia and Germany**, we generate thermal energy from the wood waste produced in manufacturing.

Since 2021, we have used solar panels for power generation in **Malaysia and India**.



OUR TARGET

Reduce the corporate carbon footprint by 55% by the end of fiscal year 2029/30 (based on the scopes of fiscal year 2019/20, per one million pieces of produced products)

OUR TARGET

Reduce energy consumption by 55% through improved efficiency by the end of fiscal year 2029/30

OUR TARGET

Achieve energy self-sufficiency by the end of fiscal year 2034/35

Plastic alternatives and recycling



Plastic causes enormous environmental problems worldwide. We are therefore committed to continually reducing the use of conventional plastics and instead using more eco-friendly materials for our products and packaging.

We increasingly rely on alternative plastics, especially recycled or bio-based, in our pen manufacturing. Instead of single-use product packaging made of virgin plastic, we are increasingly turning to cardboard or other alternative materials. To extend their lifespans, many of our products are refillable.

Our plastic projects

Since 2016, we have been manufacturing more and more pens from recycled plastics, known as recycilate. For this, plastic waste from industrial production is processed and used as a new raw material in manufacturing. In our production site in **Austria**, the proportion of recycled plastics is already over 55 percent.

In **Brazil**, we collaborate with the recycling company Terracycle to repurpose plastics from pen waste. Non-refillable writing instruments and plastic accessories like ballpoint pens, markers, erasers and sharpeners are centrally collected and transformed into new raw materials.



OUR TARGET

Reduce the proportion of virgin plastic in primary single-use product packaging to below 5% by the end of fiscal year 2029/30

OUR TARGET

Increase the proportion of alternative (especially recycled and bio-based) plastics in our products to 55% by the end of fiscal year 2029/30

Water and waste water management



We are committed to the sustainable use of water, a vital resource. Faber-Castell places great importance on thoughtful water management. As part of this, we have initiated various projects to save and reuse water.

Our water and waste water projects

In **Germany**, we have shifted our lead production to a less water-intensive process, reducing waste water intensity by up to 28 percent.

Since 2018, our Brazilian production site in **São Carlos** has been operating an especially efficient waste water treatment plant. We use the purified water for the maintenance and irrigation of our outdoor facilities, allowing us to reuse approximately 10,000 cubic meters of water annually.

At our sites in **Indonesia and Malaysia**, we have installed several rainwater tanks to save fresh water.

Social responsibility

Sustainability is not just about the environment and climate; it also encompasses social aspects (the “S” in ESG). We are committed to this through specific projects both within the company and along the value chain. Over the following pages, we present our social commitment.



More information on our social commitment can be found online:
www.faber-castell.com/corporate/sustainability/social-commitment

Responsible employer

As a family-owned business in the ninth generation, we have always shown a high level of social commitment to our employees and society.

From the mid-19th century, social institutions like kindergartens, schools and employee housing were established.

In 2000, we adopted the “Faber-Castell Social Charter” with IG Metall, voluntarily committing to employment and working conditions recommended by the International Labour Organization (ILO) in our production and distribution sites. This globally valid agreement, one of the first of its kind, is regularly audited at our worldwide locations.

1844

was the year in which Lothar von Faber founded one of the first company health insurance funds in Germany, which still exists as “BKK Faber-Castell”.



Diversity and inclusion

We not only produce pencils and pens in a variety of colours and shapes but also advocate for a colourful and open society where everyone’s individual differences are recognised and respected.

Our diversity and inclusion projects

We encourage people to express their identity and aim to create an environment where diversity and inclusion are actively practised:

“#WirSindBunt” is an initiative at our headquarters in Stein, promoting diversity and combating discrimination within our company. In Brazil, we also launched a **program** in 2020 to foster **diversity and inclusion** through guidelines, committees, training and theme weeks.

Globally, we have integrated policies in **talent management** and **succession planning** to specifically promote female employees.

With the “**Children of the World**” (“**Caras & Cores**”) **pencil set**, developed with make-up experts, children can accurately depict their skin colour, strengthening their self-image and identity. Proceeds from sales support the Red Pencil Humanitarian Mission, which aids children in crisis areas with art therapy.



OUR TARGET

Increase the proportion of women in leadership and management positions to 50% by the end of fiscal year 2029/30

Promoting creativity and education

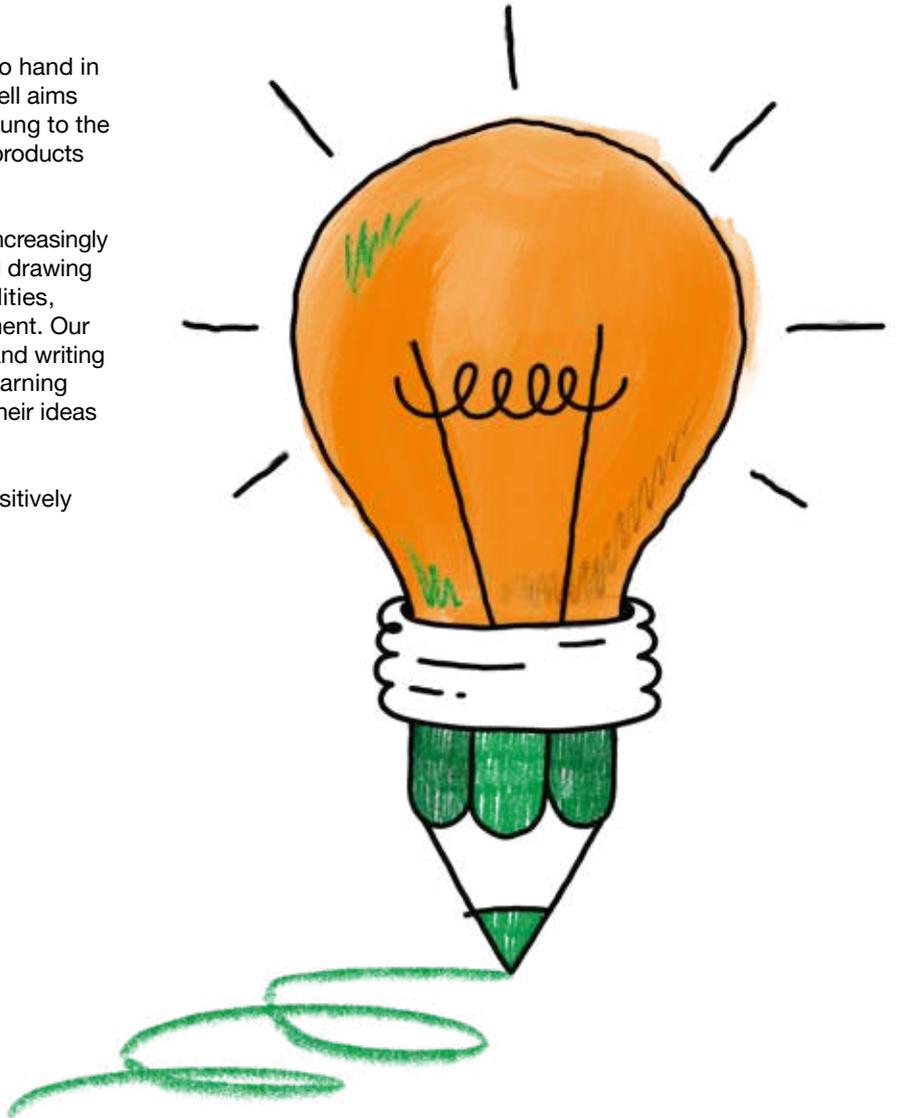
For us, fostering creativity and education go hand in hand. As a “companion for life”, Faber-Castell aims to nurture creativity in everyone from the young to the elderly, inspiring customers with innovative products for creative experiences.

Creativity is a key human differentiator, also increasingly important in the workplace. Handwriting and drawing support fine motor skills and cognitive abilities, which are crucial for learning and development. Our high-quality products for painting, drawing and writing provide tools for creative expression and learning worldwide, empowering people to express their ideas for a more sustainable future.

We believe that unleashed creativity can positively change the world.

10

Faber-Castell subsidiaries promote creativity and education through various projects, encouraging people to unleash their creative potential.



Our creativity and education projects

In projects in Australia, Brazil, India, Indonesia and elsewhere, we support **arts education** in schools and encourage young people to let their creativity flow freely through **painting and drawing competitions**.

The **Peter Maffay Foundation** aids traumatised children through art therapy programs. We support their work by donating a portion of the proceeds from our Eberhard Faber Tabaluga products.

The **Faber-Castell Academy**, established in 1995 at our headquarters in Stein, is an independent educational institution focusing on individual personality and creativity development. Admission to studies is based on creative talent rather than academic qualifications.

Our foundations

Faber-Castell Institute in Brazil

At the “Faber-Castell Institute”, we support a variety of aid and educational schemes for children from challenging social backgrounds in Brazil. We have worked with local communities for many years to make these projects possible.

The initiatives are funded by our employees’ donations, and we match every voluntarily donated Real (R\$) to amplify the fund.



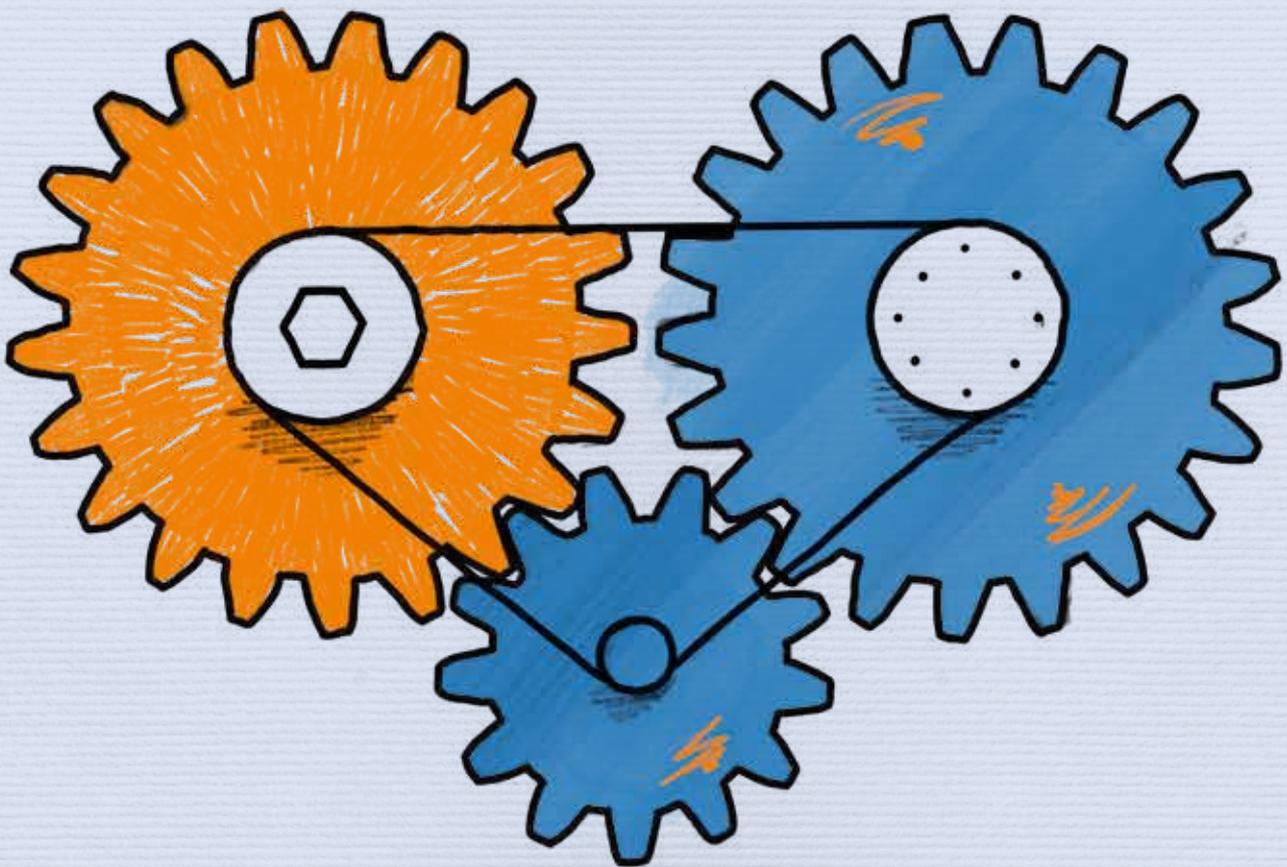
Graf von Faber-Castell Children’s Fund Foundation

The well-being of children has always been paramount for Faber-Castell. For this reason, Anton Wolfgang Graf von Faber-Castell (eighth generation) set up the Children’s Fund Foundation in 2001. It supports humanitarian children’s aid projects in kindergartens, schools, hospitals and orphanages – primarily in emerging and developing countries.



Business responsibility

Alongside environmental and social commitment, responsible corporate governance **(the “G” in ESG)** is a key part of our comprehensive approach to sustainability, which also encompasses economic success. We embody a value-based corporate culture reflected not only in our daily work, but also in long-term thinking. Over the following pages, we present our business commitment.



More information on our business commitment can be found online:
www.faber-castell.com/corporate/sustainability/economic

Responsibility by tradition

Our success is founded on trust and fair interactions with employees, customers, business partners and suppliers. Faber-Castell has embraced the entrepreneurial philosophy of fairness, transparency and respect for centuries, in line with the ethos of the “Honourable Merchant”.

Our “Corporate Essentials” embed core principles for trustful and respectful interaction, while our “Leadership Essentials” provide guidelines for leadership at Faber-Castell.

The “Faber-Castell Charter” (Code of Conduct) offers employees a behavioural code, supporting fair and transparent actions.

Management systems and certificates

To adhere to our guidelines, policies and standards, we have established a compliance management system and an integrated management system for quality, environment and social aspects, including information and reporting systems, training, contacts and audits. Certifications like ISO 9001 and 14001 make our commitments and actions visible and comparable.

Responsibility along the supply chain

We advocate for transparency and responsibility throughout the supply chain, fulfilling our duty to human rights and the environment. Key is the prior vetting and trusted collaboration with suppliers in line with our “Supplier Code of Conduct”.



Collaboration for the future

Sustainable business practices require cooperation and partnership. We are members of leading national and international networks and initiatives, such as the UN Global Compact, and engage in open dialogue with internal and external stakeholders. Through regular stakeholder surveys, for example, we gather their opinions on relevant topics and encourage contributions to sustainable development.



Sustainability targets

Reference year: fiscal year 2019/20



Energy

We aim to further reduce our company's energy needs by switching to more energy-efficient facilities at our worldwide production sites.

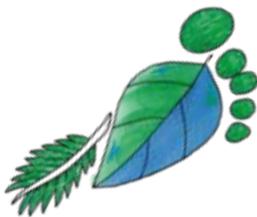
OUR TARGET

Reduce energy consumption by 55% through improved efficiency by the end of fiscal year 2029/30

We intend to achieve energy self-sufficiency through independent sourcing of renewable energy, such as installing solar panels, heat pumps or water turbines.

OUR TARGET

Achieve energy self-sufficiency by the end of fiscal year 2034/35



Carbon footprint

We are dedicated to continuously reducing our global corporate carbon footprint by increasing energy efficiency, switching to renewable energy sources and achieving energy self-sufficiency.

OUR TARGET

Reduce the corporate carbon footprint by 55% by the end of fiscal year 2029/30 (based on the scopes of fiscal year 2019/20, per one million pieces of produced products)



Plastics

We aim to avoid single-use plastic product packaging, replacing it with cardboard or other eco-friendlier materials where possible.

OUR TARGET

Reduce the proportion of virgin plastic in primary single-use product packaging to below 5% by the end of fiscal year 2029/30

We are committed to replacing new plastics used in our products with alternatives like recycled or bio-based plastics without compromising quality.

OUR TARGET

Increase the proportion of alternative (especially recycled and bio-based) plastics in our products to 55% by the end of fiscal year 2029/30



Gender equality

We aim to achieve an equal distribution of women and men in leadership and management positions.

OUR TARGET

Increase the proportion of women in leadership and management positions to 50% by the end of fiscal year 2029/30

Faber-Castell Aktiengesellschaft
90546 Stein, Germany

Board

Stefan Leitz (CEO)
Constantin Neubeck (CFO)
Simon Hauser (CTO)

Foundation

1761

Family-owned business

for 9 generations

Employees

6,500 worldwide

Group turnover

522.6 million euros (fiscal year 2021/22)

Sales and marketing regions

Europe & North America
Asia-Pacific
Latin America

Representations

in more than 120 countries

Sales offices

in 22 countries

Production sites

in 10 countries

Assortment

High-quality products for writing, drawing and creative design, as well as cosmetic products

Production

Approx. 2 billion wood-cased pencils per year



For more information on the economic development of the Faber-Castell Group, visit the press pages at www.faber-castell.com and www.bundesanzeiger.de.

The key indicators, data and consumption figures from these Sustainability Insights refer to the fiscal year 2022/23 and cover all production and affiliated distribution sites. Additionally, current projects and initiatives until the end of the fiscal year 2022/23 are presented.

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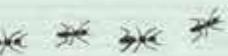
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For more information,
visit our sustainability website:
[www.faber-castell.com/
corporate/sustainability](http://www.faber-castell.com/corporate/sustainability)



For further facts and figures, check
our Sustainability Details:
[www.faber-castell.com/corporate/
sustainability/sustainability-Reports](http://www.faber-castell.com/corporate/sustainability/sustainability-Reports)



Feedback, criticism, suggestions, or questions about
these Sustainability Insights or sustainability in general?
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