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Media release

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Aluflexpack AG publishes Sustainability Report 2023

- Commitment to Science Based Target initiative (SBTi) Near-Term & Net-Zero Standard in May 2023
- Scope 1 & 2 emission intensity reduced by 4.8% y-o-y¹
- Waste diversion rate increased to 90.5% as a result of the introduction of better waste management practices (FY 2022: 75.4%)²
- Continuous work on development of new circular flexible packaging including monomaterial and recycled content solutions
- New Health, Safety, and Environment (HSE) roadmap with focus on increasing HSE culture and introducing best industry practices

Aluflexpack AG (the "Group"), a leading manufacturer of premium circular flexible packaging and barrier solutions, published today its Sustainability Report 2023, detailing Group's ESG performance. Reflecting the ambition to decarbonise operations and to reach net-zero emissions along the value chain by 2050, Aluflexpack made the strategic decision to commit to the Science Based Targets initiative (SBTi) Near-Term and Net-Zero Standard in May 2023. Aluflexpack reduced its scope 1 & 2 emission intensity by 4.8% to 379 tCO₂ / AFP unit (FY 2022: 398 tCO₂ / Aluflexpack unit) in 2023, as a result of enhancing production efficiency and transitioning to renewable energy

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

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

sources.³ During the year, the Group's waste diversion rate increased to 90.5% (FY 2022: 75.4%) which is attributable to the introduction of better waste management practices. Similarly, as in the past years, the Group continued development of monomaterial solutions, recycled content packaging and downgauging of aluminium, among others. In line with the commitment to make Aluflexpack a better place to work for its employees, the Group introduced a new HSE roadmap, which focuses on increasing HSE culture and introducing best industry practices.

Decarbonisation and net-zero emission efforts underscored with commitment to SBTi

In May 2023, the Group made the strategic decision to commit to the SBTi Near-Term and Net-Zero Standard, which underlines our dedication to achieve net-zero emissions by 2050. This commitment signifies Aluflexpack's proactive approach in establishing scientifically supported targets, in line with the Paris Agreement's goal of limiting global warming to 1.5°C above pre-industrial levels. Aluflexpack's alignment to the SBTi and work to continuously improve sustainability positions us favorably to achieve future growth in a sustainable way.

During 2024, the Group will actively execute the SBTi target-setting process with the aim to have greenhouse gas emission reduction targets defined and submitted by early 2025 at the latest.

Reduction of carbon footprint and improved waste management practices

Aluflexpack achieved a 4.8% reduction of scope 1 & 2 emission intensity to 379 tCO₂ / AFP unit in 2023 (FY 2022: 398 tCO₂ / Aluflexpack unit). With the new investment in Drniš (Croatia), which includes, among others, a state-of-the-art production line focused on annealing and pre-treatment of aluminium, it will be possible to work with different alloys with recycled content, further decreasing the Group's carbon footprint in the future. On an absolute level, scope 1 & 2 market-based emissions decreased by 1.3% to 35,768 tons CO₂ (FY 2022: 36,234 tons CO₂). This improvement was – among other things – achieved by a reduction of our scope 2 market-based emissions by 47.8%, which is largely attributed to one of our sites switching to 100% renewable electricity in 2023. However, the decrease in total market-

³ The data discrepancy between values reported in the Sustainability Report 2023 and Sustainability Report 2022 is due to a miscalculation on previous reported scope 1 emissions which is recognised during in-depth scanning of our internal processes and resolved going forward. Further information can be found on page 15 in the Sustainability Report 2023.

based emissions was partly balanced by an increase in scope 1 emissions related to higher energy utilised in production in line with increased volumes and activities linked to the expansion in Drniš.

The Group's waste diversion rate increased significantly to 90.5% in 2023, up from 75.4% in 2022. The increase is mainly a result of the introduction of better waste management practices, improvements in data quality, such as accurate weighing of non-hazardous waste, and enhanced tracking of energy recovered waste. Furthermore, despite a decrease in overall waste quantities, the implementation of better measurement practices and the inclusion of detailed records in the Waste Diversion Rate calculations for 2023 led to an increase in the diversion rate.

Driving circularity with sustainable packaging solutions

Building on our dedication to enhancing circularity in packaging, the Group made significant progress in launching sustainable packaging solutions in 2023. During the year, Aluflexpack continued its efforts in developing packaging with increased recyclability and higher aluminium recycled content. In some of the projects, such as capsules and containers with recycled content and containers composed of nearly 100% aluminium, significant advancement was achieved, while other products such as monomaterial spouted pouches for human food have already been launched in the market.

In 2023, the Group also continued further development of innovative products such as PVC-free lacquer containers & capsules and advanced coated paper solutions used for dry food packaging. Looking at the success stories, during the year, Aluflexpack successfully developed a peel-of-end (PoE) membrane foil with a new specification which is used for lids applications globally and that enhances consumer experience with its ease of removal. This new solution offers greater material efficiency and energy saving during production compared to existing standard lidding solutions. Looking ahead, the Group intends to integrate aluminium with high recycled content to PoE to decrease product carbon footprint further.

Another pivotal direction of the Group's strategic efforts is connected with the downgauging of materials used in packaging without compromising their essential barrier protection and mechanical properties. During the year, similarly as in the past, Aluflexpack continued to work on downgauging of aluminium foils, while also recording up to 25% reduction in thickness of certain pouches used for a variety of applications such as pet food, fruits and baby food.

Focusing on employee safety and wellbeing

Pursuing the objective to make the Group an even better place to work, in 2023, Aluflexpack welcomed a new Head of HSE. This year was foundational with significant developments in the direction of health and safety achieved through an establishment of a HSE roadmap which perfectly aligns with 3-WIN 2025 strategy. Additionally, a Group-wide HSE policy was developed with many programmes aiming at increasing HSE awareness, ultimately fostering a proactive HSE culture across the organisation. With the main cornerstones in prioritising HSE for the years to come already laid, the Group aims to decrease lost time injury rate to 2.0 by 2030 (FY 2023: 4.6).⁴

Major advancements were also achieved in other directions such as HR-related topics, where the Group launched an Employer Branding Strategy, which changed recruitment and selection mechanism by making it more data driven. In parallel, transparent internal communication initiatives and regular feedback were encouraged. Furthermore, a new holistic wellbeing strategy where HR partnered with HSE was introduced. The latter focuses on three pillars – Health, Social and Life – aimed at creating a supportive and safer working environment while driving a positive impact upon communities.

Aluflexpack's CEO, Johannes Steurer says: "In 2023, we made significant progress in the execution of our sustainability agenda, be it sustainable product developments, decarbonisation of our operations or health & safety. Going forward, we will drive the initiated projects further and with the new direction of Packaging and Packaging Waste Regulation, we are convinced that our portfolio is positioned well to do so in an economically and ecologically balanced way. Together with our dedicated employees, we will continue to innovate, prioritise sustainability, and uphold the highest standards of safety and environmental consciousness."

Download Aluflexpack's Sustainability Report 2023:

<https://www.aluflexpack.com/newsmedia-mediaanddownloads/>

⁴ Lost time injury rate is the number of lost time injuries per total amounts of hours worked. A decrease indicates improvement of safety practices in the Group.

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About Aluflexpack AG

Aluflexpack produces flexible packaging solutions for end markets such as Coffee & Tea, Pharmaceuticals, Pet food, Confectionery and Dairy. Its long-lasting customer relationships with locally operating companies and large international corporations alike are underpinned by well-established industry insights, flexibility in customer service and development competence. Headquartered in Reinach (Aargau), Switzerland, Aluflexpack has production facilities in Switzerland, France, Poland, Türkiye, Croatia and Tunisia. It had 1,602 employees as of 31 December 2023.

Disclaimer

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