

ALU
FLEX
PACK

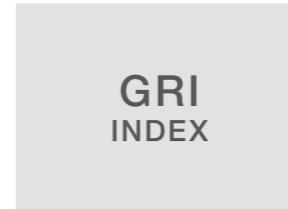
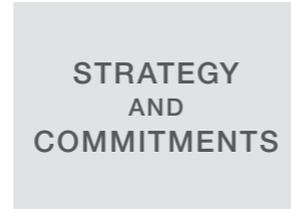
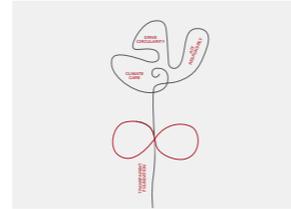
Sustainability Report | 2022



#TogetherWeGrow

- Sustainability strategy
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The Cover Image of this report is an image of our colleagues from plant Omial, Croatia. The colleagues are father and son, working alongside one another. While the father has been with the company for 35 years, his son, aged 28, has been with us for three years.

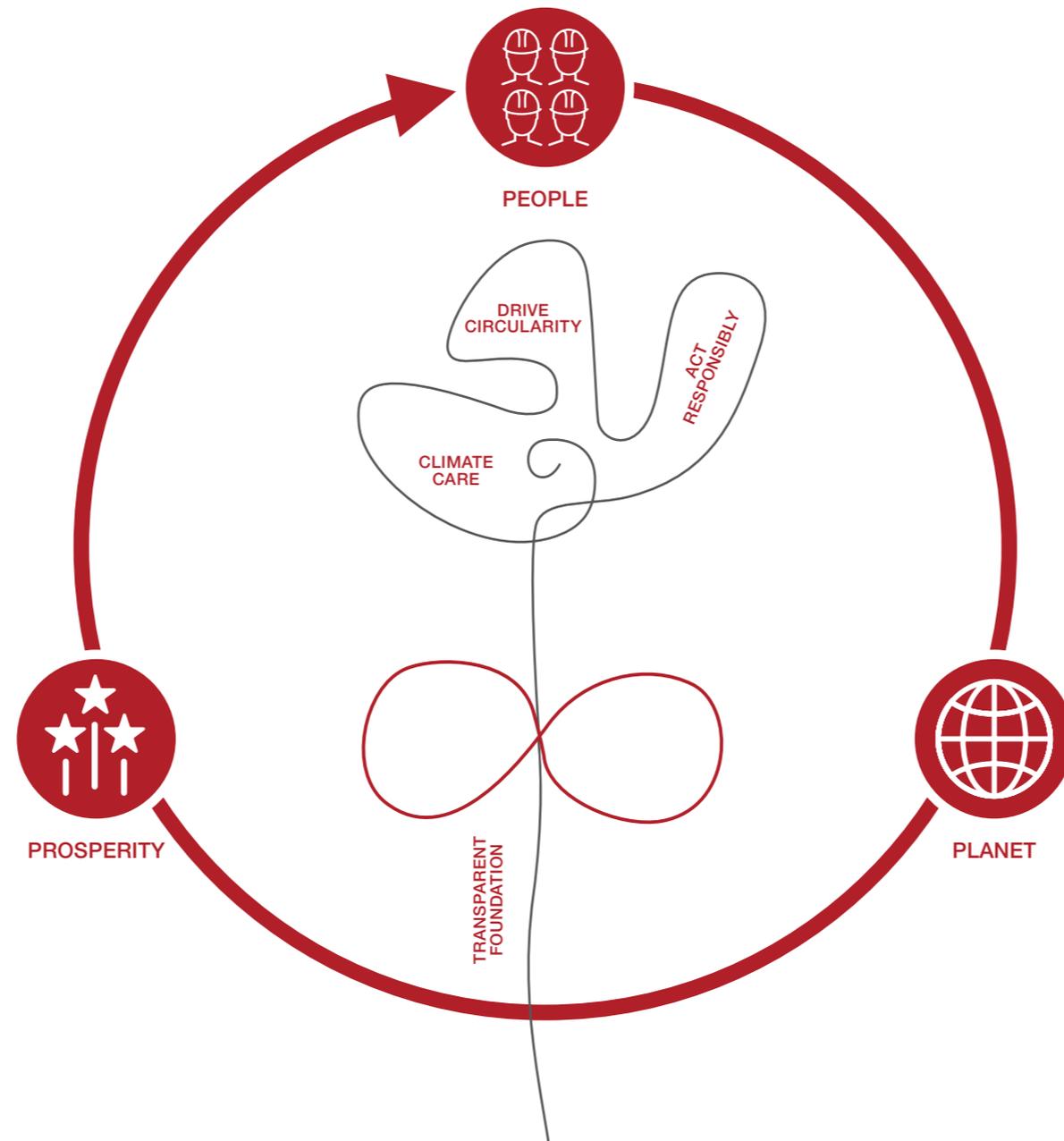
“Seeing me satisfied, my son also wanted to work in the same place. I supported him in his decision, and gladly passed on some skills and work secrets to him.”, said the father.

We are happy to provide the opportunity for them to work and create together!

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SUSTAINABILITY STRATEGY



 **Climate care**

For Aluflexpack, this means reducing emissions to a very low level, switching the energy consumption to a high proportion of renewable energy and taking care to keep our impact on the environment to a minimum, including careful use of water resources.

 **Drive circularity**

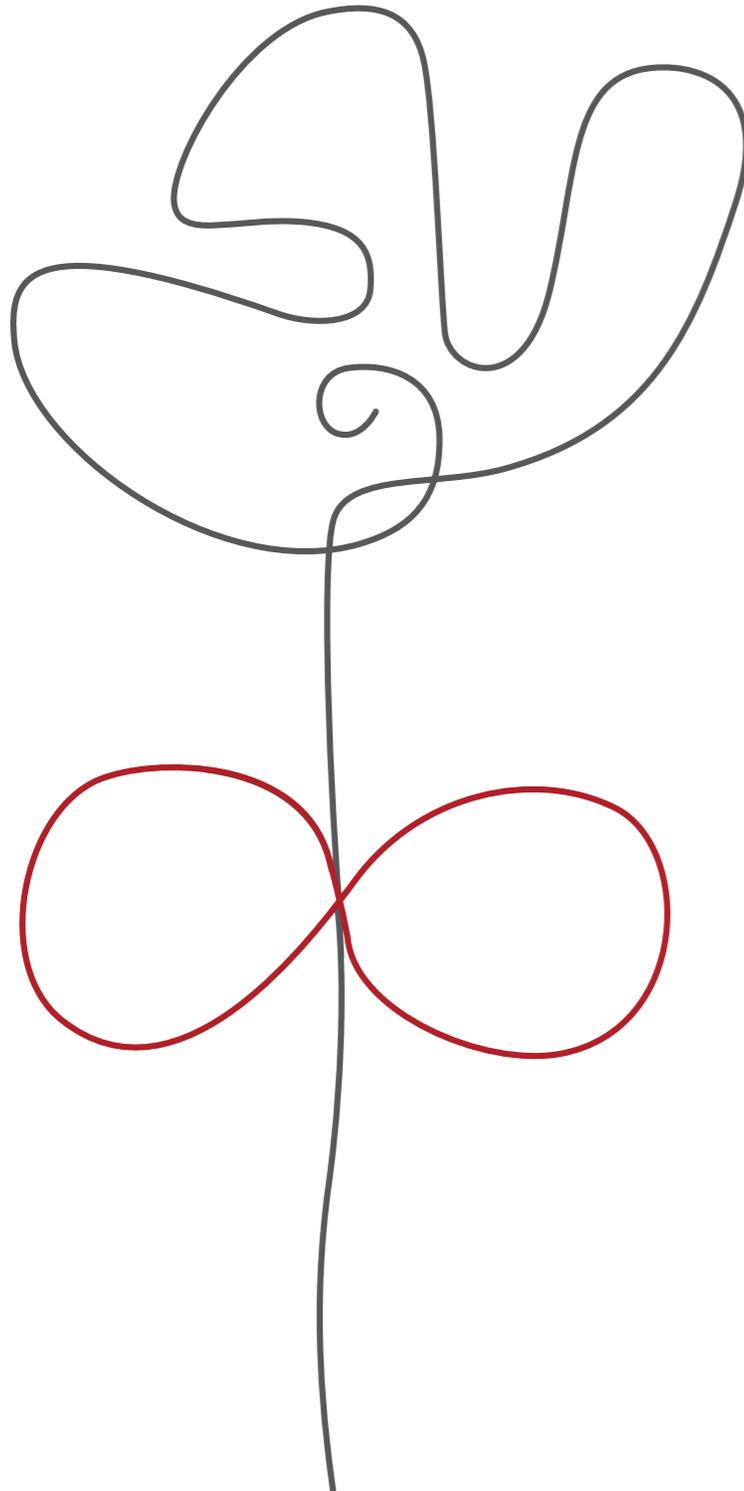
Aluflexpack endeavours to ensure that all products are reusable and also recyclable, to increase the percentage of recycled raw materials used, and to ensure high material efficiency by reducing process residues and recovering waste.

 **Act responsibly**

Aluflexpack respects and protects all forms of labour and human rights and respects diversity and inclusion. It also ensures that its safety approach applies to employees, contractors, suppliers, and visitors on site. Aluflexpack always strives to strengthen its partnerships with employees and the communities in which we operate.

 **Transparent foundation**

The Aluflexpack business ethic is to demonstrate a high level of transparency through regular publications and annual sustainability and financial reporting. Aluflexpack has zero tolerance of all forms of corruption and bribery. Fair competition has a very high priority in our day to day business.



The Aluminium Flower represents the sustainable growth enabled by the excellent barrier properties and endless reusability of aluminium.



RECYCLABLE
& REUSABLE

Aluminium is **infinitely recyclable** with no loss in quality: 75% of aluminium ever sourced is still in use today!



LIGHTWEIGHT

Aluminium is **lightweight** and maintains its full properties at very low thickness, resulting in space efficiency and savings in transport!



BARRIER

Aluminium provides **100% protection against light, moisture, oxygen and other gases as well as against microorganisms and bacteria**, therefore preserving the product and ensuring longer shelf life!



HEAT RESISTANT

Aluminium is **very conductive to heat and withstands a range of temperatures** from very cold to very hot without losing its mechanical properties!



LONGER
SHELF LIFE

Aluminium foil in food packaging applications **saves more resources than are needed in its production** - its mechanical and barrier properties ensure longer shelf life!



ENERGY SAVING

High barrier properties permit **long-life conservation of the products** packed without refrigeration, thus saving energy!



REDUCING
FOOD WASTE

Longer shelf life of the products packed in aluminium packaging results in **less food waste!**

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OUR VALUES

Our **ambition** is to surpass expectations in our sustainable development. While we have set high yet realistic targets, we strive to exceed them. By pushing the boundaries of what is expected, we drive innovation and continuous improvement in our sustainability initiatives.

We **proactively** engage in and assume a leadership role in relevant initiatives, paving the way for a more sustainable future. By staying abreast of scientific research, information, and trends, we not only meet but also anticipate the needs of our stakeholders. This proactive approach ensures that we are constantly at the forefront of sustainability, driving positive change and making a meaningful impact.

Our **empathic** approach to conducting business means that we actively listen to the needs and desires of our stakeholders during all our interactions. By prioritizing understanding and empathy, we ensure that we are responsive to their concerns and aspirations. This enables us to tailor our strategies and sustainable actions to better meet their expectations and build strong, lasting relationships.

A **systematic** approach is crucial when it comes to addressing sustainability-related topics. By utilizing reliable data and establishing clearly defined processes, we are able to effectively prioritize and streamline our activities. This systematic approach allows us to focus our efforts and resources where they will have the greatest impact.

We approach all our actions with **passion**, driven by the desire to ensure not only the long-term success of our company but also the well-being



Together we are passionate in what we do, we ideate in teams to proactively create valuable solutions for customers and all other stakeholders of Aluflexpack with the ambition for systematic change!

of people and the planet. Our passion extends beyond immediate gains, as we strive to create lasting prosperity for all stakeholders. By combining our enthusiasm with sustainable practices, we work towards a future results in which economic, social and environmental well-being is harmoniously balanced, leaving a positive and enduring impact on the world around us.

As a Packaging Success Maker, we collaborate with all our stakeholders to **create** intelligent,

innovative, and, most importantly, sustainable solutions. We work closely with our customers to provide added value to the end consumers. We prioritize the well-being of our employees, striving to maximize their work-related satisfaction. We actively engage with our communities, aiming to be recognized as a responsible neighbour. By fostering strong partnerships with various stakeholders, we collectively contribute to a more sustainable and prosperous future for all.

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HIGHLIGHTS 2022



We started with the **Brand strategy** - creating value by increasing the appreciation of the Aluflexpack Group's peak performances through the power of our brand.

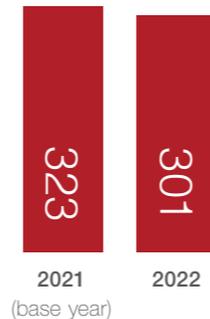
Innovation is a crucial aspect of our future, and we value the input of our colleagues as a valuable source of fresh ideas. To encourage idea-sharing and problem-solving for our customers and their end-users, in 2022 we launched the **Innovation Challenge**.

Read more on page 22 of this report!

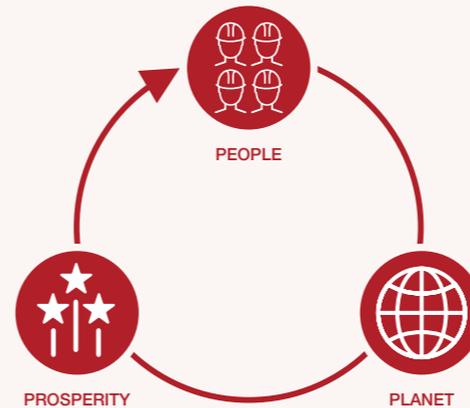


GHG emissions intensity (Scope 1+2) in kt CO₂ / AFP unit (t)

Read more on page 15 of this report!

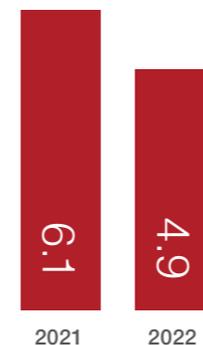


We have introduced the **3-WIN 2025 strategy** – a new strategic roadmap through 2025 and beyond, that aims at establishing new business opportunities in circular premium flexible packaging and barrier applications, as well as deepening our industrial competencies.



LTI rate 2021 vs 2022

Read more on page 30 of this report!

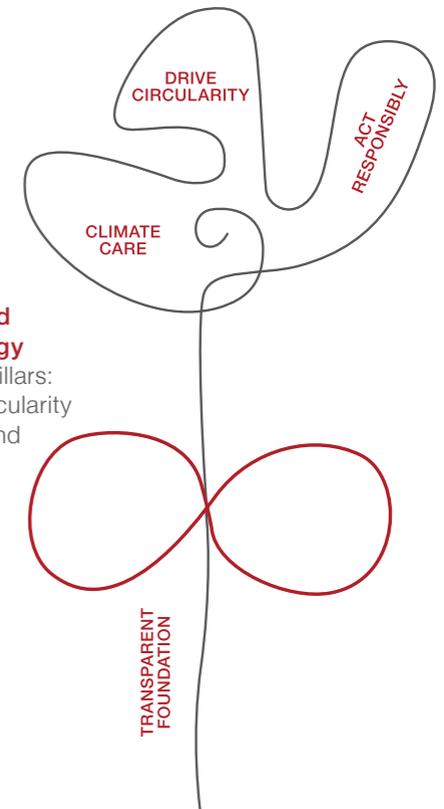


In the end of 2021, we conducted a standardised voluntary and anonymous employee satisfaction and engagement survey: **Great Place to Work** and initiated action plans in 2022. By assessing our employees' opinions, attitudes and perceptions, we gained an unparalleled understanding of how they perceive the organisation, based on the quality of workplace experience.



Our **newly developed sustainability strategy** is supported by three pillars: Climate Care, Drive Circularity and Act Responsibly, and a strong Transparent Foundation building on our commitment to contribute to a more sustainable future.

Read more on page 10 of this report!



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LETTER FROM THE CEO

As we reflect upon 2022, a very challenging year globally, we are happy of the outcomes in our sustainability endeavours.

After the lockdown and the aftermath of the COVID crisis, we have used this year to focus on our people. Our **empathic** approach to all our stakeholders – all the people that surround us – enabled us to truly and actively listen to what they need, want and require.

Our Great Place to Work initiative has delivered on its promises to the employees, taking us a big step forward in making Aluflexpack truly a place where people are happy to work! Our employees have happily participated in the sports activities, teambuildings and other social activities we have organized, which had a positive effect on the work atmosphere and team spirit!

We have initiated the Innovation challenge, where we asked our employees for their ideas on both big and small improvements in the products, operations and daily processes – we have collected nearly 100 ideas, and are very proud of our colleagues for their **passionate** approach to their work. While some of the ideas have been selected to go on into realization and product development, all the ideas have strong merit and are pursued further!

Our **proactive** approach to our stakeholders has proven highly valuable over the course of past year: in an environment characterized by inflationary trends in the commodity markets and the restricted availability of many raw materials, we have benefited from our strong network of suppliers and deeply integrated value chain, allowing us on a broad base to maintain our usual levels of product quality and reliably deliver to our customers throughout the year.

We are actively developing circular solutions for our portfolio to not only ensure full compliance with

the proposed PPWR (Packaging and Packaging Waste Directive) on European level, but even more to create opportunities for our customers to differentiate themselves taking into account their individual ambition level in terms of circularity as well as emission levels. This will allow our customers to have a packaging portfolio that is environmentally sustainable and meets all regulatory requirements.

We have also used the past year to reflect on who we are, what we do, where we want to be in the future, and how we want to get there. We have **created** the 3WIN 2025 Strategy: People, Planet, Prosperity – a strategy that will guide us in the years to come.

Our sustainability strategy is an integral part of our 3WIN Strategy. It enables us to provide sustainable packaging solutions and meet our customers' sustainability goals in a **systematic** way.

We are committed to Act Responsibly in all our activities and to Drive Circularity in our products through smart use of materials and innovative solutions, while keeping Climate Care in focus. We do this based on the Transparent Foundation we have set, where our high principles remain our guideline.

Our **ambition** to be the most integrated manufacturer of premium circular flexible packaging and barrier solutions directly connects to our sustainability efforts. A central aspect of our strategy is developing packaging and barrier solutions that are not only recyclable but also use recycled content.

Our Climate Care pillar is integral to our industry transformation efforts, leading us to significant



greenhouse gas reductions and a shift from conventional to renewable energy sources. Our commitment to the Science Based Targets initiative (SBTi) is a testament to this, aligning our operations with major global environmental priorities. Our pledge involves significant emission reductions by 2030 and reaching net-zero emissions by 2050. This comprehensive commitment involves all Scopes 1 to 3, including transitioning to renewable energy sources and driving decarbonization with suppliers and customers.

As we journey towards net-zero emissions, we know we can have a substantial positive impact, particularly as we work towards a circular economy with our packaging and barrier solutions. We're thrilled to be a part of the global sustainability movement and appreciate our stakeholders' support as we commit to a healthier, more sustainable world!

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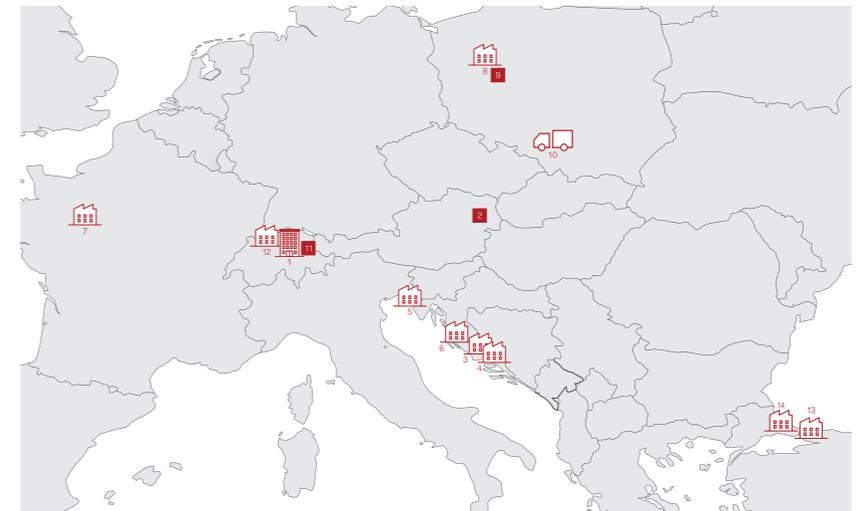
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ALUFLEXPACK KEY FACTS 2022

For over 40 years, the Aluflexpack Group has been developing and manufacturing premium flexible packaging solutions. Operating in 14 locations across Europe with over 1,500 highly skilled employees, we convert aluminium, paper and plastic films into high-quality final products: films and foils, lids, containers and pouches. A blend of passion, know-how, experience, responsiveness and creativity results in unique products and services for our customers.

With its end-to-end process and material control, Aluflexpack's deep and fully integrated value chain ensures superior service levels, the highest quality standards, profound development competence and continuous innovation. Our hub-satellite set-up entails having centralised converting hubs, which supply converted material to satellites. The latter are entities that focus on the refinement of the final product and supporting customers in their respective markets.

-  ALUFLEXPACK AG HEADQUARTER
-  PRODUCTION PLANTS
-  LOGISTICS HUB
-  ADMINISTRATIVE / SALES OFFICE



Our Vision

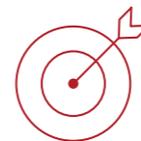
We are the **partner of choice** for the development and large-scale manufacturing of premium circular flexible packaging and barrier solutions. As an **integrated solution provider**, we serve the most demanding customers and are growing in the most demanding end markets and applications in a profitable and sustainable way. A trustful relationship with all of our stakeholders and a great employee experience serve as the strong foundation of our success.

External initiatives and memberships:

Aluminium Stewardship Initiative (ASI)
CEFLEX
EAFA



7
end markets



>700
customers worldwide



1,537
qualified and dedicated employees



4
product types:



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STRATEGY AND COMMITMENTS

To ensure a systematic and structured approach to sustainability, we implemented a robust process to define a comprehensive sustainability strategy for the years ahead, specifically targeting 2025 and beyond. Our sustainability strategy is supported by three pillars and a strong foundation building on our commitment to contribute to a more sustainable future. We know that this task cannot be performed by individuals or small groups in isolation, we strive to include and engage all our stakeholders in the dialogue and cooperation that will enable us to create a meaningful impact together.

This strategy integrates environmental, social, and governance aspects into our business operations, fostering sustainable growth while considering the needs of future generations. These initiatives collectively underline our commitment to sustainability, as we actively seek to minimise our environmental impact, collaborate with global initiatives, and implement long-term strategies to ensure a sustainable future. By embedding sustainability into our core business practices, we aim to create lasting value

for our stakeholders, while positively contributing to the well-being of our planet and society as a whole.

The sustainability benchmark was initiated to assess and compare the sustainability performance of Aluflexpack and its competitors in the market. This evaluation aims to identify areas of strength and areas for improvement in terms of environmental, social, and governance practices. By benchmarking against industry peers, Aluflexpack can gain insights into best practices and potential areas for innovation and optimisation. The findings from the benchmark will serve as a basis for developing targeted measures and strategies to enhance sustainability performance, align with global standards, and maintain a competitive edge in the market.

Furthermore, in 2022, our company took significant steps towards advancing sustainability by appointing a Group Head of Sustainability. This strategic appointment, reflects our commitment to embedding sustainable practices throughout our operations and ensuring long-term environmental and social responsibility.

In order to improve the quality of future ESG data reporting, a project was initiated to implement integrated environmental, social, and governance (ESG) software solutions. This project aims to streamline and automate data collection, analysis, and reporting processes, ensuring accuracy, consistency and transparency in our ESG disclosures. By adopting advanced software solutions, we will be able to effectively track and measure our environmental impact, social initiatives, and governance practices, allowing us to monitor progress, identify areas for improvement and align with industry standards and best practices. The implementation of integrated ESG software solutions will not only strengthen our ESG data management capabilities, but also enable us to effectively communicate our sustainability performance to stakeholders, investors, and the wider public. Through this initiative, we strive to elevate our ESG reporting to a higher level of quality and provide transparent and reliable information that showcases our commitment to sustainability and responsible business practices.

Our sustainability strategy



Climate Care

For Aluflexpack, this means reducing emissions to a very low level, switching the energy consumption to a high proportion of renewable energy and taking care to keep our impact on the environment to a minimum, including careful use of water.



Drive Circularity

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STRATEGY AND COMMITMENTS

The Aluflexpack sustainability targets for 2030 and beyond aligned with our newly adopted 3WIN Strategy will start being monitored from 2023. In this table we report our progress on the sustainability KPI set for 2022.

 **Climate care**

Commitment	Strategy and risk mitigation activities	KPIs	Performance 2021	Performance 2022	SDGs
Offset environmental impact of our production	Implement energy efficiency projects and increase renewable energy use	% of energy consumption decrease in production facilities	10.2% increase (electricity)	5.6% increase (electricity)	Strategic priority: SDG 13 Contribution: SDG 6 & SDG 7   
	Monitor and lower carbon footprint by implementing best available techniques	GHG emissions (Scope 1+2) intensity per AFP unit	323	301	

 **Drive circularity**

Commitment	Strategy and risk mitigation activities	KPIs	Performance 2021	Performance 2022	SDGs
Improving waste management	Further advance waste management systems and contribute to circular economy	Waste diversion rate	75.1%	75.4%	Strategic priority: SDG 12 Contribution SDG 9 & SDG 17   
Offering top-quality products	Further investments into equipment and facilities	General investments in % of sales	22.7%	14.9%	
Improving product sustainability	Continue developing more sustainable packaging (layers, sizes) to prevent food waste and optimize product waste	no. of new products / products improved by sustainability standards	17	18	
	Develop new products and improve existing in terms of their environmental performance and impact during the entire life cycle	% of product subcategories assessed for life-cycle sustainability (LCA)	AFP Novi: 65% plant Drnis, 80% plant Zadar	70%	

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 **Act responsibly**

Commitment	Strategy and risk mitigation activities	KPIs	Performance 2021	Performance 2022	SDGs
Further specialization and professional development	Develop specialization programs, in-house and with partners	No. of hours of education per employee	90.3 hrs	97.7 hrs	Strategic priority: SDG 8 Contribution SDG 4 & SDG 5   
Maintaining high level of OHS management system	Introduce further education and good practices	LTI rate	6.1	4.9	
	Strengthen health protection for employees	SMETA/Sedex	83% of employees work in production plants audited according to SMETA/Sedex	80% of employees work in production plants audited according to SMETA/Sedex	
		ISO 45001 certification	Implementation ongoing	Implementation ongoing	
Nurturing inclusion and diversity	Further increase ratio of women	% of women employed	21%	23.1%	
	Strengthen youth trade specialization and employment	% of employees under 30 and over 50	22.6 under 30; 19.4 over 50	22.3 under 30; 17.2 over 50	
	Secure industry knowledge legacy				

 **Transparent foundation**

Commitment	Strategy and risk mitigation activities	KPIs	Performance 2021	Performance 2022	SDGs
Increasing responsibility and sustainable practices in supply chain	Cooperation with existing and new suppliers in introducing advanced sustainability practices	Memberships in industrial platforms and initiatives	CEFLEX, ASI, EAF, FSC	CEFLEX, ASI, EAF, FSC	Strategic priority: SDG 16 Contribution SDG 8 & SDG 12   
	Introduce evaluation in supplier social impacts	% suppliers screened for environmental and social impact	95%	95%	
		EcoVadis results	EcoVadis Gold medal	EcoVadis Gold medal	
Advancing standards of business ethics Securing gender balance in managing bodies	Insist on ethical relationships with all stakeholders communicate and ask for commitments set in the CoC	% of suppliers adopting AFP Code of Conduct	95%	95%	
	Implement activities to support equal opportunities and strengthen women employment and leadership	% of employees adhering to AFP Code of Conduct	100%	100%	
		% of women in the Management Board; % of women in managerial positions	0; 23%	0; 33.3%	
Maintaining customer satisfaction	Performing stringent process, quality and risk management processes	Customer evaluation results and audit results	High level of satisfaction recorded on all evaluations and customer audits	High level of satisfaction recorded on all evaluations and customer audits	



CLIMATE CARE



Our colleagues from our plant in Drniš participated in the Promina Trail 2022 run!



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CLIMATE CARE

Throughout history, human activity and development have changed the natural environment. However, scientific findings in recent decades have shown that considerably reducing adverse environmental impacts is a necessity if we are to preserve the stability of the climate and the ecosystems crucial for our existence on this planet. According to the World Economic Forum's latest Global Risks Report*, the top four risks in the 10-year period to come, in terms of likely impact severity, are related to failure to act on climate and environmental protection. It is our duty as producers of packaging for consumer goods to comprehensively tackle these issues by considering the long-term environmental impacts of our business processes and joining forces with our partners to find a balance with nature throughout our value chain.

To manage environmental impacts effectively, it is necessary to first identify, carefully assess, and measure them. To pinpoint the areas in which we can contribute the most, we closely follow the latest developments and global initiatives dealing with climate change limitation, pollution, extreme weather events, biodiversity and water protection, and reducing resource and energy use. Being an industrial producer, our main areas of focus are reducing industrial emissions in our own operations and throughout the value chain, minimising energy use and waste, making continuous improvements in wastewater management at sites that use water in production processes, and making the most of all the environmental benefits offered by the recyclability of aluminium while also increasing the overall circularity in the life cycle of our products.

As the environmental challenges we are encountering are mostly global in nature and local in consequences, we believe collaborative action with our partners can yield the best results. We are working with our customers to develop more sustainable packaging and

* <https://www.weforum.org/reports/global-risks-report-2023/>



Eike Schopper
Head of Innovation, Business Development and Sustainability

As the Head of Innovation and Business Development and Sustainability, I am thrilled to witness the transformative impact of working with aluminium in my field. Aluminium's recyclability and versatility are crucial factors in driving sustainable practices and promoting a circular economy. By utilizing aluminium, we are able to develop innovative closed-loop solutions that reduce waste, minimize environmental impact, and contribute to a more sustainable future. Furthermore, aluminium serves as an excellent alternative to plastic packaging, offering environmentally-friendly solutions that mitigate our reliance on single-use plastics. Through these efforts, we are actively working towards creating a more responsible and sustainable future.

engaging suppliers to procure materials with reduced environmental effects while collecting data that can help us make the most of our cooperation. We are also constantly looking for new ways to make our operations more efficient, improve our environmental management system, reduce negative impacts through reduced resource use and solvent recovery, minimise landfill waste by selective collection and separation, and implement individual projects that improve our processes.

We continue to manage environmental impacts from our production locations in Croatia following the criteria set out in the ISO 14001 standard. All our plants regularly renew their permits and adjust practices according to

COMMITMENT IN NEW SUSTAINABILITY STRATEGY	KPI
Reflecting our ambition to be the most integrated manufacturer of premium circular flexible packaging and barriers solutions, we made the strategic decision to participate in the Science-Based Targets initiative (SBT) Near Term and Net-Zero Standard in 2023. This aligns with our drive to transition from conventional to renewable energy sources, particularly aiming to align our operations with the Paris Agreement.	% reduction of GHG emissions intensity

local regulations and international standards, nominate environmental protection teams that monitor and manage environmental impacts, supervise systems, and define appropriate strategies and measures for environmental protection. In an effort to improve our performance, at the group level, we continuously follow a set of indicators that are aligned with the leading international standards, benchmarks and best available practices. We combine internal and external audits for both local and international standards and regulations, analysing our performance, carrying out maintenance checks, and facilitating periodic management review meetings to adjust our course of action according to the latest available data. In 2022 we carried out regular audits of our plants certified under the ISO 9001 and ISO 14001 management systems, and once again performed the EcoVadis annual audit for environmental performance. Aluflexpack regularly validates its environmental performance by regularly conducting SMETA four-pillar audits at our production sites. The next SMETA audit is scheduled for the autumn of 2023. Aluflexpack plants Drniš in Croatia and Process Points System in Switzerland are two of the first companies to receive the new ASI certificate according to the new ASI Performance Standard V3 addressing sustainability issues throughout the entire aluminium value chain.

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The crucial step forward in managing our industrial emissions

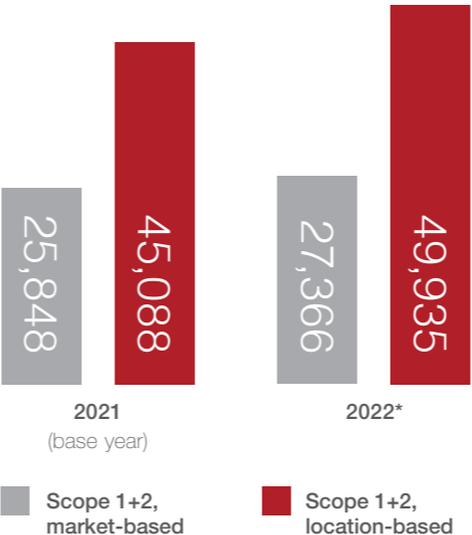
The most common global efforts in mitigating the long-term effects of climate change can be found in global warming limitation through the reduction of greenhouse gas emissions. International agreements such as the UN Agenda 2030, the Paris Agreement and the European Green Deal all aim to limit global warming to 1.5 °C and prevent it from exceeding a 2 °C increase, compared to pre-industrial levels. According to the latest scientific findings, going beyond this threshold by the end of the century would expose the planet to unpredictable natural and weather events that could have devastating physical and financial consequences for our societies and ecosystems worldwide. Companies are being asked to take centre stage and reduce their emissions across the value chain to meet these ambitious targets.

At Aluflexpack, we started monitoring our emissions systematically in 2019, reporting on progress in reducing direct emissions of greenhouse gases from sources owned or controlled by Aluflexpack (Scope 1) and indirect emissions from energy use (Scope 2). The reported emission intensity is lower than in the previous year. This is attributed to enhanced efficiency in our machinery, thanks to various improvements and better utilization due to higher production volumes. Additionally, in 2022 we have improved our data collection methods to not only meet our own expectations and those of our stakeholders but also to bolster our reliability as we prepared to make our SBTi commitment. These improvements in our processes might have also contributed to the lower reported emission intensity. In the previous reporting period, we embarked on a crucial decarbonisation project aimed at reducing our overall carbon footprint and set 2021 as the base year for our annual reporting in the future. This comprehensive initiative involved calculating Scope 1+2 emissions, encompassing direct and indirect greenhouse gas emissions from our operations, supply chain, and value chain. In addition to continued monitoring of the impacts that

occur at eight production plants, four office locations, and one logistics hub, in 2022 this process enabled us to identify upstream and downstream emissions sources, define clear decarbonisation priorities and establish actionable steps to achieve our reduction targets. In the upcoming year, we plan to further refine our data collection system and reassess the emissions reported for our baseline year.

Reflecting our ambition to be the most integrated manufacturer of premium circular flexible packaging and barriers solutions, we made the strategic decision to participate in the Science-Based Targets initiative (SBTi) Near Term and Net-Zero Standard in 2023. This commitment reinforces our dedication to setting ambitious, science-based emissions reduction targets aligned with the most ambitious climate objective of the Paris Agreement – to limit global warming to 1.5 °C. Key components of the Corporate Net-Zero Standard include prioritising rapid, deep emission reductions by setting near-term targets, setting long-term targets

Scope 1 & 2 emissions (market-based & location-based)



GHG emission intensity (Scope 1+2) in kt CO₂ / AFP unit



to achieve net zero emissions, neutralising residual emissions, and instituting climate finance beyond the company’s value chain.

The levers we identified to attain the decarbonisation targets defined in our GHG emission strategy and roadmap are the implementation of robust energy measurement systems, the transition from natural gas used in heating to renewable energy sources and use of 100% green energy, improved emission performance and accelerated energy efficiency in our operations, as well as cooperation with customers and suppliers on decarbonising our value chain. Additionally, we extended our commitment to transparent reporting by deciding to join the Carbon Disclosure Project (CDP), further demonstrating our accountability and willingness to disclose our environmental impact from 2025 and beyond.

Responsible use of energy and water

Energy

Industrial processes, including those in the aluminium packaging industry, have traditionally been energy

*The data reported for 2022 includes Teko, the newest member of the Aluflexpack Group acquired in 2022.

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intensive. However, with recognition of the need to transition towards a green and low-carbon economy, it becomes essential to shift away from reliance on fossil fuels and embrace clean energy sources. By committing to our strategic goal to reach 100% clean energy sources and continued innovations and implementation of energy-efficient practices, we are determined to contribute to building a more sustainable future.

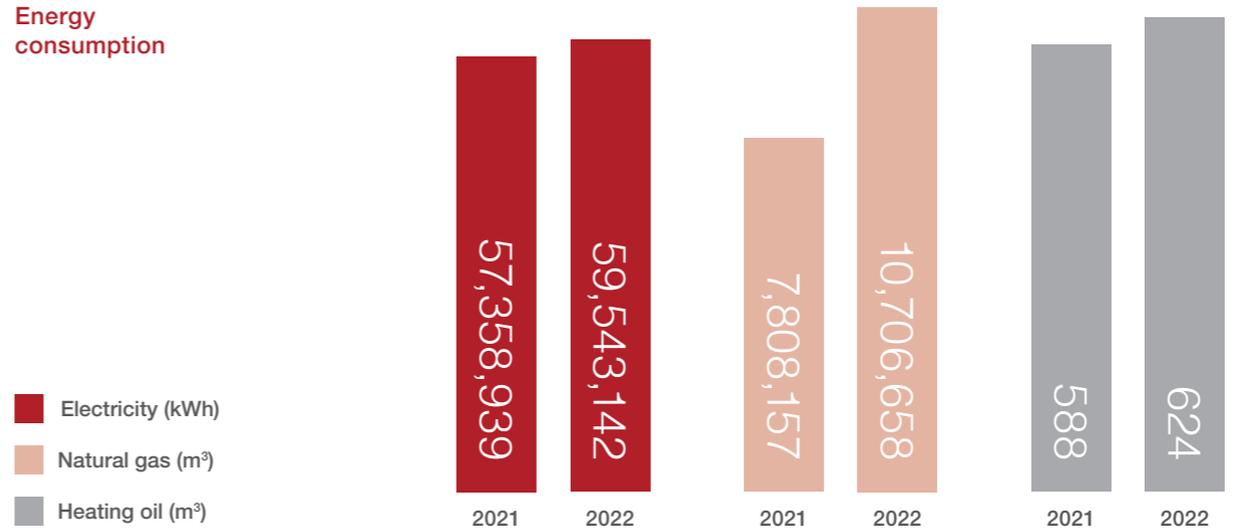
Using energy from renewable sources not only helps mitigate climate change by reducing greenhouse gas emissions but also enhances the resilience of communities by reducing dependence on fossil fuel imports and promoting energy independence. In our production processes, we already rely heavily on renewable energy. We use green energy in six out of nine production locations. Our four production plants in Croatia use exclusively electricity from renewable sources and the three AFP Novi plants use certified green energy. Our strategic commitment is to transition from using natural gas in heating to renewable energy sources.

Zadar (Croatia): we replaced the old lighting system with LED lights with motion sensors that enable more efficient energy use.

Drniš (Croatia): we installed a new RTO 160 burner which heats the plant and offices while purifying the air. We also secured better insulation and reduced energy use by installing new windows in the offices of the main building.

Gebze (Turkey): we introduced a set of energy-efficiency measures aimed at optimising processes. This included automating the natural gas system, boiler temperature and hot oil and water pumps, as well as calibrating them to work simultaneously with the machines, which will result in considerable reduction in energy waste during downtime.

Energy consumption



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In addition to transitioning to clean energy, we have implemented comprehensive energy-efficiency measures throughout our operations. We are continuously investing in maintaining and upgrading our equipment, machinery and infrastructure, ensuring that we utilise the most energy-efficient models available. We collaborate with our employees on optimising our process flows as well as implementing smart controls and monitoring systems. Increasing the awareness of energy efficiency across the organisation is necessary for minimising energy waste and maximising energy efficiency.

Water and effluents

Although our production processes have limited dependency on their immediate natural environment, we are committed to minimising any adverse effects that could arise from our operations. Protecting water resources is our priority and we actively work on preventing water contamination, depletion in water-stressed areas, and any other detrimental consequences untreated effluents could have on ecosystems and biodiversity. Across our locations, water consumption primarily consists of drinking and sanitary water sourced from local supply networks and has minimal environmental impacts. At some of our plants, water is used for cooling equipment; our plant in Omiš (Croatia) incorporates water into its production process itself.

To ensure the proper treatment and disposal of effluents, our facilities employ diverse approaches, depending on the location. Where possible, we connect to local sewage systems for disposal and in other cases, independent disposal systems such as septic tanks and water purifiers are used. Cooling water is predominantly utilised in closed-circuit processes, collected, and processed through water purifiers before discharge.

Maintaining high water-quality standards is paramount, and we work closely with authorised services to make sure the water used in our processes adheres to local

sanitary requirements. We place particular focus on the two plants situated in medium and high-water-stressed areas. The nature of our processes at these sites requires limited water consumption but we exercise added caution by having in place stringent measures to optimise water use and minimise waste.

In 2022, our total water consumption across all locations amounted to 269,104 m³, which is 7% less water usage at the group level than reported in the previous year. The largest consumption, accounting for 22% of the group's water consumption in this reporting year, occurred at our plant in Omiš, where water is utilised in the process of degreasing aluminium foil. As our plant in Omiš uses water to treat aluminium foil, it complies with strict EU and national legislation on environmental protection, performs regular analyses and water undergoes rigorous treatment and purification before

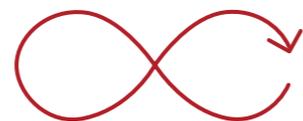
discharge. Our plant in Umag, Croatia, the second largest water consumer in the Group (10% in 2022) uses water primarily for cooling purposes during solvent recovery, necessitating regular replenishment due to evaporation.

While our other plants consumed only between 2,000 and 6,000 m³ of water in 2022, we recognise our responsibility to use water resources judiciously. In 2022 we completed the construction of a new facility at our Drniš plant, including a new chemical laboratory and wastewater treatment facility that will enable us to treat wastewater using different methods, including reverse osmosis, and increase the potential to utilise the water even further within our site. The new state-of-the-art wastewater treatment facility is expected to be operational at the end of 2023 and will have the capacity to treat 15 m³ of wastewater per hour.





DRIVE CIRCULARITY



Thanks to the properties of aluminium, the aluminium containers, particularly when sealed with the aluminium lid, preserve the product during transport and storage, extend the product shelf life and help ensure the correct portion size, thereby working towards minimising food waste!



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DRIVE CIRCULARITY

As societal awareness about the role packaging plays in our everyday life rises in tandem with the demands of end-consumers in terms of material sources, packaging design and recyclability, we are increasing our efforts to develop packaging solutions, in cooperation with our customers, that will secure minimal environmental impact and sustain the development of a circular economy. The primary material in our production – aluminium – is one of the most sustainable materials that can be used for packaging, as it is fully recyclable. It secures the safety, quality and stable shelf life of consumer goods, in turn playing a part in dealing with another important social issue, food waste.

Our primary business objective revolves around the development and large-scale manufacturing of cutting-edge packaging solutions that align with the latest sustainability requirements and regulations. We are committed to creating exceptional packaging that ensures sustainability throughout its entire life cycle. Currently, our greatest challenges lie in exploring innovative applications of existing materials, as well as incorporating recycled materials into our products, while upholding their quality and safety standards. With our proactive steps towards developing circular solutions for our portfolio, our vision is centred on producing almost exclusively recyclable or reusable packaging. Post the EU Packaging and Packaging Waste Regulation’s adaptation, we are geared up to chart our progress, aligning with our 3WIN Strategy’s principles: People, Planet, Prosperity.

Innovation, research and development are thus at the forefront of Aluflexpack’s efforts to improve existing and develop new packaging solutions that will contribute to establishing a circular economy. We are working to address rapidly changing regulations and subsequent market needs, while at the same time engaging our customers in the development of packaging products that will meet their needs. Our ongoing development



Dr. Uwe Bauer
Head of R&D

Aluminium packaging is recyclable, and the higher the share of aluminium, the better! Unlike plastics, aluminium can be recycled over and over again without any quality loss. With our aluminium packaging solutions, we are already one step ahead because many of our solutions are not only ready for recycling, but also have a high recycled content. Our goal is to increase the recycled content of our aluminium-based products to more than 80%.

projects are addressing either increased recyclability, higher recycled content, or weight reduction of packaging material, which positively impacts our CO2 footprint and drives circularity.

The establishment of a Life Cycle Assessment (LCA) and recycling tool has been a big step for Aluflexpack. This tool provides a comprehensive framework to assess the environmental impact of packaging throughout its entire life cycle, from production to disposal. It helps us make informed decisions regarding packaging materials and design, taking into consideration factors such as recyclability, energy consumption and waste generation.

COMMITMENT IN NEW SUSTAINABILITY STRATEGY	KPI
With our proactive steps towards developing circular solutions for our portfolio, our vision is centered on producing almost exclusively recyclable or reusable packaging. Post the EU Packaging and Packaging Waste Regulation’s adaptation, we are geared up to chart our progress, aligning with our 3WIN Strategy’s principles: People, Planet, Prosperity.	% of recyclable or reusable products
Our 3WIN 2025 Strategy and proactive approach to stakeholders underscore the importance of effective waste management. Thus, we have introduced a waste diversion rate yearly target and an ambitious 2030 goal.	waste diversion rate
In line with our innovation challenges and employee-driven insights, our goal is not just to produce recyclable materials but to substantially increase the use of recycled content. We will start gauging our progress from 2025, aiming for our ambitious 2030 target.	% of recycled content (RC) in used raw material

By utilising this tool, Aluflexpack can actively work towards packaging solutions that are more sustainable.

Enhancing sustainable features

Aluflexpack cooperates closely with customers to strengthen the sustainability characteristics of its products and manage impacts within their value chains.

In the development of our packaging solutions, we keep in mind sustainability features, such as circularity and managing climate and environmental impact. Along with its recyclability, aluminium demonstrates exceptional barrier properties even at the thinnest gauges. We are

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actively developing tailored solutions to meet each customer’s unique requirements. Additionally, the demand for sustainable raw materials is on the rise. This includes aluminium with recycled content or a low CO2 footprint, but also PVC-free lacquers, paper, or water-based coatings and lacquers. Aluflexpack has thus introduced a series of testing processes designed to supply and assess the raw materials that diminish the environmental impact of our packaging solutions. In line with our innovation challenges and employee-driven insights, our goal is not just to produce recyclable materials but to substantially increase the use of recycled content. We will start gauging our progress from 2025, aiming for our ambitious 2030 target.

Monomaterial laminates and pouches. These innovative solutions are made of monopolypropylene (PP), monopolyethylene (PE) and blended polyolefins and are fully recyclable. By eliminating complex multi-layer structures, monomaterial laminates and pouches contribute to the circular economy while ensuring the freshness and quality of packaged food.



Mono-PP lids. In efforts to achieve full recyclability, mono-PP lids have emerged as a promising packaging solution. Lids and cups will be produced out of the same material, and recent tests have shown positive results and paved the way for their future introduction.

These mono-lids are intended to complement our portfolio of monomaterial packaging such as the monomaterial laminates and pouches. The continued development of mono-lids is an important step towards a truly sustainable and recyclable packaging ecosystem.

Using PVC-free and developing in-house lacquers. The development of containers and capsules with PVC-free lacquers represents a significant breakthrough in the packaging industry. These lacquers have undergone extensive research and testing, and the initial results have been extremely encouraging. By eliminating PVC, a material known for its negative environmental impact, these coatings offer a safe and sustainable alternative. The positive tests conducted so far confirm the feasibility of products with PVC-free lacquers and give hope for a future in which harmful substances are replaced by environmentally friendly coatings. Additionally, demonstrating a proactive approach to promoting a self-sufficient and environmentally conscious process, we have launched

a project aimed at manufacturing our own lacquers. This will reduce dependency on external suppliers but also achieve a better impact on sustainability aspects.

Developing the barrier properties of paper packaging. We have launched a project aimed at developing advanced coatings that improve the moisture and oxygen barrier of paper materials. By effectively sealing the surface of the paper, these barrier coatings will be able to be used in a wider range of applications, including dry-food packaging. This project offers the prospect of reducing reliance on traditional plastic packaging while leveraging the renewable and biodegradable properties of paper.

Development and testing of products with recycled content. As part of ongoing efforts to reduce reliance on virgin materials, Aluflexpack has focused on developing capsules and containers with recycled content. With initial positive test results, these innovations demonstrate that it is possible to incorporate recycled aluminium into packaging solutions without compromising product integrity. By using recycled materials, these capsules and containers help reduce the need for virgin resources while meeting the stringent packaging requirements for various dry foods. Ongoing research and testing



Aluflexpack Group joined the Digital Watermarks Initiative HolyGrail 2.0 as an associate member in 2022. The initiative aims to streamline the sorting of packaging waste by utilising digital watermarking technology. Its primary objectives include demonstrating the technical and economic feasibility of using digital watermarks for accurate packaging-waste sorting. This initiative supports our sustainable product development efforts by enabling us to create more sustainable packaging, prevent food waste, optimise product waste, and improve the environmental performance of both new and existing products throughout their life cycle.

As part of our commitment to these goals, we keep an eye out for initiatives that align with our objectives. HolyGrail 2.0, which aims to develop technologies that support the circular economy, aligns perfectly with our strategy. At the moment, the initiative is undergoing an industrial trial stage, with consumers in selected markets able to purchase the packaging with digital watermarks. This packaging will enter the waste stream after consumption and is recycled subsequently, demonstrating the operational effectiveness of the system.

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In 2022, we took a step towards collaborating on sustainable solutions for the fruit and vegetable industry by becoming a member of the Polish Association of Juice Producers (Krajowa Unia Producentów Soków - KUPS). Our subsidiary, Aluflexpack Polska, serves as a sales office and logistics hub for the Polish, as well as international markets in which we offer high-quality products. Being a member of KUPS provides us with a deep understanding of the market, as well as the needs and trends of our current and potential customers. Our goal is to engage in valuable initiatives like KUPS that provide us with new opportunities to participate in local and national sustainability initiatives and expand our network of partners who share our values.

of recycled alloys have yielded positive results. These tests demonstrate the potential of using recycled alloys in the packaging industry. With the incorporation of recycled materials, the demand for new resources can be reduced while the required properties and standards are met.

Downgauging aluminium foils. Through downgauging (reducing aluminium foil thickness), thinner foils can be utilised while the necessary barrier protection and mechanical properties are maintained, with the aim of achieving resource savings and minimising the environmental impact of packaging but without compromising functionality. In addition, initial tests in the development of thinner pouches have also shown encouraging results.

Input materials

The weight of input materials for our products in 2022 amounted to 63,635.99 tonnes. Virtually all materials we use for the development of products and their packaging are recyclable: aluminium, liquids, different



kinds of plastic, paper, cardboard and wood. On the other hand, only around 4% of our input materials are recycled, and they pertain mainly to paper and cardboard used for the packaging of our products. The amount of recycled content in some of our aluminium products is significantly higher, however, they have not yet been certified as such. We are working on getting the materials certified to increase the share of recycled materials in our products in the upcoming years.

Partnering for sustainability

We are deeply committed to ensuring the recyclability of our products by actively participating in various initiatives. These endeavours are aimed at fostering circularity throughout the lifespan of our products, from their inception to disposal.

We are committed to playing a key role in building the circular economy of the future, with our ultimate aim being to eliminate landfill waste related to our production by 100 per cent. In our ongoing search for innovative technologies that can support circularity, we have taken the first step in our partnership with Saperatec, a start-up dedicated to delaminating multilayer foils and transforming them into secondary

raw materials. Saperatec's new plant is currently under construction and expected to be operational in 2023. Its technology is designed to separate the different layers of multilayer foils, sorting the polyolefins from the aluminium, which can then be returned to the production stream for non-food-related products. Aluflexpack began collaborating with Saperatec in 2021 by providing multilayer production waste for testing, which was successfully delaminated into three separate layers and made ready for recycling.

Furthermore, in a promising collaboration with a machine supplier, we have initiated a new project with the objective of developing more sustainable alternatives for cold-form packaging. In this cooperation, a comprehensive solution can be developed, optimising both packaging materials and production processes.

Monitoring regulatory changes

Fast-paced changes in the regulation of our operations put the focus on the Packaging and Packing Waste Regulation proposal (PPWR), for which we conducted a thorough impact analysis. Risks and opportunities were identified, and we are now able to offer customers

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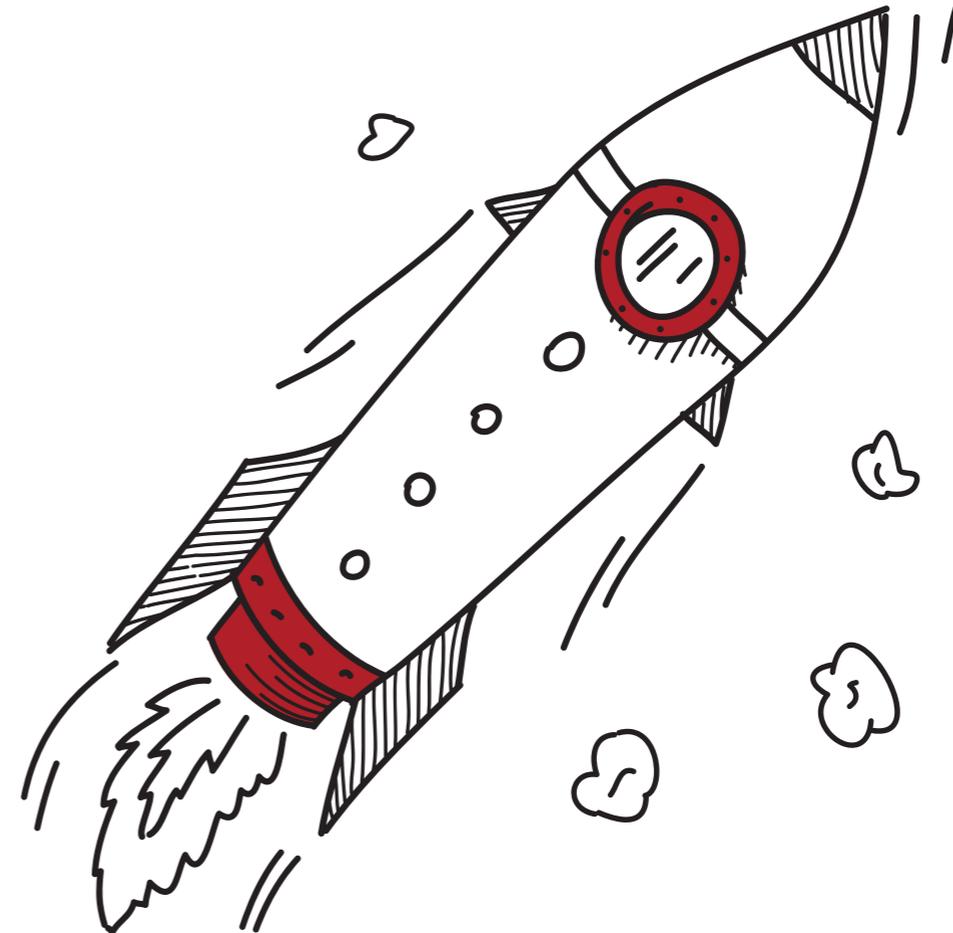
information on the company and can also quickly adapt its practices to comply with any regulatory changes. The establishment of the PPWR task force signifies a proactive approach to addressing the challenges associated with regulatory changes. This task force works to identify challenges and opportunities and achieve development based on strategies for the effective handling of the future needs of Aluflexpack and its customers.

Innovation potential from within

Innovation is a crucial aspect of Aluflexpack's future, and we value the input of our colleagues as a valuable source of fresh ideas. To encourage idea-sharing and problem-solving for our customers and their end-users, in 2022 we launched the Innovation Challenge.

To emphasise that innovation is everyone's responsibility and promote idea sharing, we organised an "Innovation Day" to discuss what constitutes a good idea, share insights on how to improve existing ideas and encourage our teams to challenge the status quo of our current packaging solutions and processes to create a better future. To facilitate idea sharing, we established an online platform accessible to all employees within our company. Nearly 100 ideas were posted on the site, and employees actively engaged in communication by commenting, providing feedback, and building on ideas, creating a positive and supportive atmosphere.

The top six ideas and the teams behind them were selected to participate in a boot camp: a three-day intensive workshop where teams applied innovation tools and methods to shape and develop their ideas, then prepare a pitch. During the pitch, the teams defined the value proposition for their ideas, covering all important aspects including market, customer, business, and technology analysis. Internal coaches supported each team throughout the process. The ideas were then presented to the leadership team, consisting of managers from the organisation, who selected the winning ideas. The next step is execution!



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Responsible resource management

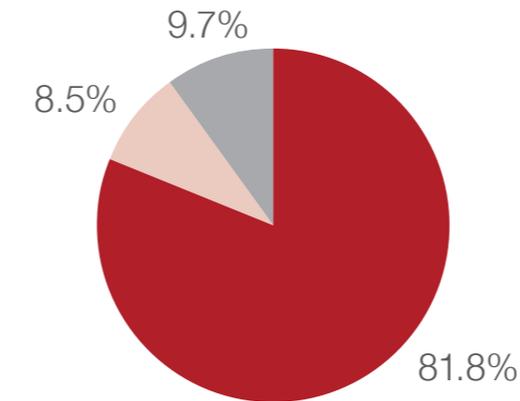
The efficiency of our waste management practices throughout the organisation is assessed within a comprehensive measurement system that tracks the combined weight of hazardous and non-hazardous waste. This data is further broken down to provide insights into the various methods employed for waste disposal. By consistently monitoring these metrics, we can gauge the effectiveness of our waste management strategies. We compare our success to a set of indicators that are benchmarked against international standards, global benchmarks, and the best available techniques. Outcomes are analysed in both internal and external audits conducted to assess compliance with local and international regulations and standards.

Furthermore, we provide ongoing education and training to our employees, aiming for optimal efficiency in waste management. By encouraging active participation and accountability at all levels, Aluflexpack aims to create a shared responsibility for waste management and drive behavioural changes that contribute to a more sustainable future.

Throughout the entire life cycle of our products, we prioritise waste management by developing packaging solutions that employ downgauging techniques. This approach ensures that minimal quantities of material are utilised while maintaining exceptional quality and reliability. By doing so, we guarantee the protection and longevity of the packaged products.

The primary component of our waste stream is aluminium scrap, which we ensure is utilised to its fullest extent. This valuable resource is sold in its entirety, contributing to its recycling and reuse within the industry. For any other waste generated, we prioritise recycling whenever feasible. If recycling is not possible, we collaborate with certified and specialised companies to handle the collection and disposal of such waste in a responsible manner. By adhering to these practices, we strive to minimise our environmental footprint and promote sustainable waste management.

Non-hazardous waste in 2022



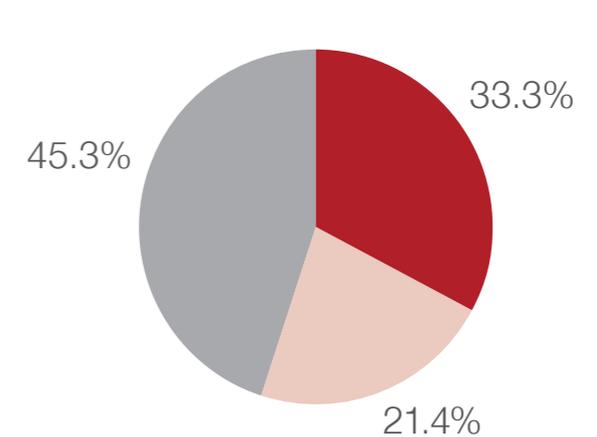
- Recycled (%)
- Recovered (%)
- Disposed (%)

From the end of 2022, we have established an additional procedure. Remelting companies collect our scrap and are now obligated to issue quarterly certificates stating how much of the aluminium scrap from our production was remelted for new aluminium ingots, slabs among other things. On this basis, we make sure that our scrap is re-used for new products, thus reducing our CO2 footprint. Additionally, we have established a partnership with the company that collects multilayer scrap made in our production, which is then used in their production, placing a new product on the market.

Waste management

Our 3-WIN 2025 Strategy and proactive approach to stakeholders underscore the importance of effective waste management. Thus, we have introduced a waste diversion rate yearly target and an ambitious 2030 goal. This new KPI will help us monitor progress towards our

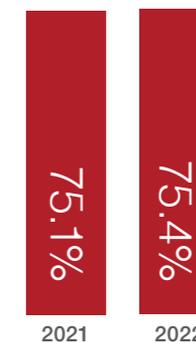
Hazardous waste in 2022



- Recycled (%)
- Recovered (%)
- Disposed (%)

In 2022 we have diverted 75.4% of total waste successfully and reached our set target for 2022, compared to last year 2021 where 75.1% of waste was diverted.

Waste diversion rate (Real)



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sustainability goals, tracking yearly progress in waste management practices and calculating the amount of waste diverted from landfilling or similar traditional waste disposal techniques, such as incineration. Here we wanted to be very stringent and count on only recycling and reuse as preferred methods of waste management techniques, compared to traditional waste disposal techniques such as recovery with or without energy utilisation.

Our biggest change in data management comes from increased data scope. In previous reports, only production sites were included for reporting waste data; in 2022 we expanded this with the aim to improve

our waste data transparency and included our main logistic depot in Poland which generates only non-hazardous waste. Also, we acquired Teko, Türkiye, in May 2022 and included the collected waste quantities from May until the end of 2022.

Apart from the increased scope of data collection, we developed an environmental indicator database with a detailed breakdown of hazardous and non-hazardous waste. A request was sent to locations to conduct a detailed analysis and deep dive into their waste composition for both 2021 and 2022. With this new data management approach, our quantities for 2021 have changed compared to last year's reported figures.

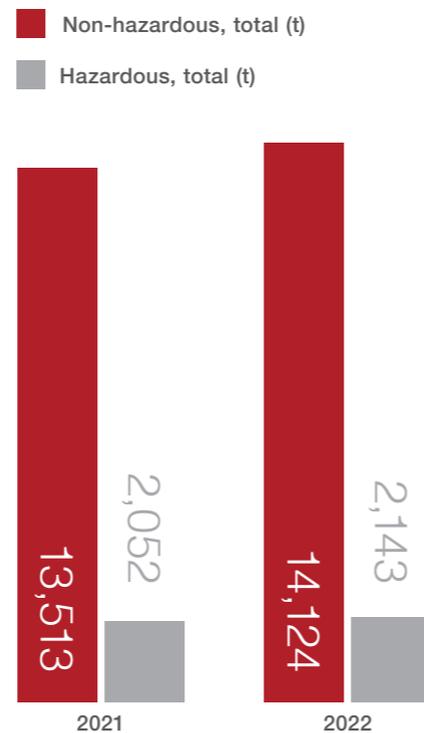
The biggest change can be seen in the total waste generated, which is 24% higher than initially reported. Reflecting only non-hazardous waste, the increase is 32% with 8% less hazardous waste reported. The significant impact that makes the difference in total non-hazardous waste generated is mostly made by our plant in Drniš, which is 29% higher than initially reported, followed by our plant in Umag (13% higher), and as already mentioned above, the main logistic depot in Poland. At the same time, the impact on the reduction of hazardous waste generated was highest in Drniš, with 26% less hazardous waste, followed by Arimpeks 16%, and Eliopack 4%.

Another change in 2021 restated data is associated with hazardous and non-hazardous recycled ratios compared to the recovered ratio. In 2021 we reported 56% of recycled ratio for hazardous waste. With newly revised data, we reached 37% in 2021 and 33% in 2022. For non-hazardous waste, the recycling ratio remained almost the same.

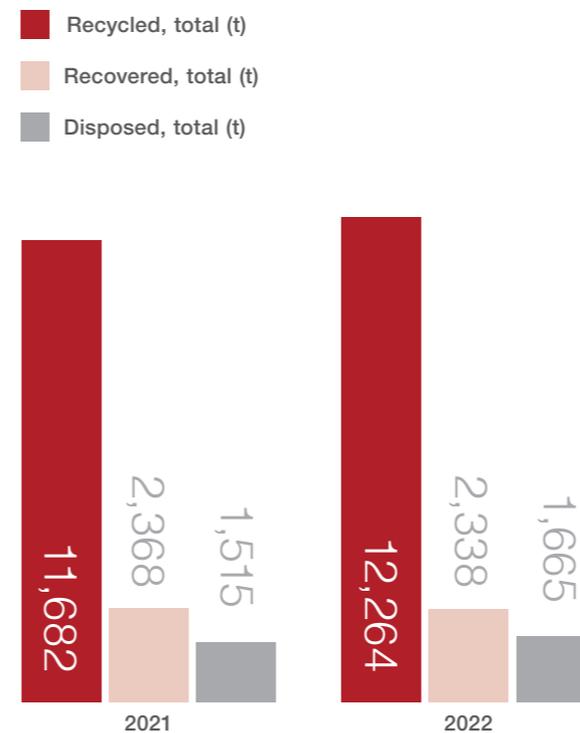
In 2022 AFP recycled 82% of the total amount of non-hazardous waste (2021: 81%). On the other hand, we recycled 12% less hazardous waste. This waste was not directed to landfills but was incinerated with or without energy recovery. Our recovery ratio increased mostly due to a change in technology processes in 2021 where solvents paints were replaced by UV paints. This change led to increased quantities of sludges due to UV paint residue which cannot be recycled but need to be incinerated.

In 2022 our total hazardous waste increased 4% compared to 2021, in which paints, varnishes containing organic solvents and sludges made up around 65% of the quantities. In 2022, the amount of total hazardous waste being sent to landfill slightly decreased, by 1%. Analysing our overall non-hazardous waste quantities, we have generated 4% more waste on the group level with more than 82% being recycled, an improvement compared to 2021 (2021 81% vs. 2022 82%).

Total waste 2022 vs 2021



Waste by treatment, 2022 vs 2021

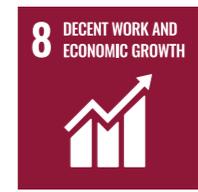




ACT RESPONSIBLY



Aluflexpack team in the annual Vienna City Marathon 2022 race!



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ACT RESPONSIBLY

Our ambition to be innovators and maintain our position as a market leader in the packaging industry cannot be realised without people. Their knowledge, experience, drive and ideas are the most important asset any company can have. Simoultaneously, they are also members of the communities in which we operate and cannot be separated from them. This is why we approach forging relations with people bearing in mind one key principle – responsibility. It is not just about creating the best working experience for our employees, but also being an approachable and fair corporate citizen as well as a good neighbour.

We strive to engage with them in an open and honest way, making sure we understand their positions, aspirations and concerns, and we act on them in a timely manner. Relying on their feedback to grow and develop in everything we do is a crucial component of our success.

Our HR strategy focuses on the development of our employees to secure the right skills at the right time and meet the strategic goals and operational



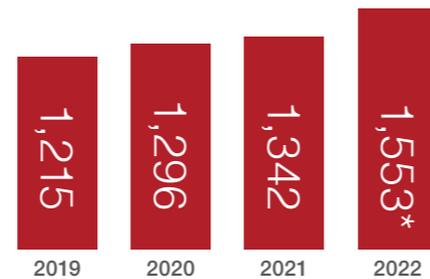
Marija Grubišić
Head of HR
and Organization

In today's world, having a sense of purpose is one of the main drivers: it is not just about what you do, it's about how you do it! People, especially the new generations, are looking for the purpose in their daily work and the employer should act in a manner so that employees feel like they are also a part of sustainable activities **together** with the employer. Working with a highly rewarding and fully recyclable material such as aluminium shows our strong commitment to achieving the circular economy, while our employee activities, corporate social responsibility and community efforts create the extra value. It gives that sense of purpose, therefore resulting in more loyal and engaged employees, and helps us on our path to position us on the map as one of the most desirable employers.

plans of our company. One of the five main pillars of Aluflexpack Group's business strategy focuses on creating a strong organisation by creating a working environment that attracts, retains and develops talents. Along with organic growth, in 2022 our team was strengthened by welcoming a new group member, Teko.

Information about employees and workers who are not employees in 2022

Employee trend 2019-2022



*The method for the calculation of the total number of employees differs between the Annual Report (p.8) and the Sustainability Report (p.25). The Annual Report communicates the number of active employees of Aluflexpack Group in 2022, while the Sustainability Report communicates the total number of employees of Aluflexpack Group in 2022.

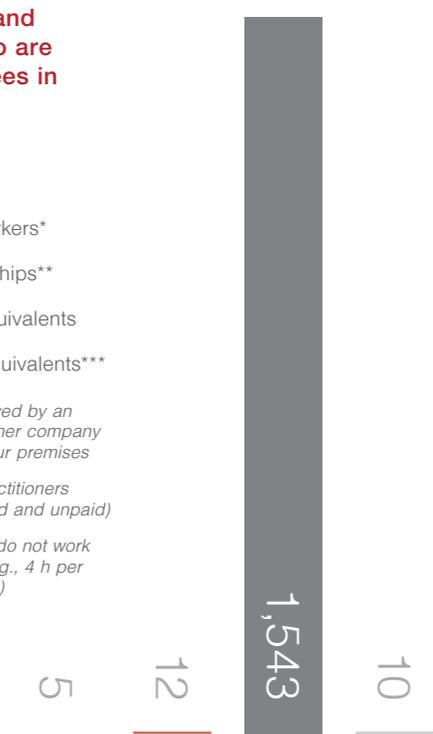
COMMITMENT IN NEW SUSTAINABILITY STRATEGY	KPI
As part of our empathic approach towards stakeholders, 2022 marked a turning point in AFP's journey. We aligned our sustainability strategy with our core belief that every employee's safety is paramount, committing to drastically reduce lost time injury rate by 2030.	LTI rate
Ending 2021 on a high, we actively listened to our employees by conducting a standardised voluntary and anonymous employee satisfaction and engagement survey: Great Place to Work. Truly understanding their perspective on the organization enabled us to plan future actions, boosting team spirit, and creating a positive work atmosphere.	employee satisfaction index

- Agency Workers*
- Apprenticeships**
- Full-time equivalents
- Part-time equivalents***

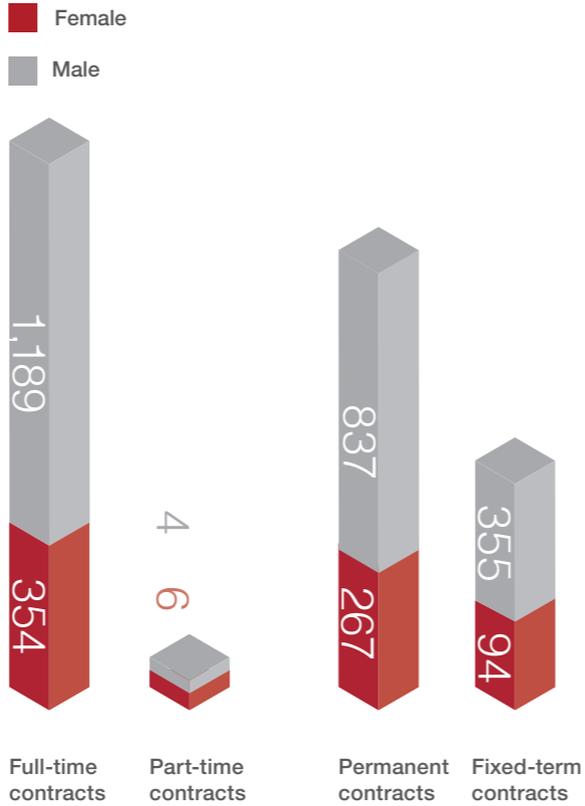
* Workers employed by an agency or any other company but working on our premises

** All student practitioners within a year (paid and unpaid)

*** Workers who do not work full-time hours, e.g., 4 h per day (more or less)



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We are constantly shaping Aluflexpack into a great place to work, utilising credible leadership, an unbeatable corporate culture and a great employee experience. We are well aware that we would not be in the position we are in without the dedication and contribution of our employees. This is why our main focus remains improving their experience working in Aluflexpack.

The essential part of employee-experience building is strengthening our common partnership. We aim to build trust, commitment, and integration of employees' diverse opinions. In this way, we can support Aluflexpack's growth but also offer a meaningful, fair and inclusive environment for career building. By recognising the needs of our employees and further effectively directing their

personal and professional development, we are helping them reach their full potential.

Building a great workplace

Ending 2021 on a high, we actively listened to our employees by conducting a standardised voluntary and anonymous employee satisfaction and engagement survey: Great Place to Work and initiated action plans in 2022. By assessing our employees' opinions, attitudes and perceptions, we gained an unparalleled understanding of how they perceive the organisation, based on the quality of workplace experience. We monitored five segments of the workplace experience through this tool: credibility; respect and fairness towards the company and management; which shows the level of trust between management and employees; employee pride connected to their job and company; and camaraderie among colleagues. Analysing these segments enabled us to gain specific insights into the employees' needs but also specific suggestions for improvement. We worked together with employees and defined further actions to improve the employee experience and set a strategic target for improving our employee satisfaction index.

Based on the findings from the Great Place to Work survey, target-specific action plans were created for every location. For each plant, approximately 10 activities were determined. Based on these action plans, action boards were created, detailing chosen activities for implementation along with their anticipated deadline. Our employees were fully informed about the project status; the action boards were placed at the most frequented points inside the plants, visible to everyone, while employees using company electronic devices received an email with all updates. We consider it important that our employees feel they are part of a process and that it is made fully transparent. We are proud to say that 94 per cent, in the other words, 98 out of 104 planned activities were implemented successfully throughout the year, while the rest are in the process of realisation. As a result of the action plans, we have managed to strengthen employee experience in various areas. For example, aware of the current economic



situation and the uncertainty caused by inflation, we increased salaries for workers in our plants. Furthermore, we implemented various bonuses and health-related benefits throughout the Aluflexpack Group.

We have also created better work conditions by improving crucial infrastructure. Air conditioning was installed in production halls, new break areas were equipped, as well as offices and other small technical improvements. At our Omiš plant the meeting room was refurbished, our plant in La Ferte Bernard, France, separated slitting equipment for easier manipulation and building rain protection on veranda has begun. In our plant in Umag, Croatia, we undertook several infrastructure improvements (such as new racks and refurbished floors) in the finished goods warehouses, packing materials and non-conforming goods areas; air-conditioning in the finished products warehouse; and new LED lights and ceilings in production halls. The Zadar plant has a new parking lot, washing area and anilox area. Additionally, we have expanded the availability of new models of work by offering remote work for some of our new Aluflexpack Group positions. We have enabled home office, if needed, at almost all of our sites. We are always focused on implementing new procedures and activities so our employees can improve their work-life balance.

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Vlatka Jurić
HR Director
Aluflexpack Novi

Our plants are mainly located in smaller communities, and often become one of the pillars of the economy. Working in an industry such as flexible packaging based on aluminium offers our employees a much desired stability in terms of workplace security, while remaining within their communities.

We have always focused our efforts to increasing the working conditions and ensuring the fairness in the financial and non-financial benefits for our employees, which is further structured and enhanced through the Great Place to Work project

Aluflexpack Group supports the right of employees to collective organisation and bargaining. Employees of Aluflexpack Novi (53 per cent of Aluflexpack employees) are thus covered by the Collective Agreement. Other group members regulate their employment procedures in accordance with the respective local regulations, and currently no other collective bargaining mechanisms are in place.

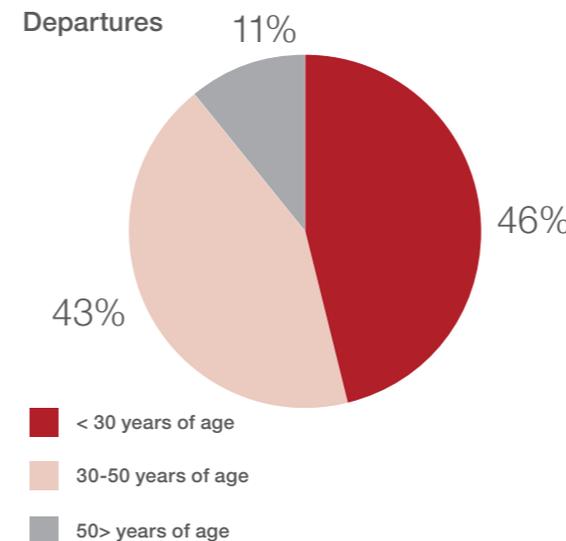
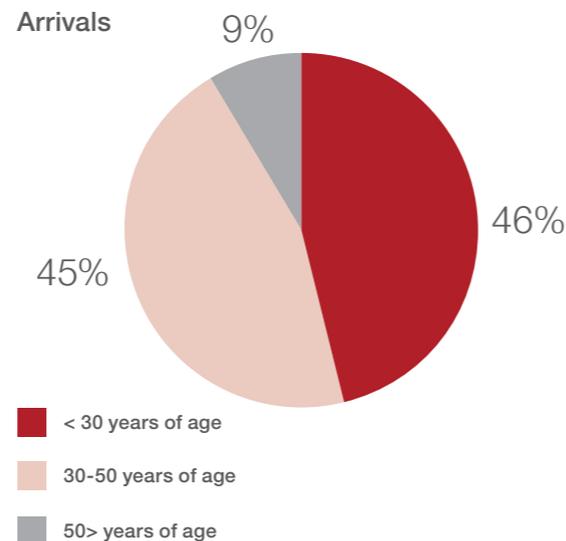
All group members offer an array of different benefits to the employees, regardless of their contract type. For example, Aluflexpack Novi offers insurance in case of injury and death; sports activities; Christmas and Easter bonuses; jubilee rewards and additional vacation days; remote working options; meal allowances and travel expenses. All our companies offer paid sport activities. Additional healthcare is offered by Eliopack and Aluflexpack Polska. Furthermore, in 2023, we are planning to offer additional health insurance for our employees in Croatia. A bonus scheme for selected positions is available in all Aluflexpack Group members.

New employee hiring and turnover

Considering the unique characteristics of our respective locations and the type of work we undertake, we observed variability in staffing levels, which has been the prevailing trend at Aluflexpack due to our continuous expansion. Labour market trends

have posed much larger demands and increased competitiveness among employers in the search for skilled and talented workers. As a result of this, we have experienced a relatively standard rate of turnover. Consequently, we have taken measures to tap into the global labor market to secure our workforce.

New employees and turnover in 2022



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Health and safety as the top priority

The well-being and safety of our employees are paramount to our organisation, and we are committed to consistently incorporating advanced practices into our production processes and operations, at the same time improving our high standards of safety. We recognise our responsibility to provide safe working conditions and allocate resources to uphold and enhance the physical and emotional welfare of our colleagues.

We manage occupational health and safety by adhering to local and international regulations and standards, establishing agreements with employees, conducting regular validated risk assessments, delivering mandatory training courses, and acquiring numerous external certifications including EcoVadis certification and ASI Performance Standard, which encompasses occupational health and safety considerations. Furthermore, 80 per cent of AFP employees work in plants audited according to SMETA/Sedex. Additionally, in 2022 we certified the ISO 45001 standard in our plant in Drniš, Croatia, while the plant in Omiš is scheduled to be certified for the same management system in 2023. Two other locations (Umag and Zadar) are currently in preparation phase for ISO 45001 certification in 2024. Our plan for 2024 is to develop a global HSE management system, which will help us standardise and identify overarching rules to operate efficiently and safely in a unified way across the group.

The coordination of all health and safety initiatives, activities, measures, revisions, testing, and internal education, as well as the management of employees' personal protective equipment, falls under the responsibility of our HSE department. Each of our locations organises its occupational health and safety management system in accordance with local laws and regulations, as well as regularly validated official risk assessments, valid for all workers and workplaces. Depending on the plant, risk assessment is conducted internally, or by an external organisation. All our employees are informed and trained on correct working procedures before and during work as well as risks stemming from work on equipment and machinery,



Anja Flego
Borovina
Head of HSE

We continually work to reduce all health and safety hazards in the aluminum foil production processes and search for solutions that will further eliminate them. We want people to feel safe making them proud to say where they work. Brining safety into minds of all AFP employees is another milestone we need to achieve if we want to build a strong overall safety culture. When it comes to protecting the environment, many environmental aspects affect our industry. Building a solid robust HSE management system coupled with our long-term HSE road-map and sustainability strategy, brings us confidence in where to focus and how to further boost our EHS performance.

in accordance with local regulations, as well as the requirements of the HACCP, BRC and ISO certificates.

These risk assessments are continually updated to reflect any changes within our manufacturing systems, ensuring a comprehensive evaluation of each workplace and all machinery, equipment, and production processes. To ensure the well-being of our workforce, all departments and business functions within our organisation have established comprehensive operating instructions for work processes, as well as designated health and safety representatives who oversee and implement safety measures. We also actively encourage our employees to reach out to their supervisors, safety representatives, and/or worker councils within individual plants to promptly report any workplace-related hazards they encounter. By fostering direct communication between our workforce and management, we have successfully reduced response times in addressing potential risk issues, thereby achieving significant progress in our overall health and safety practices.

Our employees play an active role in the process of risk assessment and participate in regular internal inspections. In various production locations, we have dedicated HSE experts who focus on health and safety management topics, as well as a committee including management representatives, employee delegates, and HSE experts that convenes regularly to discuss

updates and enhancements in this area. For example, at Arimpeks, the risk assessment team includes a general manager, an occupational health and safety specialist, a workplace physician, a production manager and a maintenance specialist. This team collaboratively identifies risks within the factory, and the occupational health and safety specialist compiles and presents the assessment report. Based on this report, identified risks are either eliminated or their levels are reduced.

Work related injuries and OHS data

We continue to calculate and measure our safety performance using a GRI and industry standard KPI Lost Time Injury Rate where the number of lost time injuries per total amount of hours worked is multiplied by 200,000. The multiplier of 200,000 is used to express the LTIR per 100 full-time equivalent employees, assuming an average of 40 hours worked per week. Comparing YoY data, our LTIR has improved from 6.1 in 2021 to 4.9 in 2022. The number of work-related injuries decreased from 75 to 67, however, we had a fatal work-related injury of our employee that happened on one of our production sites. Following the fatal injury, an investigation was carried out to find all possible root causes. One of the outcomes of the proposed measures was to re-initiate the way we consider hazards, so we started to develop a simple tool that will further help plant, department

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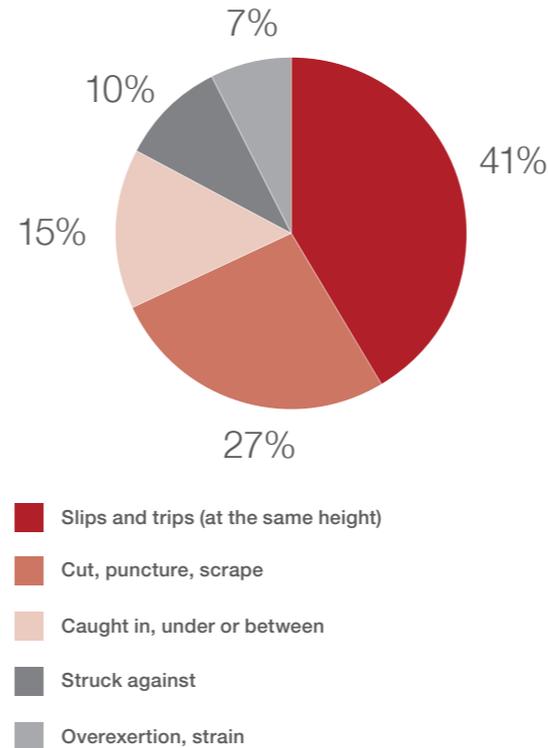
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and HSE managers to initiate weekly meetings to identify potential and hidden hazards within their area of operation. Lastly, we offered psychological support sessions, both internally with our HR department and externally with the support of consultants specialized for psychological crisis interventions for the colleagues on site. These interventions, using structured interviews and providing information about coping mechanisms and skills, helped employees to overcome emotional and psychological distress in order to integrate this difficult situation into their lives.

In 2022 one important milestone for AFP organisation was reached when our sustainability strategy was developed and there, we began our journey to strive for zero injuries and commit to 59% reduction in LTIR by 2030 considering 2022 as the baseline year for target setting.

In 2022 the top main five causes of work-related injuries were associated with slips and trips (at the same height), cuts, caught in, under or between, struck against and strains. To reduce the main causes of injuries, we have further boosted our detail investigation process to ensure all root causes are identified and appropriate measures put in place as a part of our internal event and incident management process.

Top 5 direct causes of lost time injuries for AFP Group

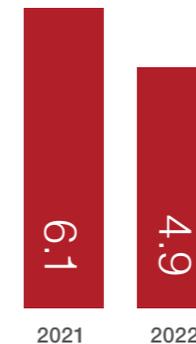


The HAZID tool is an essential part of our new HAZARD programme that aims to further boost our hazard management performance and ensure that all hazards have been identified, risks assessed and continually mapped with appropriate controls in place. The HAZID programme started with four Croatian sites and continues to be rolled out in 2023 to all sites within Aluflexpack Group. Within the HAZID programme, we established a standardised risk matrix with a clear and easy-to-use methodology for risk and control identifications, selected according to the hierarchy of control, with follow-up to

ensure that risks have been properly addressed. This programme should also increase awareness of all health, safety and environmental aspects, consequently increasing our overall HSE performance and reducing the risk of injuries.

In 2022, we started with a reporting pilot project that focuses on reporting near-miss events and unsafe acts/conditions but also gives the opportunity to all visitors, employees, contractors, and subcontractors to report positive observations on site. With this in mind, we want to detect all those hidden and waiting-to-happen incidents to be able to foster a more proactive environment.

Work-related injuries with lost time - LTI rate



Growing a diverse and inclusive community

In the knowledge that diversity is a value and a great opportunity for every organisation, one focus in our workforce development is creating opportunities for people from varying backgrounds and experiences. In 2022, women occupied 23.1 per cent of posts in the organisation. However, we had 33 per cent female representation in management positions, rising to 38 per cent in both management and professional positions (including administration, production assistants, and laboratory and quality control experts). This is in line

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with the current industry situation, but we are constantly working on improving these ratios.

Furthermore, we boast a wide range of age groups, from the very young to more experienced workers. Our youngest employees across all Aluflexpack Group locations are on average 23, while the eldest are on average 60. This ensures we have the “best of all worlds”: diversity of ages, ideas and experiences, which gives us a strong position in building succession systems. To further boost our efforts in this segment, we started by developing a Diversity and Inclusion procedure at Aluflexpack Novi, with the goal to expand great practices throughout the group. We also educate our employees on policies or procedures for the protection of human rights; in 2022, 19 per cent of employees participated in training on diversity, discrimination and harassment.

Contributing to the local development of our communities is equally important. This is why plants and respective group member companies are predominantly led by locally hired management. Out of 132 management positions across the Aluflexpack Group, 117 are filled by respective nationals, confirming our commitment to not only maintaining strong and sustainable production, but also providing opportunities for local experts to grow and lead within the company.

As a large company, encompassing people from the very east to the far west of the continent, we greatly value and seek to build a culture of diversity and inclusion. Cherishing our multiculturalism, keeping an open mind and embracing diversity are important parts of our culture-building. Aluflexpack provides a reporting system whereby the reporting person can easily pass on concerns about actual or suspected misconduct that can affect our company or people’s well-being, by using an online form that ensures anonymity (although the reporter can also provide information about their identity). The reporting system can be used to report breaches of our code of conduct or violations of the law including harassment and discrimination. All reports are strictly confidential. To this end, there were no cases of discrimination recorded in Aluflexpack in 2022.

Education and collaboration

The skills and abilities of our employees are a precondition of our sustainable growth. Fostering professional advancement and lifelong learning is thus one of the most important parts of our workplace experience, which monitors individual education needs and sets up plans for their realisation.

Aluflexpack Group provides ongoing training and education programmes that are outlined in the annual Development and Education Plan. Additionally, we implement mentorship and development plans for new colleagues, particularly when specific qualifications are not readily available in the labour market. In such cases, we recruit young professionals and offer comprehensive training, funding, and educational programmes to equip them with the necessary qualifications before integrating them into the production process. We assess and correct the set activities and targets in management reviews, ensuring continuous improvement in our offer of professional development, training and education. We record a growing number of hours of education per employee on average: while we had 90.3 hours of training per employee in 2021, in 2022 it increased to 97,7 hours per employee (M: 94, F: 107).

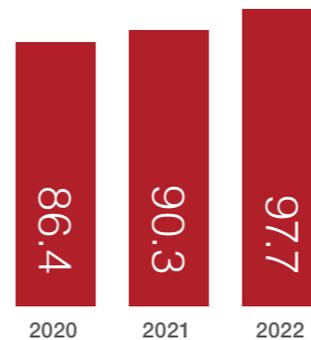
Moreover, to attract and retain high-potential and talented employees, we formulated the Talent Management strategy which we introduced and started implementing. To attract, develop, motivate and retain high-performing employees, we developed the Key Employee Programme to help them boost their talents to the fullest. In 2022 we started with the first stage of the Key Employee Programme, which consisted of assessing all employees, with the aid of the 9-box grid tool. The tool pointed out the outstanding employees who would be considered by top management for entry to the programme as the next step.

As a part of the Talent Management strategy, we enhanced succession planning throughout the Aluflexpack Group. Summarising the relationship between performance, potential, aspiration and readiness is conducive to the production of robust succession plans. Every position at each level of management is required to nominate a successor, to avoid uncertainty should an employee leave the organisation. This information gives us a clear indication of when someone is or would be ready or keen to step into another role or area of capability. Effective talent management provides succession data by default and also gives employees clarity about their career path and growth opportunities as well as excellent motivation.

Feedback is key

Monitoring performance quality and discussing it with our employees is an opportunity for regular mutual feedback and improvement on both sides – operational and managerial. This is also an opportunity for employees to express their educational and other needs, as well as discuss potential improvements to working conditions. In the past several years, we have continuously raised the ratio of employees receiving regular performance reviews: while it pertained to 43.2 per cent of employees in 2020, it was 66.5 per cent in 2021. In 2022, this ratio remained basically the same at 63 per cent, but our goal to include all our employees in the performance review system remains.

Average training hours



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Aluflexpack Group also continuously tracks employee satisfaction through regular surveys. The next survey will be held in the first quarter of 2024.

Opportunities for participation and development

The ambition of constant growth and development among our employees has been and remains one of our priorities. Every action plan we conducted as part of satisfaction survey contains “Ideas for Improvement” as we are interested in ideas that our employees suggest based on their daily work experiences. We implemented this activity through the Innovation Challenge, which helped us successfully accomplish employee engagement. On the online platform, every employee had the opportunity to not only submit but also track, comment on and support unique ideas for improvement. Each idea or vision was painstakingly considered for further development.

From 99 ideas submitted, the best six were selected to proceed to the three-day-long Innovation Challenge boot camp. Participants took part in various upskilling workshops and presentations, which focused on innovation and translating ideas into real business models. The next stage was pitching ideas to the Management Board in a group-wide virtual event to which all Aluflexpack employees were invited. The challenge not only strengthened the engagement of employees but also the organisational culture. It was an extraordinary opportunity to connect, cooperate and work towards the common goal together once again.

This particular programme aside, our employees constantly have the opportunity to submit their ideas for improvement through the mailbox in every workplace. This is one additional channel that invites and engages employees into the process of improving not only our business development but also everyday work life.



Future in Your Neighbourhood

At Aluflexpack, we understand the importance of investing in young talent and making a positive impact on the communities in which we operate. That is why we are committed to hiring young people

who are eager to grow and develop in our dynamic, international and entrepreneurial environment.

In collaboration with educational institutions in regions where our plants are located, Aluflexpack Novi is implementing the “Future in Your Neighbourhood” project. This initiative aims to support positive changes in Croatian society by encouraging young people in local communities to consider their professional development at an early stage of their lives. In 2022, teachers from schools of graphics in Zadar and Split visited our plant at Zadar, while students from the University of Split visited our Drniš plant to learn about the opportunities we offer. Apart from this, other plants are also active in education and community life in their local communities. For example, Omial Novi collaborates with the mechanical engineering and chemistry faculties of Split University and provides donations to the local high school and basketball team.

Business case challenge

Aluflexpack has formed a partnership with Vienna University of Economics and Business (WU) as part of the CEMS International Entrepreneurship project. CEMS is a global alliance that brings together business universities, multinational corporations, and NGOs to foster education and knowledge development. Aluflexpack is proud to be one of the sponsors of the initiative in Austria in 2022.

The collaboration with WU aims to promote entrepreneurial innovation, expand knowledge about different markets, work on interdisciplinary tasks and business cases in teams, develop analytical skills using real company data, and apply the theories learned to Aluflexpack. As part of the project, WU students will receive coaching sessions from leading academics at the university and representatives from Aluflexpack. They will then analyse the research areas identified by the company and present their findings to a jury panel.

Aluflexpack is excited to offer its newly hired, young employees under the age of 30 - Young Aluflexpack

Potentials - the opportunity to participate in the same project as the WU students. This enables them to work in small teams with colleagues from other Aluflexpack sites to research, analyse and solve a given business case, all the while receiving virtual coaching from leading WU professors. Our primary goal is to support and encourage our young employees to connect with and learn from their colleagues, regardless of their position in the company - be in production, technology, sales or elsewhere - and apply their educational foundations and theoretical knowledge towards the business development of the Aluflexpack Group.



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Openness and team spirit

Given that we are a large company with people and activities dispersed all around Europe, internal communication and team cohesion is of great importance. Within our plants we implement initiatives like an open-door policy and regular meetings with plant managers. Moreover, we have connected Board Management with employees at all levels: twice a year every employee in the Aluflexpack Group is updated on key points and current developments in our company and has the chance to ask questions. We consider it of great importance that every employee is not only aware of developments and plans for the plant they work in, but also gets a sense of how results are realised at the group level, obtaining a “bigger picture” and realising their contribution.

Competitive spirit

One of the keys to a stronger organisational culture correlating with greater employee satisfaction and higher retention are teambuilding activities. Sport is particularly an activity many enjoy, so we have supported our employees in forming teams backed by the company and competing in trails and a marathon at both local and group-wide level. The best example

of this is ProminaTrail, a trail race on the slopes of Promina Mountain, in which Aluflexpack’s employees from Drniš plant participated in March 2022. We proudly extended our support to the Promina Mountaineering Association, a volunteer organisation that encourages an active lifestyle and outdoor recreation. Since 2013, the Promina Mountain Trail has been an annual event, which has led to three consecutive years of successful organisation of the Croatian Trail Championship and the Croatian Trail Cup. Furthermore, employees from the Umag plant attended the Jazavac Trail, while Omial Novi also displays the sports spirit - their employees attended the Union sport games at state level and formed a soccer team.

These were not the only running experiences for Aluflexpack Group - employees from seven countries participated in the 39th edition of the Vienna City Marathon held in April 2022. Austria’s biggest running event is a World Athletics Label Road Race that attracts more than 32,000 participants. As a part of the Montana Tech Components family, we were thrilled to participate in this unique event held in the historic city of Vienna. A total of 28 Aluflexpack Group employees completed the race, after which we gathered to share a meal, followed by an exploration of the beautiful city of Vienna.

centre of Poznan. This was a great opportunity to learn more about the city’s deep connection to Polish history. The scavenger hunt was designed to foster creativity, encourage collaboration between departments, and strengthen team spirit. After the scavenger hunt, the teams gathered for a delicious meal at a local restaurant and received a gift bag filled with regional souvenirs to commemorate their time together. This event was a great way for our employees to bond and create lasting memories while exploring the rich history and culture of Poznan.

Our Arimpeks Türkiye colleagues and their families spent a wonderful day outside on a picnic. An entertainment programme for children, traditional local games, an amazing breakfast and barbecue lunch made the day,

Proud of being a part of this team

We are proud that Aluflexpack is responsible for numerous sponsorships and donations. That we care about the community and environment is proved by our participation in shaping society, culture and the environment for the better. In line with our strategy, we encourage excellence and creativity, and we support projects related to our employees, children and youth, culture and art and environmental protection in the communities surrounding our sites.

Our little artists

During the GOOD Fest festival that took place in Drniš, a very special and touching exhibition was presented

- drawings created by the children of our employees from our production sites in Drniš, Omiš, Umag and Zadar. The children were given a very important task - to depict their parents’ daily work at Aluflexpack - but also draw their favourite sweets wrapped and packed in Aluflexpack’s flexible packaging solutions. The exhibition continues to travel to all Croatian production sites, and those who will not have the opportunity to see it live can view it on our website.



completed by celebrating the jubilee anniversaries of employees who received plaques for completing 5, 10, 15 and even 20 years with the company. That getting together to share a meal

is deeply rooted in our diverse cultures and is best seen in the example of our colleagues from Teko, where employees bring home-cooked meals and enjoy a traditional New Year’s meal together.

Enjoying time with each other

Aluflexpack teams from Poznan and Tychy came together for a two-day team-building event, in which they were split into three groups who engaged in a historical scavenger hunt throughout the city



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Lending a helping hand

When presented with the opportunity to assist the Croatian Leukaemia and Lymphoma Association, we eagerly stepped up! “Ubaci čep za skupi lijek” (“Drop in the Cap for Expensive Medicine!”) is a humanitarian initiative that allows all Aluflexpack Group employees in Croatia to lend a hand and aid those in need by collecting and donating plastic bottle caps, while also making a positive impact on the environment. The Croatian Leukaemia and Lymphoma Association has been implementing this action for nearly a decade, the goal being to aid patients who are suffering from haematological diseases, as well as develop new research programmes and treatments.

This campaign is being carried out throughout Croatia. The association collects plastic bottle caps from various companies and educational institutions as donations. By selling these caps, they generate funds that will be utilised for medical treatments, allowing families to stay close to their treatment location, and financing necessary medicines and medical equipment. Aluflexpack recognises this admirable initiative in which we support those in need while simultaneously contributing to worldwide efforts to safeguard the environment.



Nature at its best

There is a steady increase in the number of families in Europe with pets, which are becoming an indispensable part of the modern family. Currently, there are about 88 million pets, of which more than 18 million live in Poland. This means that almost half of Polish households have at least one pet. As Aluflexpack produces packaging for pet food and many of us in Europe, including Poland, have pets in our homes, we have managed to go deep into the industry to understand its specificity and become more empathetic to the problems of abandoned animals. We have decided to donate food and other necessary equipment to the shelters we have chosen.

Apart from animals as companions, we are committed to safeguarding nature as a whole for future generations. Four of our facilities in Croatia boast pristine coastline and unspoiled landscapes; therefore, we recognise the significance of preserving the marine biodiversity and coastline of Croatia. We were delighted to support the “Think Green - Šibenik 2022” environmental campaign, which resulted in the removal of over 11 tonnes of waste from the seabed in Šibenik, a picturesque historic city situated near our Drniš facility. We extend our heartfelt appreciation to the diving club “Roniti se mora” for their outstanding efforts in cleaning the sea.

Participating in community life

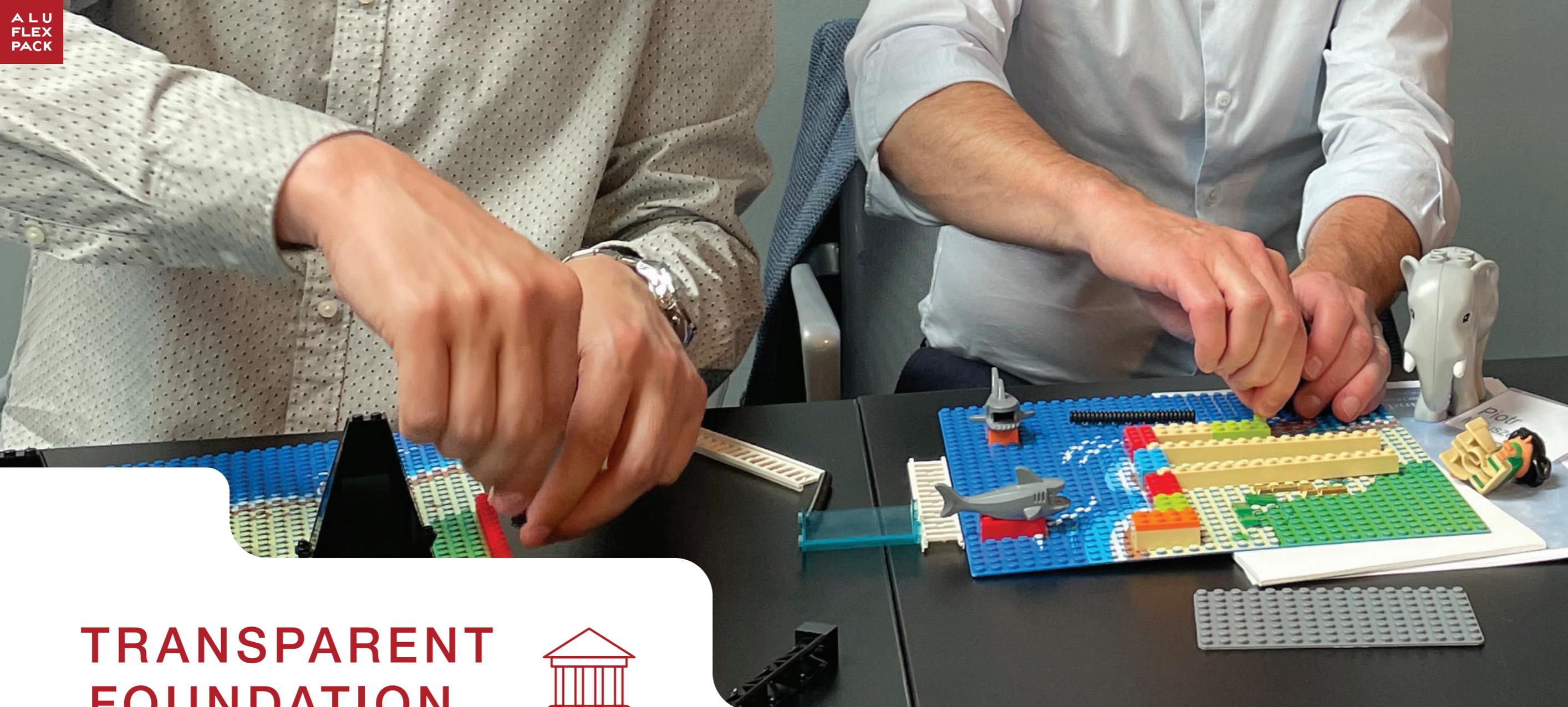
Helping those that need it the most and being an open and trusting neighbour is at the core of Aluflexpack; our people are members of the communities in which we operate, which means we are an important contributor to our communities’ social and environmental initiatives. And when two, three or more causes combine, even better!

At the forefront of our community activities is our commitment to supporting culture and youth. Among these endeavours is our support for A.K.A. Crescendo, a modern a cappella group, in their efforts to participate in an international a cappella competition. In 2022, at the Solevoci International A Cappella Competition A.K.A. Crescendo won the Best Song Performance award, the Best Beatbox award, and a Gold Diploma. This is one of the most esteemed a cappella contests globally, and it is a tremendous honour and achievement for the group. We could not be prouder of their success and are thrilled that to have supported their talent.



We encourage excellence and creativity in everything we do. For many years, we have been supporting projects in the communities surrounding our sites, especially projects related to our employees, children and youth, culture and art and environmental protection. An incredible mix of art, theatre and music festival in the town of Drniš, the GOOD Fest combines our vision of how to contribute to the community in which we operate in the best possible way. The festival is organised by Theatre Moruzgva and The Drniš Tourist Board, while Aluflexpack is a proud sponsor of the art and theatre programme.

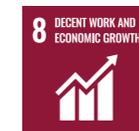
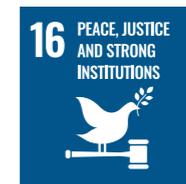




TRANSPARENT FOUNDATION



The firm, solid foundations of the Aluflexpack Strategy were set in a creative way: the Aluflexpack management team in a workshop, developing the paths for future success!



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TRANSPARENT FOUNDATION

Our commitment to sustainability is deeply ingrained in our operations, aligning with our overall strategies and initiatives to generate positive outcomes for the environment and the communities we serve. We take pride in having established Aluflexpack Group as a reliable, quality partner and a reputable company known for transparent, ethical and robust management practices. Continuously striving to develop policies and guidelines tailored to enhance our own accountability and strengthen our relationships with stakeholders, we uphold the highest standards of ethical conduct and corporate governance.

Being at the forefront as a market and technology leader, our primary objective is to pursue a long-term sustainable growth strategy that supports value creation. We recognise that achieving our goals necessitates a number of key elements, including unwavering personal dedication, transparent and effective communication, cohesive team spirit, a constant drive for quality innovation and a focus on meeting the needs of our customers. These combined efforts form the foundation for our success and enable us consistently to deliver exceptional results.

Key performance indicators for sustainability impacts are integrated into the Management Board KPIs, placing them on equal footing with all our strategic areas of management. To align management compensation with Aluflexpack's commitment to environmental, social and governance (ESG) objectives, individual targets, including specific ESG goals, are incorporated into the compensation structure. This ensures that the success of Aluflexpack in achieving its ESG goals directly influences the remuneration of the management team. The determination of ESG goals for the Management Board and the assessment of their attainment are the responsibility of the Board of Directors. The Board regularly reviews and sets new ESG goals on an annual basis, ensuring that Aluflexpack Group remains focused on continuous improvement and progress in its ESG efforts. Management Board members regularly receive

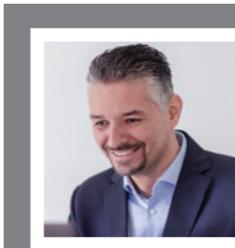
COMMITMENT IN NEW SUSTAINABILITY STRATEGY	KPI
Our Code of Conduct, a reflection of our Transparent Foundation, is not just a guideline for Aluflexpack employees but a testament to our commitment to high principles. We expect all our suppliers to be in tune with these principles, making it a cornerstone of our sustainability strategy.	% of suppliers adopting the Aluflexpack Code of Conduct
Our journey towards enhancing the EcoVadis rating has been marked with a deeper commitment to sustainability. Through strategic planning and by actively developing circular solutions, we have not just aimed for a rating but for genuine sustainable growth and impactful contributions to global sustainability.	EcoVadis sustainability rating

updates on sustainability issues in their collective and individual domains.

Ethics and integrity in our operations

Our operations are centred around open and fair treatment, transparency and openness to all stakeholders. As a prominent market player, we understand our responsibility to establish ethical behaviour standards throughout our value chain. We maintain a zero-tolerance policy towards corruption, taking proactive measures to prevent its occurrence. Furthermore, as a governance principle, Aluflexpack Group does not grant any contributions to political parties.

Our Code of Conduct guides the behaviour of all Aluflexpack employees and is based on the principles of the International Bill of Human Rights and EU Convention on Human Rights as well as the ETI (Ethical Trading Initiative) Base Code and the ASI (Aluminium Stewardship Initiative) Standard. Our Code of Conduct,



Antonio Stojanov
Board member for
Product Management,
Marketing and
Communication

We don't consider ourselves only as an "aluminium based flexible packaging company": we are passionate and ambitious creators who desire to make a meaningful impact with the packaging solutions made out of one of the most recyclable materials - aluminium - in a systematic way. As we strive to become one of the most integrated companies across the Aluminium value chain and the solution provider in all aspects of our business, we proactively take part in the lives and activities of our stakeholders by emphatically listening and understanding their needs, be it customers, employees, or community.

a reflection of our Transparent Foundation, is not just a guideline for Aluflexpack employees but a testament to our commitment to high principles. It clearly states the principles and values on which we base our everyday operations and establishes a set of expectations of behaviour for ourselves and everybody we conduct business with. We expect all our suppliers to be in tune with these principles, making it a cornerstone of our sustainability strategy. Aluflexpack Group has zero tolerance for any kind of financial or non-financial fraud, bribery, corruption or extortion. Furthermore, we require respect for all human and labour rights and reject discrimination according to diversity factors such as race, religious or political beliefs, disability, gender, maternity status, age or any other.

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Our commitment to integrity is evident in our responsible management practices, as well as the implementation of secure and efficient mechanisms to address any instances of non-compliance. We offer access to Aluflexpack Integrity Line for all internal and external stakeholders, an online system that can be used to report breaches of our Code of Conduct or any other violations, including violations of the law. Stakeholders can anonymously and confidentially report issues related to bribery and corruption, competition law, fraud, financial crime, safety and quality issues, harassment or discrimination, breaches in international trade controls, protection of personal data, rights and protection of individuals, serious environmental damage, or conflicts of interest. The tool is available on the company website.

The Audit and Compliance Committee oversees investigations and makes appropriate recommendations to the Board of Directors, with respect to all reported misconduct relating to Aluflexpack AG. The Management Board oversees investigations and makes appropriate recommendations to the Board of Directors regarding all reported misconduct relating to subsidiaries of Aluflexpack AG unless the reported misconduct relates to one or more members of the Management Board. Aluflexpack's Board of Directors decides on the merits of the report, whether the abuse can be remedied in cooperation with the Company or whether the report will be forwarded to external bodies authorised to act in accordance with the content of the report. The Compliance Officer is obliged to inform the reporting person of the outcome of the proceedings without undue delay; this tool also offers the possibility to communicate with the reporting person anonymously.

We do not rely solely on feedback from our stakeholders: the Management Board conducts routine risk assessments, including an evaluation of corruption risks across all company operations. We also conduct regular internal and external audits to ensure transparency and integrity in our business relationships. Our internal audit focuses on verifying compliance with organisational responsibilities, along with risk management, as well as assessing the efficiency of our business structures and processes. Audit findings are

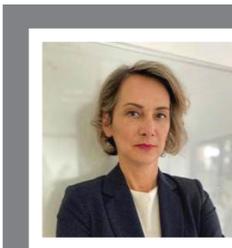


Our journey towards enhancing the EcoVadis rating has been marked with a deeper commitment to sustainability. Recognising the importance of this rating as a benchmark for our environmental, social, and ethical performance, we proactively implemented measures to enhance our sustainability initiatives and address key areas of concern. Through strategic planning and by actively developing circular solutions, we have not just aimed for a rating but for genuine sustainable growth and impactful contributions to global sustainability. We have implemented robust sustainability policies, improved our supply chain transparency, and implemented initiatives to reduce our environmental footprint. By actively engaging with our stakeholders and collaborating with suppliers, we have strengthened our commitment to social responsibility and ethical business practices. These efforts have not only contributed to an improved EcoVadis rating but have also positively impacted our overall sustainability performance, further We are committed to making continuous strides forward and have included the target of increasing our EcoVadis rating in our 3WIN 2025 Strategy. demonstrating our dedication to sustainable growth and to making a positive impact on the world around us.

documented in written reports and presented annually to the audit and compliance committee, alongside the management board, at each location.

Aluflexpack maintains a commitment to fair and honest business relations, ethical conduct, and compliance with regulations, as validated by the regular SMETA four-pillar audits conducted at our production sites. These audits review various aspects, including processes ensuring ethical behaviour and adherence to relevant regulations. SMETA reports are published on the Sedex system, ensuring transparency and efficient SMETA reports are published on the Sedex system, ensuring transparency and efficient information exchange. The next SMETA audit is scheduled for the autumn of 2023. The reaffirmed gold rating sustainability certificate provided by EcoVadis, along with SMETA/Sedex audits, confirms our compliance with social and economic regulations. In 2022, as in previous years, we did not receive any corruption-related complaints, nor have we been involved in such legal proceedings.

However, if we do rest on our laurels, it is in the knowledge that only constant education and awareness raising secure behaviours compliant with our ethical standards. This is why our employees receive ongoing education on various aspects of our Code of Conduct and its requirements. In 2022, 18 per cent of our workforce attended education covering the following



Ojdana Krapljanov
Quality Assurance
Manager

With its exceptional barrier properties, aluminum is one of the best materials for protecting and storing food without refrigeration.

There are great possibilities of using recycled aluminum and simplifying the structures of materials with aluminum, without harming health and food safety

Code of Conduct aspects: child labour / forced labour / slavery, ethics, corruption, fraud and gifts, which amounted to around 10 per cent of hours spent on education in 2022.

Strong collaboration with our suppliers

The majority of the suppliers with whom we collaborate are located within the European Union, accounting for approximately 96 per cent of our supply base. The remainder of our supply chain involves suppliers based mainly in China, India, and Türkiye. When selecting

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suppliers, Aluflexpack considers not only factors such as quality, safety and cost but also evaluates their anti-corruption practices, responsible sourcing, and human rights. This assessment encompasses aspects such as working conditions, respect for human rights, considerations for conflict-affected and high-risk areas, environmental practices, safety standards, and protection of intellectual property. Aluflexpack engages in business relationships exclusively with suppliers who demonstrate a firm commitment to upholding and adhering to human rights standards. Our Sustainability Procurement Policy, launched in early 2022, mandates that suppliers adhere to the same ethical standards as Aluflexpack.

As a member of the Aluminium Stewardship Initiative (ASI) for aluminium materials certified against the ASI Performance Standard and ASI Chain of Custody Standard, we supply our customers using certified aluminium from responsible sourcing. To further step up to the increased demands of impact management in the value chain, we have updated our self-evaluation questionnaire to include more details of areas like anti-corruption, bribery, money laundering, human rights, conflict-affected and high-risk areas, environmental impacts and responsible sourcing. All key suppliers were either audited on-site or through the self-evaluation questionnaire for those topics.

Despite continued global disruptions in supply chains across all industries in 2022, including increased costs, producers' *force majeure*, and shortages of all raw materials on the market, followed by a drastic increase in energy costs in the second half of the year, we successfully overcame all obstacles. With preparation well in advance, we succeeded in acquiring raw materials and did not have to stop production for a single day due to their lack.

Top quality as the basis of our success

The quality of Aluflexpack products is widely recognised across Europe and globally; for anyone reading this, the chances are high that you have come into contact with some of our products at least once in your lifetime. With products that are so widespread comes the

responsibility to provide packaging that will keep them safe for consumers; at the same time, developing them as sustainable options throughout their lifecycle is the basis of our success.

We build upon integrated management systems to secure firm quality management, product technical and health safety, environmental protection, human and labour rights, and workplace health and safety. We create our sought-after packaging solutions by consistently testing, monitoring and measuring, as well as implementing continuous improvements in cooperation with our customers.

Aluflexpack's policy relies on ensuring consistent and stable product standards. We are committed to providing exceptional quality and safety, instilling confidence in our customers by complying with industry-specific regulations and norms, cultivating personal and social awareness of the importance of product quality among our employees, fostering a strong culture of product safety and quality and making continuous investments that align with the latest scientific and technical advancements in the industry. In addition, we instil trust in our customers by delivering high-quality and safe products that fully comply with all relevant laws and regulations governing the manufacturing of food contact packaging with high hygiene risks and conduct our manufacturing processes under meticulously planned and closely supervised conditions, while consistently monitoring and ensuring the conformity of documentation with applicable specifications and other environmental requirements.

The quality management system is implemented in accordance with ISO 9001:2015, BRCGS issue 6:2019 Packaging Materials, and ISO 14001:2015, ISO 15378:2011 and ISO 22000:2005 systems. Furthermore, at each location, team leaders and members with appropriate responsibility and authority have been nominated for the implementation of the ASI and/or FSC standard, as well as standard in-house training and audit procedures. Additionally, we align our social and environmental protection systems and their conformity with the requirements of ISO 14001 standard, SMETA/Sedex and EcoVadis.

Customer satisfaction is based on documented information and/or individual annual evaluation, in which our cooperation and products are measured against a set of KPIs that include quality; safety and environmental impacts; compliance with norms, regulations and standards; internal and external claims; cases; incidents; feedback; necessity and opportunities for improvements; risk assessment results as well as annual plans to reach measurable goals. Customer audit results are also included in the customer satisfaction evaluation. On the basis of the reports, the Management Board evaluates customer satisfaction and makes decisions aimed at improving satisfaction. In 2022, there were no incidents of non-compliance concerning the health and safety impacts of products and services and no market recalls of our products. On the contrary, we are proud to consistently receive positive feedback from our customers - not only for the quality of our products, but also for the relations and collaboration we establish.

At Aluflexpack, we believe that transparency and collaboration are critical to driving sustainable change and have taken important steps to minimize its environmental impact. By implementing our customized software solution, Packaging Cockpit, we are able to offer our customers tailor-made packaging solutions while ensuring a comprehensive life cycle assessment (LCA).

Our software solution allows us to create individual LCAs efficiently and accurately and analyse the environmental footprint of each packaging solution we offer. By considering various factors such as raw material sourcing, manufacturing processes, transportation, and end-of-life scenarios, we can create accurate LCAs for our customers. This allows them to make informed decisions about their packaging choices, considering their sustainability goals. Through the use of our Packaging Cockpit software, Aluflexpack strives to support our customers in their sustainability efforts by providing personalized LCAs for each packaging solution. We strive for continuous improvement and innovation to ensure that our products comply with the principles of environmental responsibility and contribute to a more sustainable world.

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OUR STAKEHOLDERS AND KEY IMPACTS

ESG initiatives, the regulatory framework, and reporting standards are constantly progressing, accompanied by a maturing market and increasingly demanding stakeholder expectations in relation to corporate responsibility. As a company listed on the SIX Swiss Exchange and present in the EU market, we closely monitor all regulatory developments related to the EU Corporate Sustainability Reporting Directive (CSRD) and the increased alignment of Swiss and EU corporate sustainability reporting regulation, which will enable companies to communicate sustainability impacts, risks and opportunities more coherently.

The responsible approach to managing sustainability at Aluflexpack is based on regular identification and assessment of new and existing impacts on our business environment. Each year we actively seek ways to improve our processes and reporting practices to ensure value creation for our employees, communities, partners and shareholders while avoiding adverse social and environmental impacts. In the course of pressing ahead towards achieving the goals set out in our sustainability strategy, in 2022 we made another upgrade in our sustainability reporting practices using the revised and improved GRI Universal Standards. The prioritisation of revised material topics and the due diligence process initiated in this reporting year allow us to better understand both positive and adverse impacts created or contributed to by our activities and business practices.

Timely recognition of the most relevant sustainability matters includes constant monitoring of developments in our industry, changes in the global sustainability landscape, and cooperation with our key partners.

To ensure we are always aware of the effects our operations have on people and the environment, we carry out annual materiality assessments that include internal and external perspectives. Opinions provided by our stakeholders are invaluable in aligning our sustainability efforts with the expectations of the different groups that have an interest in our company, and we have included, for the first time, a structured deep dive into potential and actual negative impacts of our business on human rights and the environment.

As a continuation of our efforts to firmly establish Aluflexpack as the sustainability frontrunner in the packaging industry, in 2022 we decided to reinvigorate the process for determining our material impacts. We started by conducting a thorough reassessment of our 14 existing material topics and identifying additional issues that might require ongoing attention. Based on the latest scientific research, trends in the industry, and feedback received in previous reporting periods, our sustainability team considered 27 sustainability issues that are or could be relevant for Aluflexpack.

Following the initial scanning and exchange of opinions between experts from crucial organisational units, we created a list of 22 topics that reflect potential material impacts of Aluflexpack's activities and business relationships on the economy, environment and society, including human rights. To encompass the full scope of our operations, the identified impacts were grouped into four categories: value chain; climate and environment; governance; and labour and communities.

List of potential material topics

Value chain

- Research, development, and innovations
- Sustainable packaging solutions
- Safety and quality in production
- Responsibly sourced raw materials
- Customer-focused company
- Supplier engagement

Climate and environment

- Decarbonisation of production
- Energy efficiency and renewable energy
- Protection of ecosystems and biodiversity
- Responsible waste management
- Responsible management of effluents
- Responsible water management

Governance

- Fair and transparent market approach
- Ethical and responsible management
- Efficient risk management
- Corporate governance
- Diversity within the management

Labour and communities

- Equality of opportunity for employment
- Safe and healthy work environment
- Professional training and development
- Diversity and inclusion
- Community engagement

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Materiality assessment - internal and external perspectives

Although the updated GRI methodology allows companies more flexibility in prioritising material topics, our method for testing identified sustainability impacts continues to rely on combining our know-how with the experience of our stakeholders. We believe that integrating all these unique perspectives offers us the best chance to accomplish our main goal – creating financial value for our shareholders, while being in the vanguard of environmentally and socially conscious companies in the aluminium packaging industry. In 2022 we took a decisive step towards tracking the results of our actions along the value chain by initiating due diligence of adverse impacts on human rights and the environment. Due diligence of adverse impacts was carried out in accordance with the guidelines of the main international frameworks related to human rights and due diligence on sustainability, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labour Standards of the ILO, and the International Corporate Governance Network's Global Governance Principles.

The internal materiality assessment we carry out each year relies on the input of our sustainability team made up of experts and managers from the main organisational units. It is carried out via a survey and questionnaires that include identification and evaluation of material topics, respondents' estimates of the current level of company management systems in place, and the most notable developments during the reporting year. Apart from reflecting on the main issues, these team members are best positioned to point out any potential adverse effects encountered in their respective fields. Being an international company, we additionally include representatives from all members of the Aluflexpack Group in the process of issuing the sustainability report, making

the most of the professional and cultural richness at our disposal.

In 2022 a sustainability stakeholder analysis was initiated, to comprehensively evaluate the positions and perspectives of stakeholders in relation to our sustainability focus areas. This analysis aimed to identify key stakeholders, understand their interests, concerns and expectations regarding sustainability, and determine their influence level. By engaging stakeholders and considering their inputs, we can gain valuable insights into their priorities and align our sustainability efforts accordingly. This analysis will guide us in developing targeted strategies and initiatives that address the specific needs and expectations of our stakeholders, fostering stronger relationships and enhancing our overall sustainability performance. Ultimately, this stakeholder analysis will help us build trust, transparency and long-term partnerships with our stakeholders as we collectively work towards a more sustainable future.

Although the list of the main stakeholder groups remained unchanged, confirming the validity of our previous stakeholder engagement processes, the mapping enabled us to identify individuals and organisations within the following groups whose insight can help us improve our practices:

- Shareholders
- Customers
- Retailers
- End-consumers
- Employees and unions
- Suppliers
- State and regulatory bodies
- Creditors and financial institutions
- Interest and expert associations

- Scientific and educational institutions
- Civil society organisations (NGOs)
- Local communities

As Aluflexpack operates in 14 locations in seven countries, we strive to enable voices from all communities to be heard. Facilitation of the stakeholder engagement process was once again performed in an online format, via an anonymous survey sent out by members of our sustainability team to individuals across different stakeholder groups and locations who could provide informed opinions on our practices. The materiality survey included the assessment of the significance of identified potential material impacts and Aluflexpack's success in managing them, recognising potential and actual adverse impacts in the four sustainability aspects (value chain, climate and environment, governance, and labour and communities), as well as feedback on any additional sustainability issues they found important.

To guarantee all stakeholders understand our sustainability context well and can be comfortable expressing themselves, we engaged with them in all official languages spoken in the Aluflexpack Group: Croatian, English, German, French, Polish, and Turkish. In 2022, a total of 119 stakeholders participated in the materiality survey, which is around 50% more compared to the previous reporting year. We are encouraged by the high response rate among our customers, retailers, suppliers, and end-consumers, which made up more than half the total number of participants.

Results of the materiality assessment

In the evaluation of Aluflexpack's top priority impacts, we opted for looking at distinct impacts within each of the four key aspects of our business operations: value chain, climate and environment, governance,

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and labour and communities. The initial step taken in determining material topics is analysing whether the potential impacts we identified are indeed significant from the Aluflexpack point of view and are relevant to our diverse group of stakeholders. We conducted this process by asking Aluflexpack’s sustainability team as well as stakeholders to assess the significance Aluflexpack’s activities and business relationships have or might have on the economy, environment and people, including their human rights. The threshold to classify an impact as significant was set at 4.0 (“medium significance”) on a scale from 0 (“no significance at all”) to 8 (“highest significance”). All the impacts considered in the materiality assessment passed the threshold, confirming our expectations and the areas that require attention and responsible management.

The prioritisation process of our material topics was carried out by reviewing the feedback gathered in all phases of the process. We considered internal and external views of the assessment of the significance of each material topic, success in managing specific impacts, and feedback on potential and actual adverse impacts of our business activities and relationships within each of the four aspects. The due diligence process we carried out shows that there are no actual adverse impacts of our business activities and relationships on the environment and people, and the majority of our stakeholders stated that Aluflexpack manages all material impacts in accordance with standards. However, these processes helped us collect valuable information on potential adverse impacts and how to further improve our practices and communication with the public. We will integrate these findings into our strategic planning and future processes.

Sustainability impacts of all material topics in the value chain area are rated above 6.0 and classified as “highly significant” from both perspectives. The six

Value chain

Material topics	Internal assessment	Stakeholder assessment	Prioritisation
Customer-focused company	6.59	6.70	Highest priority
Sustainable packaging solutions	6.82	6.09	Highest priority
Supplier engagement	6.24	6.57	High priority
Research, development and innovations	6.76	6.02	High priority
Safety and quality in production	6.24	6.37	High priority
Responsibly sourced raw materials	6.06	6.52	High priority

value-chain material topics also make up half of the 12 most important topics. This finding is not surprising considering impacts in the value chain have been among the highest rated in previous years as well, being directly linked to our core business and efforts to set new industry benchmarks. Taking a deeper look at the findings of the materiality assessment shows that the dominant view is that Aluflexpack is successful in managing its impacts in the value chain. On average, 76% of the stakeholders believe that we manage these issues in accordance with standards and an additional 19% say we go beyond the norm.

The success of our efforts to be a customer-focused company is the highest-rated among all the topics considered – 87% of all respondents positively reflected on our management practices. This topic was among the top five most important to our internal and external stakeholders, confirming that continuing to add value to our customers is of the utmost importance. In the due diligence process,

our stakeholders expressed an expectation that we will remain dedicated to adhering to ethical business standards and maintain our unwavering commitment to sustainability.

The belief at Aluflexpack is that offering a portfolio of products and solutions with a range of attributes that promote the transformation to a more sustainable, circular and carbon-neutral economy is also a top priority. The positive feedback on our management of the topic, received from 92% of the people familiar with our initiatives, suggest this is an area in which we are making strides. The due diligence process showed that our stakeholders expect us to put further focus on sustainability in production, in order to reduce the environmental footprint of packaging throughout the value chain.

Year-on-year sustainability aspects related to climate and the environment are becoming increasingly important. This is evidenced by four of the six material topics in this aspect being rated as “highly

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Climate and environment

Material topics climate and environment	Internal assessment	Stakeholder assessment	Prioritisation
Responsible waste management	6.41	6.70	Highest priority
Responsible management of effluents	6.35	6.56	Highest priority
Energy efficiency and renewable energy	6.41	6.43	High priority
Decarbonisation of production	6.24	6.11	High priority
Protection of ecosystems and biodiversity	5.59	6.24	Medium priority
Responsible water management	5.18	6.38	Medium priority

significant” by all stakeholders. In all, 74% of external respondents say Aluflexpack manages its impacts in line with standards and 17% consider our approach as surpassing standards.

Even though we consider all our environmental impacts important, responsible management of waste and effluents continue to be recognised as vital areas in which we can make a positive contribution and reduce

our environmental footprint. Responsibly managing waste from production is the fourth most important topic (6.7 out of 8) to our stakeholders. A record 97% of them consider our practices in preventing waste from going to landfill to be responsible ones. The due diligence process confirmed our stakeholders do not see systemic adverse impacts related to Aluflexpack’s waste management, but we recognise

Governance

Material topics	Internal assessment	Stakeholder assessment	Prioritisation
Ethical and responsible management	6.71	6.73	Highest priority
Corporate governance	6.06	6.51	High priority
Efficient risk management	6.12	6.35	High priority
Fair and transparent market approach	6.00	6.19	High priority
Diversity within the management	5.29	6.15	Medium priority

the necessity to strive towards implementing even better practices. Due to the nature of our business operations, effluents from production are also among the ten most important impacts to stakeholders (6.56) and rated by 94% as successfully managed. Some of our stakeholders noted the importance of treating discharged wastewater in our industry but no negative impacts tied to our production sites were recognised.

In previous reporting periods governance topics have been deemed as important to our stakeholders, so it is not surprising that once again they rate them as highly significant. In 2022, 78% of stakeholders said Aluflexpack manages these impacts in accordance with standards and 16% viewed our approach as above par.

Having ethical and responsible management of the company remains the top priority both within the company and for external stakeholders – this material topic was rated as the second most important to our stakeholders. It is encouraging to see that 94% of the stakeholders consider Aluflexpack an ethical company that does not create or contribute to adverse impacts. However, our stakeholders expect us to continue improving our practices in this aspect in relation to our customers, business partners, and other stakeholders.

Even though having diversity within the management remains among the lowest-rated priorities, more than half of our internal stakeholders stated diversity in Aluflexpack’s management could benefit from improvement.

All material topics relating to our workforce and organisational culture are rated as highly significant, making community engagement the only topic considered a medium priority. Overall, 75% of stakeholders said we manage these topics in line with standards, and 13% considered our practices surpass the standard.

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Labour and communities

Material topics labour and communities	Internal assessment	Stakeholder assessment	Prioritisation
Safe and healthy work environment	6.94	6.74	Highest priority
Professional training and development	6.35	6.60	Highest priority
Diversity and inclusion in the workforce	6.00	6.42	High priority
Equality of opportunity for employment	6.18	6.18	High priority
Community engagement	5.47	6.14	Medium priority

Guaranteeing a safe and healthy work environment to employees and anyone who interacts with the company's operations is considered the most important material topic to both our internal (6.94) and external (6.74) stakeholders. A high number of stakeholders stating that our processes are in accordance with or surpass standards is a positive sign that our focus on this topic is well-placed. The other topic of the highest priority in this aspect is investing in training and development of skills for employees to ensure their present and future employability. Even though 77% of stakeholders believe we are successful in managing this topic in accordance with standards, the due diligence process revealed that our internal stakeholders expect Aluflexpack to provide more development opportunities to its employees.

Prioritisation of material topics

Material topics	PRIORITY	Material topics	PRIORITY
Safe and healthy work environment	■■■■■	Responsibly sourced raw materials	■■■■■
Ethical and responsible management	■■■■■	Corporate governance	■■■■■
Customer-focused company	■■■■■	Efficient risk management	■■■■■
Responsible waste management	■■■■■	Diversity and inclusion	■■■■■
Professional training and development	■■■■■	Equality of opportunity for employment	■■■■■
Responsible management of effluents	■■■■■	Decarbonisation of production	■■■■■
Sustainable packaging solutions	■■■■■	Fair and transparent market approach	■■■■■
Energy efficiency and renewable energy	■■■■■	Protection of ecosystems and biodiversity	■■■■■
Supplier engagement	■■■■■	Community engagement	■■■■■
Research, development and innovations	■■■■■	Responsible water management	■■■■■
Safety and quality in production	■■■■■	Diversity within the management	■■■■■

■■■■■ HIGHEST priority
 ■■■■■ HIGH priority
 ■■■■■ MEDIUM priority

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REPORT PROFILE

This Sustainability Report is published annually and covers the activities of Aluflexpack Group in 2022. It includes information from the following entities: Aluflexpack Novi d.o.o., Omial Novi d.o.o., Aluflexpack Polska Sp. z o.o., Arimpeks Alüminyum San. İç ve Dış Tic. A.Ş., Eliopack S.A.S., Process Point Service AG, Top System z.o.o., Teko Alüminyum Sanayi A.Ş., AFP Group GmbH and Aluflexpack AG. This report was developed in accordance with Global Reporting Initiative Standards (GRI): core version and has not been subject of external assurance.

We value our stakeholders' opinions about our ESG impacts and the manner we approach their management. If you have questions, comments, or suggestions about the content of this report, please let us know. You can direct them at: info@aluflexpack.com.



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2-3	Reporting period, frequency and contact point	43	
2-4	Restatements of information	22-23	In 2022 we developed an environmental indicator database with a detailed breakdown of hazardous and non hazardous waste. A detailed analysis and deep dive into waste composition of each of the locations resulted in the changed quantities compared to waste figures reported in 2021.
2-5	External assurance	/	
2-6	Activities, value chain and other business relationships	8	
2-7	Employees	8, 25	The method for the calculation of the total number of employees differs between the Annual Report (p.8) and the Sustainability Report (p.26). The Annual Report communicates the number of active employees of Aluflexpack Group in 2022, while the Sustainability Report communicates the total number of employees of Aluflexpack Group in 2022.

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2-8	Workers who are not employees	25	
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2-9	Governance structure and composition		Annual Report 2022, p.65-78
2-10	Nomination and selection of the highest governance body		Annual Report 2022, p.72-74
2-11	Chair of the highest governance body		Annual Report 2022, p.77
2-12	Role of the highest governance body in overseeing the management of impacts		Annual Report 2022, p.65-78
2-13	Delegation of responsibility for managing impacts		Annual Report 2022, p.65-78
2-14	Role of the highest governance body in sustainability reporting	35	
2-15	Conflicts of interest		Aluflexpack Code of Conduct, p.6
2-16	Communication of critical concerns	35-36	
2-17	Collective knowledge of the highest governance body	35	
2-18	Evaluation of the performance of the highest governance body		Annual Report 2022, p.65-78
2-19	Remuneration policies		Annual Report 2022, p.90-94
2-20	Process to determine remuneration		Annual Report 2022, p.95-102
2-21	Annual total compensation ratio		Annual Report 2022, p.104-110
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2-24	Embedding policy commitments	9-11, 35	
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2-27	Compliance with laws and regulations	36-37	
2-28	Membership associations	8	

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2-30	Collective bargaining agreements	27	
GRI 3: Material topics 2021			
3-1	Process to determine material topics	38-42	
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	301-2 Recycled input materials used	20	
Safety and quality in production			
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