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Media release

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Aluflexpack publishes its Sustainability Report 2022 and Sustainability Strategy 2025+

- Scope 1 & 2 emission intensity reduced by 6.9% y-o-y¹
- Waste diversion rate increased to 75.4% due to higher recycling ratio of both hazardous and non-hazardous waste (FY 2021: 75.1%)²
- Development of several new and improved circular flexible packaging including mono-material and recycled content solutions
- Formalised sustainability strategy to 2025 and beyond

Aluflexpack AG (hereinafter referred to as “Aluflexpack” or the “Group”), a leading European manufacturer of premium circular flexible packaging and barrier solutions, announces today the publication of its Sustainability Report 2022, detailing the company’s ESG performance for the fiscal year 2022 as well as its Sustainability Strategy to 2025 and beyond. In 2022, scope 1 & 2 emission intensity was reduced by 6.9% to 301 kt CO₂ / Aluflexpack unit (FY 2021: 323 kt CO₂ / Aluflexpack unit). The Group increased its waste diversion rate to 75.4% (FY 2021: 75.1%) as a result of higher recycling ratio of both hazardous and non-hazardous waste. In line with its commitment to the development of fully circular packaging solutions, the Group has made progress in manufacturing of several new and improved mono-material and recycled content solutions, among others.

¹ Emission intensity is calculated as total scope 1 and scope 2 emissions divided by a specifically defined production unit, which considers differences in product technology, product shape and other features of product types - the so-called "Aluflexpack unit".

² Waste diversion rate is calculated as total amount of hazardous plus non-hazardous waste diverted to recycling or reuse or recovery in tons divided by total amount of non-hazardous and hazardous waste in tons, multiplied with 100. A higher diversion rate indicates a successful waste management effort in diverting waste from traditional disposal methods.

Prioritising environment and circularity

In 2022, the Group achieved a 6.9% reduction of scope 1 & 2 emission intensity to 301 kt CO₂ / Aluflexpack unit (FY 2021: 323 kt CO₂ / Aluflexpack unit). On an absolute level, scope 1 & 2 emissions increased to 27,366 tons CO₂ (FY 2021: 25,848 tons CO₂). The reason for the increase in emissions is attributed predominantly to an expansion of volumes.

Aluflexpack recorded an increase in its waste diversion rate to 75.4% in FY 2022 compared to 75.1% last year due to improved waste management practices on a group-wide level. In particular, a higher recycling ratio of both hazardous and non-hazardous waste contributed to the positive development.

In line with its commitment towards sustainability, the Group has made significant progress in manufacturing circular flexible packaging solutions. This is underlined by R&D initiatives focusing on monomaterial laminates, pouches and plastic lids, which eliminate complex multilayer structures while maintaining the freshness and quality of packaged food. At the same time, as part of ongoing efforts to reduce reliance on virgin materials, the Group has focused on developing containers and other products with recycled content. The positive test results achieved demonstrate that with these innovations it is possible to incorporate recycled aluminium into packaging solutions without compromising product integrity. Besides the above-mentioned projects, Aluflexpack continues development of packaging solutions with PVC-free lacquers, downgauging of aluminium foils with the objective of achieving resource preservation, among others.

Nurturing employee potential

Pursuing the central objective of empowering people and making Aluflexpack a greater place to work, the Group undertook a number of activities in 2022 in this direction. Building upon the success of the Great Place to Work initiative conducted in 2021, Aluflexpack initiated target-specific actions plans for each location based on survey findings. These included a wide range of initiatives such as infrastructure improvements, higher working hour flexibility, off-site activities, etc. with the final goal of strengthening employee experience in various areas. To nurture employee potential from within the organisation, the Group launched two initiatives in 2022, namely the Business Case Challenge and the Innovation Challenge. The first project, which was done in collaboration with Vienna University of Economics and Business (WU), encouraged young employees under the age of 30 to work in small teams with colleagues from other Aluflexpack sites to research, analyse and solve a given business case proposed by Group's management board. The second project motivated all Group employees to share their ideas for designing entirely novel packaging that would benefit customers and ultimately also consumers by providing sustainable and user-friendly solutions. In total, nearly 100 ideas were submitted, highlighting the innovative spirit in our organisation.

ESG-committed organisation

The ESG commitment of the Group is further underlined by globally recognised certifications. In 2022, the Group reaffirmed its gold rating sustainability certificate provided by EcoVadis, along with SMETA/Sedex audits confirming compliance with social and economic regulations. During the same reporting period, the Group received the first ASI certifications for plants in Croatia and Switzerland according to the new standard. In sum, Aluflexpack's commitment to ESG principles underscore its dedication to creating a sustainable and responsible future for all stakeholders. The Group views ESG as an integral part of its mission, driving positive change and fostering long-term success.

Sustainability strategy to 2025 and beyond

To ensure a systematic and structured approach to sustainability, the Group implemented a process to define a comprehensive strategy to 2025 and beyond. The sustainability strategy is supported by three pillars, namely *Climate care*, *Drive circularity* and *Act responsibly* and is built upon a *Transparent foundation* committed to contribute to a more sustainable future. It integrates environmental, social, and governance aspects into business operations, while considering the needs of future generations. These initiatives collectively underline commitment to sustainability, as the Group actively seeks to minimise its environmental impact, collaborate with global initiatives, and implement long-term strategies to ensure a sustainable future. By embedding sustainability into core business practices, Aluflexpack aims to create lasting value for its stakeholders, while positively contributing to the well-being of our planet and society as a whole.

Climate care: Reflects Group's ambition to reduce emissions, higher proportion of renewable energy consumption and keep the impact of operations on environment to a minimum, including careful use of water. In 2023, the Group made the strategic decision to participate in the Science-Based Targets initiative (SBTi). This aims to align our operations with the Paris Agreement of limiting global warming to 1.5 °C above pre-industrial levels.

Drive circularity: Focuses at achieving product reusability and recyclability, higher usage of recycled raw materials, and enhance material efficiency by minimising process residues and implementing waste recovery measures.

Act responsibly: Upholds and safeguards various labour and human rights, fosters diversity and inclusivity, and maintains a health & safety approach that extends to all stakeholders and visitors on its premises.

Transparent foundation: Adheres to a strong business ethic, showcasing transparency through regular publications, annual sustainability and financial reporting and maintains a strict policy of zero tolerance towards any instances of corruption and bribery, while ensuring fair competition in daily business operations.

Aluflexpack's CEO, Johannes Steurer says: "Our sustainability roadmap is an integral part of our 3-WIN 2025 strategy. It enables us to provide sustainable packaging solutions and meet our customers' sustainability goals and guides us on our path to become the most integrated solution provider. We will continue to

invest in decarbonisation of our operations, in our people and achievement of our ESG goals.”

Download Aluflexpack’s Sustainability Report 2022:

https://www.aluflexpack.com/wp-content/uploads/2023/09/Sustainability_report_2022.pdf

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About Aluflexpack AG

Aluflexpack produces flexible packaging and barrier solutions for end markets such as Coffee & Tea, Pharmaceuticals, Pet food, Confectionery and Dairy. Its long-lasting customer relationships with locally operating companies and large international corporations alike are underpinned by well-established industry insights, flexibility in customer service and development competence. Headquartered in Reinach (Aargau), Switzerland, Aluflexpack has production facilities in Switzerland, France, Poland, Türkiye and Croatia. It had 1,584 employees as of 30 June 2023.

Disclaimer

Some of the information contained in this press release may be forward-looking in nature. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, meaning that actual results may differ materially from those in this press release as a result of various factors. Aluflexpack AG is not obliged to publicly update or revise any forward-looking statements.