



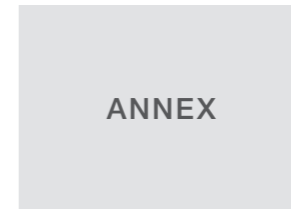
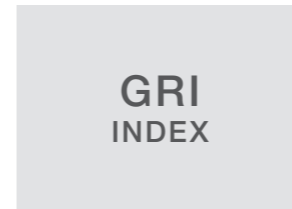
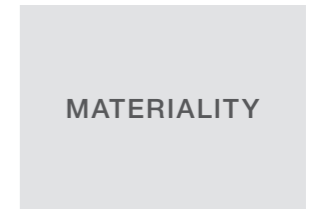
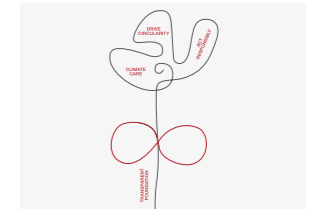
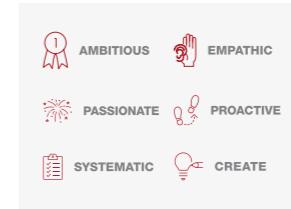
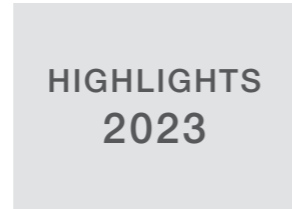
Sustainability Report | 2023



#TogetherWeGrow

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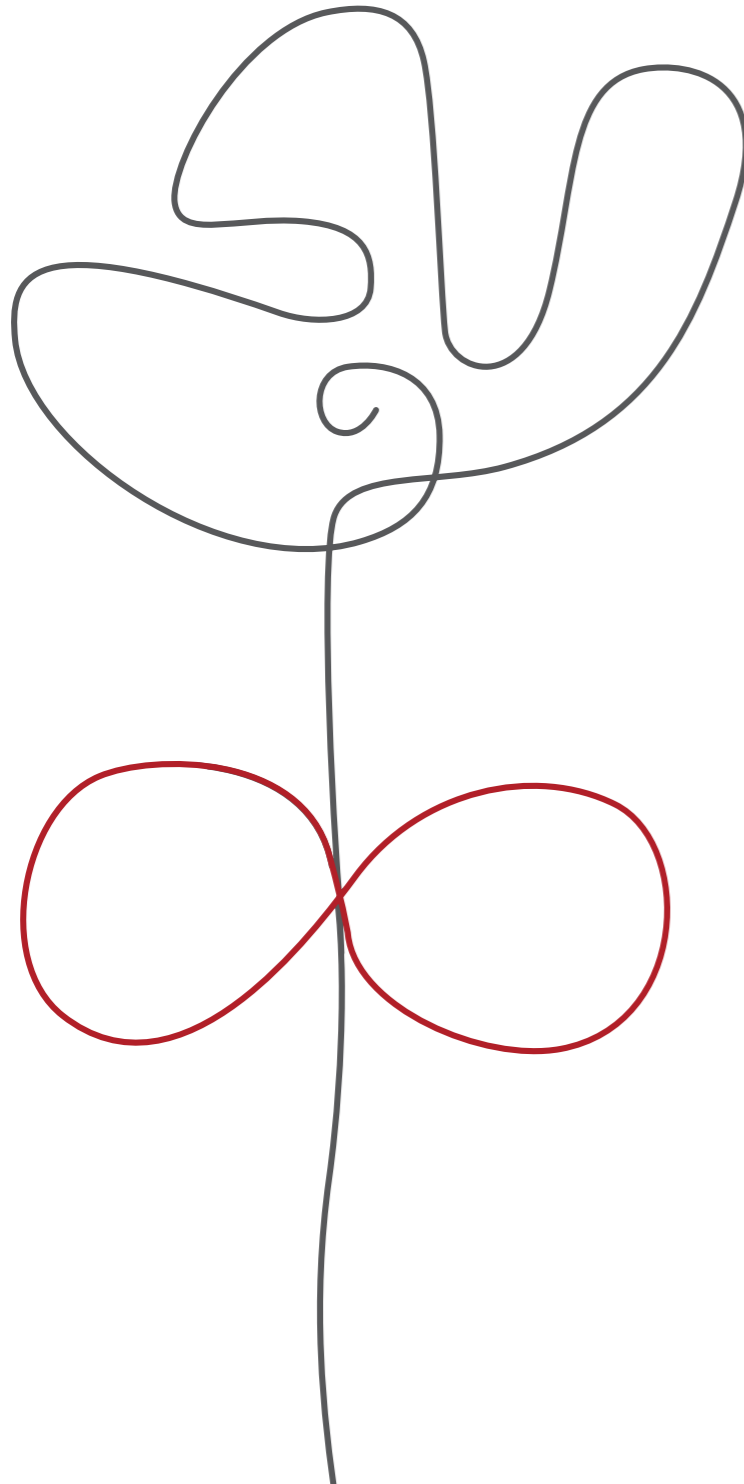
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HEADER PHOTO: In September 2023 our Croatian plants organised a team building event, which was called "Together Event"! The event brought together almost 600 employees from all Croatian production sites, as well as guests from our companies located in Austria and Türkiye! Our colleagues enjoyed a whole day of socializing, fun and positive atmosphere, numerous sports and social games. As an opportunity to celebrate the 40th anniversary of the company, we organized an exhibition that showed how much we have grown together: all the products from all our sites were showcased.

This event was a true example of the togetherness and the Aluflexpack spirit which is embedded in our core values.

We are looking forward to the next 40 and more years of growing together!



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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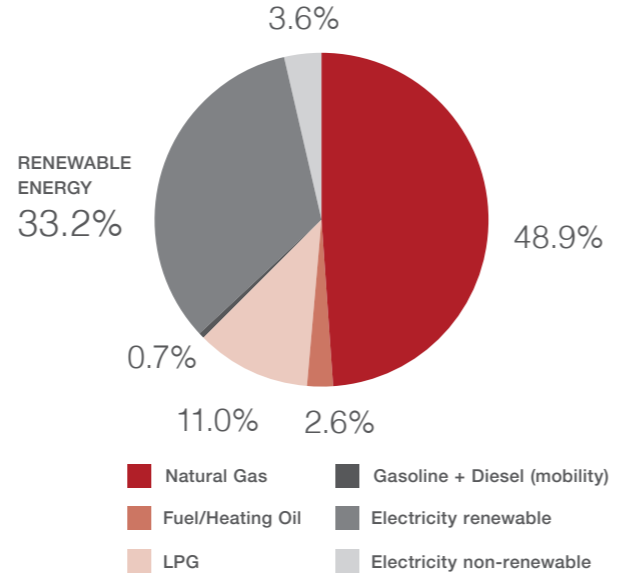
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HIGHLIGHTS 2023

Our Net-Zero Ambition
Committed to Science Based Targets initiative (SBTi) Near-Term and Net-Zero Standard in May 2023, aligning our climate strategy with the Paris Agreement.

More on page 14

Total energy consumption 2023



90.3%
renewable electricity
in our electricity mix

4.8%
Scope 1+2 emission
intensity decrease (yoy)

0.031
tCO₂e/1000m² Scope 1+2
emission intensity
(per material throughput)

Sustainability Success Maker for Our Customers: Potential Solutions

Low-carbon Aluminium products:
up to 50% reduction of GHG emissions
High recycled content Aluminium products:
up to 90% reduction of GHG emissions
More on page 20-21

90%
product LCA coverage
More on page 20

>85%
of our portfolio has
recyclable solution

Innovation Challenge #2: Collaborative Action

Advanced Together We Grow with key stakeholders for sustainable packaging leadership.
More on page 22

24%
less waste
sent to disposal
More on page 24



Wellbeing Strategy established

creating a supportive and safer working environment founded on three pillars – Health, Social and Life
More on page 32



New HSE Policy & HSE Booklet

provides a clear framework and guidelines for ambitious group targets
More on page 30

4.6 LTIR in 2023
More on page 30

Newly updated Human Rights Policy

reinforcing our empathic pledge to social responsibility along the value chain.
More on page 42

90%
excellence in customer feedback
More on page 44

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INTERVIEW WITH JOHANNES STEURER, CEO OF ALUFLEXPACK: SUSTAINABILITY AS HIGHEST GOVERNANCE PRIORITY

Johannes, the demand for sustainable solutions across various sectors is increasing, since measures against climate change must be found - how is Aluflexpack positioning itself to support customers on this journey?

At Aluflexpack, we are deeply committed to sustainability, offering two main solutions to our customers. Firstly, we emphasise circularity in our production. As a material, aluminium is perfectly recyclable and stands out in the circular economy, particularly with the upcoming Packaging & Packaging Waste Regulation (PPWR), allowing us to aim for high-recycled content in our products. Secondly, we're providing our customers with solutions for their own decarbonisation journey. Having been SBTi-committed since May 2023, we are dedicated to achieving net-zero emissions by 2050 and significantly reducing our emissions by 2030 respectively. Our climate targets will be defined and submitted by the beginning of 2025 at the latest. Our low-carbon aluminium products, part of our ongoing low-carbon and our recycled-content campaigns, play a crucial role in reducing the carbon footprint of our aluminium-based products.

Considering the importance of Scope 3 emissions, i.e. emissions from the value chain, how does Aluflexpack view its role in the up- and downstream value chain regarding climate change impact?

Scope 3 emissions are indeed a critical focus for us. An initial assessment has revealed that a significant proportion of our corporate carbon footprint arises from the procurement of aluminium foil. Recognising this, we're enhancing our efforts to collect more detailed Scope 3 data in the future. It's clear that addressing Scope 3 emissions requires collaboration and exchange along the value chain, positioning us both as a contributor and beneficiary in this shared responsibility.

Since you mention the importance of the value chain - can you tell us more about the Aluflexpack Innovation Challenge and its role in fostering sustainability and innovation?

Our Innovation Challenge is the cornerstone of our approach to driving industry-wide transformation. Its focus on sustainable packaging solutions has led to the development of innovative projects, including efforts to replace multi-layer laminates with mono-material packaging. This initiative not only fosters collaboration with our suppliers and partners but also accelerates the development of solutions aimed at decreasing environmental impact. With projects incubated from our challenge, we are working on several solutions that promise to significantly reduce the environmental footprint of our packaging.

Before we take a closer look at regulatory developments in the field of sustainability at the European level, what are the developments in the areas of HSE & HR?

In 2023, we welcomed a new Group Health, Safety, and Environment (HSE) Manager, further strengthening our HSE pillar and spearheading group HSE initiatives and programmes, as well as fostering a proactive HSE-culture approach throughout our organisation. Tasked with developing a clear HSE roadmap that aligns with our 3-WIN strategy, her focus has been on establishing robust HSE standards, initiatives, and programmes, such as Life-Saving Rules, the HAZID programme, celebrating World Health and Safety Day and building an integrated HSE system. A highlight of this year has been the publication of our new, group-wide HSE Policy - a comprehensive framework and guidelines for setting our group-wide objectives – marking a significant milestone in our journey towards HSE excellence and sustainability.



In 2023, our Human Resources (HR) department witnessed transformative advancements, marked by the implementation of strategic HR processes that underscore our unwavering dedication to our employees. A pivotal achievement this year was the introduction of the Employer Branding strategy, revolutionising our recruitment and selection mechanisms. This strategy, along with the launch of a new onboarding process, signifies our shift towards a more data-driven HR approach. Through targeted internal communication initiatives, we've encouraged transparent communication and regular feedback,

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fostering a culture fundamentally based on trust. Furthermore, we embraced the Act Responsibly principle. Therefore, HR partnered with HSE under our holistic Wellbeing strategy. This strategy, focused on three pillars - Health, Social and Life - sets new standards for health and overall wellbeing in our organisation.

Concerning the topic of the rapidly evolving regulatory landscape at the European level, how is the Group preparing for these changes?

The regulatory changes, particularly the PPWR, the upcoming changes in Swiss regulation, as well as the Corporate Sustainability Reporting Directive, are significant for us. Our sustainability team is fully engaged in navigating these topics. We are proactively preparing to meet and exceed the requirements of these regulations, ensuring that our product portfolio not only complies with but is also well-positioned for future growth. This approach underscores our commitment to sustainability and our capability to adapt to regulatory shifts.

Can you please elaborate on these new roles regarding sustainability management?

Recognising the challenges ahead, we've established key roles within Aluflexpack to strengthen our sustainability efforts. Our Sustainability & Innovation Specialist focuses on sustainable product development, while our Sustainability Manager oversees our sustainability management at the group level. These positions enhance our ability to collect and analyse data, develop reduction measures across all scopes, and meet the rigorous demands of upcoming reporting obligations. This structure not only aids compliance but also reinforces our leadership in sustainable packaging solutions.

Lastly, how do you judge these current sustainability developments in general?

On the one hand, the bureaucratic effort increases; on the other hand, comparability between companies

and industries is ensured. We firmly believe these developments represent a significant opportunity for Aluflexpack. Our strong commitment to sustainability, demonstrated through a renewable-electricity share of approximately 90%, a total renewable-energy share in production of over one third respectively, and the

high recyclability of our products positions us to be a sustainability success maker for our customers and investors. We are fully committed to embracing these opportunities and leading the way in sustainable packaging solutions.

CEO Johannes Steurer welcoming the colleagues on Teambuilding 2023



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ABOUT US

Together We Grow

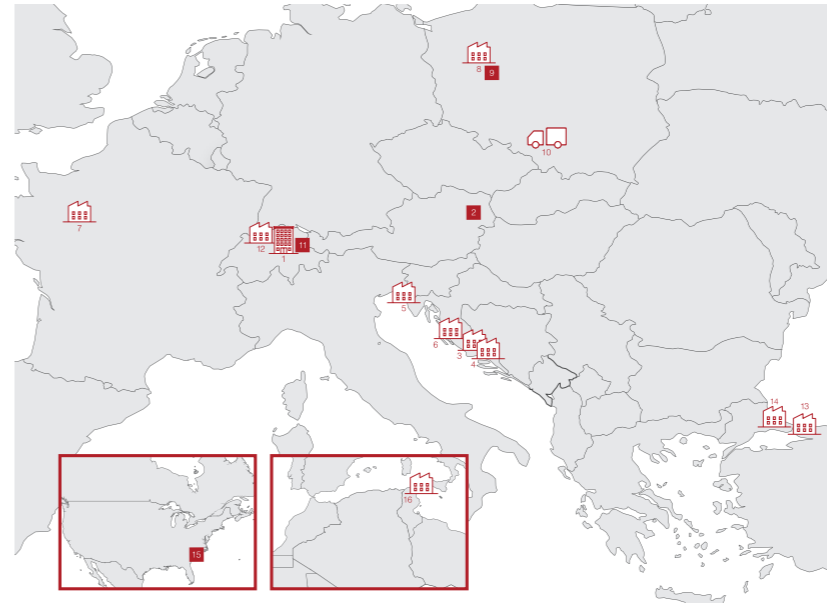
Aluflexpack Group has dedicated itself to developing top-tier packaging solutions for over four decades. Present at 14 European locations and with a growing team of over 1,600 skilled professionals, we specialise in transforming aluminium, paper, and plastic films into premium-grade circular flexible packaging and barrier solutions, serving customers and end consumers worldwide.

Our range includes films, foils, lids, containers and pouches, all developed and produced with a combination of passion, expertise, experience, adaptability and innovation, ensuring unparalleled products tailored to our customers' needs.

Through a fully integrated value chain supporting the end-to-end process and material control, we secure superior service levels, the highest quality standards, profound development competence and continuous innovation in converting, printing and finishing our products and solutions.

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 profitably and sustainably. A trustful relationship with all of our stakeholders and a great employee experience serve as the strong foundations of our success.



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

*15. Aluflexpack USA LLC was incorporated on 18 January 2024 in Wilmington, State of Delaware, USA. The production facility will be leased in H2 2024 in the State of Illinois and production is expected to start in December 2024.

16. Closing of the acquisition of Helioflex was announced on 24 April 2024.

4

product types:

FILMS & FOILS

LIDS

CONTAINERS

POUCHES



7
end markets



>700
customers worldwide



1.606*
qualified and dedicated employees



*The reported number is total headcount while the Annual Report 2023 contains full-time equivalent (1,602).

We aspire to revolutionise the packaging sector, empowering our customers to meet evolving end-consumer demands swiftly and in a manner that is both cost-effective and environmentally sustainable. Our goal is to deliver a sustainable packaging solution that enriches the lives of individuals, preserves the planet and fosters enduring prosperity for all stakeholders involved. We do this by nurturing collaborations, taking into account unique and varied perspectives, developing know-how and cultivating an innovative and fresh mindset.

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OUR VALUES



AMBITIOUS

Exceeding expectations in our sustainable development remains our primary focus. Our ambitious, yet achievable, goals drive us in the ambition to surpass them. We foster innovation and ongoing enhancements within our sustainability efforts by challenging conventional limits.



EMPATHIC

Throughout all our engagements, we actively listen to the needs and aspirations of our stakeholders. Committed to understanding and empathising, we are always responsive to their concerns and aspirations. This empowers us to customise our approaches so as to align with their expectations more effectively, thereby fostering long-lasting relationships.



PASSIONATE

Our motivation goes beyond securing the success of our company: it encompasses the wellbeing both of people and the planet. Our dedication extends far beyond short-term benefits, aiming for sustained prosperity for all stakeholders. We advance towards a future in which economic, social and environmental wellbeing will be balanced, leaving a lasting, positive impact on our world.



PROACTIVE

By actively participating and taking the lead in relevant initiatives, we lay the groundwork for a more sustainable tomorrow. Maintaining focus on scientific advancements, data and emerging trends, we not only fulfil but anticipate the requirements of our stakeholders. This proactive stance guarantees our consistent leadership in sustainability, catalysing constructive transformations and leaving a significant positive impact.



SYSTEMATIC

Tackling sustainability issues requires a systematic approach. We can efficiently prioritise and refine our actions only through the utilisation of reliable data and the establishment of well-defined, concrete procedures. This enables us to concentrate our energies and resources where they can yield the most significant outcomes.



CREATE

As a Packaging Success Maker, we collaborate with all our stakeholders to develop intelligent, innovative and, most importantly, sustainable solutions. Our close collaboration with customers enhances value for end consumers. We prioritise the satisfaction of our employees, seeking to optimise their workplace experience. Engaging actively with our communities, we endeavour to be acknowledged as responsible neighbours. By nurturing partnerships with diverse stakeholders, we collectively contribute towards a future that is both sustainable and prosperous for all.

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OUR STRATEGIC APPROACH

At Aluflexpack, our commitment to sustainability is led by a collaborative effort overseen by our Group Head of Business Development, Innovation, and Sustainability, along with an Innovation & Sustainability Specialist and a dedicated Sustainability Manager. Together, they spearhead and coordinate the development and execution of the group-wide ESG strategy with several Departments across the organisation, focusing on product-related aspects of packaging and implementing a comprehensive climate roadmap encompassing scopes 1+2+3 emissions.

Our core mission is to become the sustainability success maker of our customers. We invest in cutting-edge technology and innovations that not only meet but anticipate market demands, with a keen focus on enhancing the recyclability of our products and

delivering solutions with low carbon footprints and high-recycled content.

To ensure the successful execution of our sustainability strategy, Aluflexpack has established a dedicated Sustainability Committee. This cross-functional team draws on the expertise of top management, including our CEO and CFO, as well as Group Heads from R&D, Purchasing, HSE, HR, Quality Management, Marketing, and Sales. Additionally, we actively involve professionals from our production sites in the implementation process to ensure effective execution across the entire group.

Furthermore, we intensify cooperation with key stakeholders along the value chain, recognizing that sustainable solutions require collective effort. Our

partnerships with suppliers and other stakeholders are vital in addressing sustainability challenges comprehensively and strengthen our strategy to become a leading innovator in the packaging industry.

For a deeper dive into our ESG efforts, explore our dedicated chapters on Climate Care, Drive Circularity, Act Responsibly, and Transparent Foundation. These sections provide detailed insights into our energy mix, GHG emissions reduction strategies, sustainable product solutions, waste management practices, employee wellbeing initiatives, health and safety measures, as well as our purchasing and quality management standards. At Aluflexpack, sustainability is not just a goal—it's a holistic commitment ingrained in every aspect of our operations.

Strategic Pillars

Within this context, our sustainability strategy stands on four strong pillars:



Climate Care

We're intensifying efforts to significantly reduce emissions, aligning with the urgent 1.5°C climate goal. Our roadmap to net-zero by 2050 includes comprehensive energy and emissions management, targeted sustainability workshops, and diligent Scope 1+2+3 emissions tracking.



Drive Circularity

Our product strategies, featuring recycled content aluminium and the development of monomaterial products, aim for full recyclability of our portfolio, thereby advancing the circular economy. Actions include using LCA tools to evaluate recyclability and fostering sustainable solutions through our proactive Innovation Challenges.



Act Responsibly

Upholding the pinnacle of corporate responsibility, we nurture sustainable practices that impact our entire supply chain. Efforts to create an exemplary workplace and active community participation are manifested through various health initiatives, educational programs, and social projects.



Transparent Foundation

Full transparency in sustainability progress is our keystone, backed by certifications like EcoVadis Gold and ASI Performance Standard. We are committed to continuous sustainability benchmarking and adapting to upcoming regulatory changes, ensuring transparent operations at every level.

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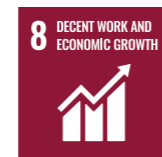
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Contribution to the United Nation’s Sustainable Development Goals

UN SDGs are in line with our ambition to build a more sustainable future through our solutions and through partnerships with our stakeholders. In the products we offer to customers, in our daily business and relationships with people, we recognise numerous areas in which we can contribute to the realisation of the 17 SDGs. We want to communicate responsibly about our current and future progress on this path and focus on the areas we understand best and where we can have the greatest positive impact.

Priority goals:



Goal 8. Decent Work and Economic Growth: We are committed to creating safe and fair working conditions for our employees, contributing to the vitality of local communities, respecting labour and human rights, and promoting diversity and inclusion.



Goal 12. Responsible Consumption and Production: We ensure reusability or recyclability of our products, increase the use of recycled materials, and achieve high resource efficiency by reducing process residues and recovering waste.



Goal 13. Climate Action: We are dedicated to reducing emissions, adopting a high rate of renewable energy and minimising our environmental impact.

Supporting goals:



Goal 3. Good Health and Wellbeing: We are contributing to our employees' health and wellbeing by protecting their mental and physical health, providing health insurance, improving work-life balance, and supporting their immediate families.



Goal 4. Quality Education: Creating an environment of expertise development and knowledge sharing, we foster a learning environment in our company, collaborate with stakeholders in creating mutual value and support educational and academic development in our communities.



Goal 5. Gender Equality: Integrating gender-equality considerations and paying close attention to diversity, we aim to contribute to a more equitable and inclusive society.



Goal 6. Clean Water and Sanitation: We are dedicated to responsible utilisation of water resources, wastewater treatment and water stewardship.



Goal 7. Affordable and Clean Energy: Investing in renewable energy and optimising our energy efficiency is not only our way of decreasing carbon emissions, but how we contribute to the global transition to affordable, reliable, sustainable and modern energy for all.



Goal 9. Industry, Innovation and Infrastructure: By deploying our innovative and collaborative approach to developing packaging solutions for the future, we contribute to the development of sustainable industrialisation and innovation for sustainable development.



Goal 16. Peace, Justice and Strong Institutions: We contribute to building peaceful, just and inclusive societies by operating ethically, transparently and accountably, protecting human rights in everything we do.



Goal 17. Partnerships for the Goals: By actively engaging in partnerships and collaborative initiatives, we contribute to strengthening the means of implementation for sustainable development for a more equitable, resilient and sustainable future.

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Performance and Commitments

 **Climate Care**

Commitment	Strategy and risk mitigation activities	KPIs	Performance 2022	Performance 2023	SDGs
Offset the environmental impact of our production	Monitor and lower carbon footprint by implementing the best available techniques	% GHG emissions intensity per AFP unit	398	379	  
	Increase share of renewable electricity	% renewable electricity	84.0%	90.3%	
	Monitor and report on hazardous spill contamination to environment	Number of spills to environment	0	0	

 **Drive Circularity**

Commitment	Strategy and risk mitigation activities	KPIs	Performance 2022	Performance 2023	SDGs
Improving waste management	Further advance waste management systems and contribute to the circular economy	Waste diversion rate	75.4%	90.5%	  
Offering top-quality products	Further investments into equipment and facilities	General investments in % of sales	14.9%	9.0%	
Improving product sustainability	Continuous development to increase recyclability of products	% share of portfolio recyclability	80%	85%	
	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)	70%	90%	

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Act Responsibly

Commitment	Strategy and risk mitigation activities	KPIs	Performance 2022	Performance 2023	SDGs
Further specialisation and professional development	Provide specialisation programmes, in-house and with partners	No. of hours of education per employee	97.7	90.3	
Maintaining high level of OHS management system	Ensure safe work environment and effective safety protocols in place	LTI rate	4.9	4.6	
	Ensure safe work environment and effective safety protocols in place	% production sites ISO 45001 certification	10%	20%	
Nurturing inclusion and diversity	Further increase ratio of women	% of women employed	23.1%	23.8%	
	Strengthen youth trade specialisation and employment	% of employees under 30	22.3%	23.9%	
	Secure industry- knowledge legacy	% of employees over 50	17.2%	20.1%	



Transparent Foundation

Commitment	Strategy and risk mitigation activities	KPIs	Performance 2022	Performance 2023	SDGs
Increasing responsibility and sustainable practices in the 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	
	Introduce evaluation in supplier social impacts	% suppliers screened for environmental and social impact	95%	95%	
EcoVadis results		EcoVadis Gold medal (for Aluflexpack Novi)	in assessment		
Advancing standards of business ethics	Insist on ethical relationships with all stakeholders; communicate and ask for commitments set in the CoC	% of key suppliers adopting Code of Conduct	95%	95%	
		Securing gender balance in managing bodies	Implement activities to support equal opportunities and strengthen women's employment and leadership	% of employees adhering to Code of Conduct	
% of women on the Board; % of women in managerial positions	0%, 27.3%*		0%; 24.8%		
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	

* This KPI was reviewed and it was determined that the total % women in managerial positions in 2022 was 27.3% instead of previously reported 33.3%



CLIMATE CARE



In 2023, renewables comprised a third of our total energy mix and approximately 90% of electricity consumption. All our production sites in Croatia (e.g. Drniš) are using 100% green electricity.



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CLIMATE CARE

Embracing our role as a Sustainability Success Maker for our customers, Aluflexpack is making significant progress in climate care through comprehensive operational improvements and the development of sustainable raw materials. Our direct operations have undergone focused efforts to enhance energy efficiency and cut emissions—a commitment set to deepen as we advance along our climate roadmap in the coming years. Just one example of this group wide efforts is our investment in the Drniš plant, where we have invested significantly to improve the sustainability performance and operational efficiency. In collaboration with industry leaders, we have developed low-carbon aluminum solutions that significantly reduce emissions, down to approximately 54% less than the European average, according to the The Aluminium Association. Furthermore, our use of aluminum with 90% recycled content pushes us closer to our environmental goals, reducing emissions to an impressive 85% less than the European average. These improvements are crucial in our mission to support our customers in their sustainability journey, enabling them to provide packaging solutions that meet the demands of an eco-driven market.

Key Climate Care measures 2025+

- Reducing greenhouse gas emissions and decarbonising production
- Increasing energy efficiency and the use of renewable energy
- Protection of ecosystems and biodiversity
- Responsible water-use and effluents management

Aluflexpack's Sustainability Strategy 2025+ aims on reducing greenhouse gas emissions by driving circularity in products, prioritising decarbonisation and the use of renewables, environmental stewardship and operational sustainability in production. Understanding that climate challenges can only be tackled by building partnerships with various stakeholders including suppliers and consumers, we are continually collaborating with them to create impactful synergies on our joint path towards circularity and sustainability along the value chain.

Reflecting our ambition to be the most integrated manufacturer of premium circular flexible packaging and barrier solutions, in 2023 we made the strategic decision to participate in the Science Based Targets initiative (SBTi) Near-Term and Net-Zero Standard. By our commitment to this, we made a decisive step in setting science-based targets that will ensure our efforts are aligned with the Paris Agreement, and that we contribute to a resilient, zero-carbon future.

Energy Efficiency and Renewable Energy

Aluminium packaging production is, like most industrial processes, dependent on energy, the availability and use of which is therefore a priority from business and environmental perspectives. As we expand our production and business activities, we remain committed to reducing energy consumption, improving efficiency and transitioning to renewables.

Our approach remains firmly rooted in continual investment in upgrading equipment at our production sites and optimising processes by carefully monitoring consumption patterns and educating our workforce.

In 2023, we prepared for the implementation of a comprehensive energy management system at our Umag plant in Croatia, aimed at reducing overall energy consumption and GHG emissions. The project itself starts in 2024 and will enable continuous monitoring of energy use and operational efficiency, optimising

Establishing Our Ambitious Climate Commitments

In 2024, we will actively execute the SBTi target-setting process, aiming to have our emissions targets defined and submitted by early 2025. This effort is crucial for enhancing transparency and demonstrating our progress in climate action. We are finalizing a comprehensive roadmap that includes specific short- and mid-term measures to significantly reduce our carbon footprint. Our ambitions are focused on the goals of the Paris Agreement and the European Green Deal, aiming to limit global warming to 1.5°C. Through our commitment to achieving net zero emissions, we demonstrate our leadership in addressing the global climate crisis.

energy efficiency by aligning peak energy demands with the availability of renewables, and facilitate corrective actions based on the data collected and improved pattern understanding by Aluflexpack's employees.

Transitioning towards renewable energy is one of the strategic goals that will enable us to meet the double bottom line of reducing our carbon footprint and increasing resilience to market disruptions. In the past years, we have been continually planning and making investments aimed at increasing the share of renewables in our energy mix.

All our sites in Croatia and Teko in Türkiye purchase electricity entirely from renewable sources.

An additional step forward in our sustainability reporting practices is the publication, for the first time, of the Aluflexpack Group's comparable energy mix. In 2023 renewables comprised a third of our total energy mix and approximately 90% of electricity consumption.

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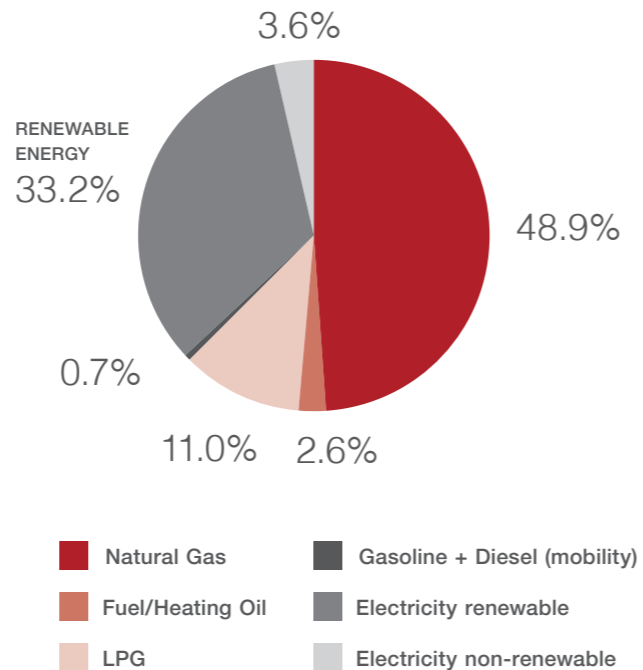
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Our continued strategic climate-related and future SBTi commitments are aimed at further increasing the share of renewable energy in the energy mix in the years to come, switching to 100% purchased green electricity and reducing our scope 1+2 emissions by 42% by 2030.

Share of renewables in electricity consumption

2022: 84%
2023: 90.3%

Total energy consumption 2023



Scope 1+2: 2022 vs. 2023

Due to the expansion of our business activities, Aluflexpack Group's total absolute emissions in 2023 remained at a similar level to the previous year. However, we continued making comparative gains in our emission intensity by successfully lowering it by 4.8% compared to 2022. This improvement was achieved by reducing our Scope 2 market-based emissions by as much as 47.8%, mainly because one of our sites in Turkey switched to 100% renewable electricity in 2023.

To further increase transparency and comparability, in 2023 we also conducted, for the first time, an emission-intensity assessment based on our material throughput per process at the group level, which led to 0.031 tCO₂e/1,000m² of material throughput.

Improvements in emission data granularity and quality

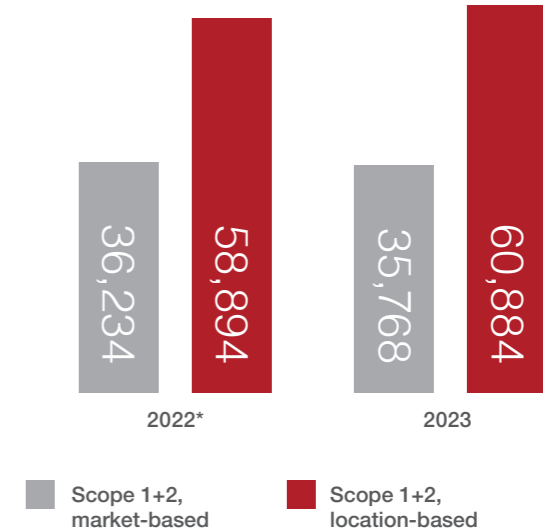
In 2023, we carried out planning and preparations for in-person sustainability workshops at all Aluflexpack sites. The aim of these workshops (conducted between February and March 2024) was to provide information about upcoming EU regulatory requirements, to increase customer sustainability-related requests, as well as to validate energy and emissions data.

At every site, we performed a detailed analysis of all production processes and related energy consumption, in order to identify potential measures for reducing environmental impacts and planning an approach that will enable reaching our future SBTi Near-Term and Net-Zero targets.

During these workshops, we discovered that there had been a misinterpretation regarding the methodology for calculating emissions from solvents for combustion at one of our sites with a significant production volume. This had resulted in structural miscalculation of Scope 1 emissions reported in the previous years.

The clarification of the methodology, data correction, and accompanying restatement has ultimately led to an increase in the reported Scope 1 and Scope 1+2 emissions for previous years (*see restated Scope

Scope 1+2 emissions (market- & location-based, tCO₂e)**



GHG emission intensity (Scope 1+2) in tCO₂ / AFP unit



**site-specific scope 1+2 data at the end of the report

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1+2 absolute emissions and emissions intensity 2022). Nevertheless, this restatement will not affect Aluflexpack's SBTi Near-Term and Net-Zero targets.

Decarbonising Production

Reducing Scope 1+2 emissions intensity in production processes has been a primary focus in mitigating Aluflexpack's environmental impact and contributing to combating climate change. To be able to continue the trend of reducing our in-house carbon footprint as we expand business operations and production, we are simultaneously focusing on decreasing energy consumption by improving the efficiency of our processes, as well as aiming to increase the use of renewable energy sources.

Progressing on our Scope 1+2+3 Climate Roadmap

While sustainability workshops were being conducted at each production site (see description of the restatement of Scope 1+2 emissions), potential emission-reduction measures for Scope 1+2 were identified. These location-specific emission-reduction measures were predominantly linked to potential energy savings, a switch to renewable energy sources, or a combination of both. Our efforts will be aimed primarily at improving energy efficiency and production processes by investing in machinery and optimisation, using innovative lower-emission energy sources, exploring methods to transition from natural gas to electricity, purchasing 100% green electricity and installing photovoltaic systems where feasible.

For example, Eliopack is working on a project to use solvents for energy recovery through a regenerative thermal oxidiser. This will enable the plant to reduce natural gas consumption and thereby limit greenhouse gas emissions and pollution to an absolute minimum.

As we move towards joining global industry leaders on the path towards net zero, we recognise that reducing Scope 3 emissions presents a key focus area. Understanding main emission sources along the

Celebrating Earth Day 2023

We participated at the 4th annual International Environmental Protection Convention organised by the University of Split, in Croatia, which brings together the academic community and the business sector to discuss key problems and to further encourage the public to be more interested in the field of environmental protection. We presented our Solvent Recovery Plant in Umag as an example of industrial sustainability and environmental management that successfully engages the local community.



value chain and collecting reliable data will be of the utmost importance in achieving our climate goals and SBTi commitments. An initial assessment has shown a significant portion of our carbon footprint arises from the procurement of aluminium foil.

Our plan to achieve future Scope 3 emission-reduction goals involves incorporating low-carbon and recycled-content aluminium into our production processes. By adopting these materials, we will be directly addressing our Scope 3 emissions in the future, particularly those related to upstream material lifecycle contributing to improving the circularity and overall sustainability of our supply chain. The preparations for adopting these materials carried out by our R&D department in recent years are expected to enable us to lower our emissions by half without any additional adjustments in production processes.

Recognising both challenges and opportunities on this path, we are enhancing our efforts to collect more detailed Scope 3 data and foster collaboration with

our partners to deliver innovative low-carbon aluminium packaging and barrier solutions that meet the demands of our customers, reducing our environmental impacts.

Find more information on our "Carbon Footprint Reduction Solutions" in the chapter Drive Circularity on page 21.

The Aluflexpack climate roadmap encompassing Scope 1-3 emissions will be developed by the submission of SBTi Near-Term and Net-Zero targets by the beginning of 2025 at the latest; more details will be published in the sustainability report in 2024.

Environmental Protection

Aluminium packaging production does not rely heavily on the surrounding natural resources, but Aluflexpack remains committed to preserving nature by limiting pollution and negative impacts on local ecosystems for future generations and bears a great sense of responsibility for practising efficient use of resources and raising awareness about preserving our planet.

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Environmental performance is managed at the group level by following a set of indicators that are aligned with the leading international standards, benchmarks, and best available practices. To maintain and improve our results, we combine internal and external audits for both local and international standards and regulations, analysing our scores, carrying out maintenance checks and facilitating periodic management review meetings to adjust our course of action according to the latest available data.

Our production locations in Croatia manage environmental impacts following the criteria set out in the ISO 14001 standard. In addition, our plants regularly renew their permits and adjust practices according to 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 2023 we carried out re-certifications under ISO 14001 standards for our plants in Drniš, Umag and Zadar, and we implemented SMETA four-pillar audits for all locations in Croatia. As we continually strive to improve our environmental management practices, we are developing internal HSE management system that will cover and standardize mandatory environmental requirements (ISO 14001 aligned) across the group and provide recommended practices for efficient environmental management. To further improve our environmental impact management, we started collecting data on spills to environment. In 2023 there were no spills to environment recorded in Aluflexpack Group, the same as in the previous year. All these activities will support group-level EcoVadis certification.

Water Stewardship and Management of Effluents

As we strive to be a dependable partner to our local communities, we recognise the importance of access to clean water and place great emphasis on preventing

water pollution, depletion in water-stressed areas and any other adverse impacts caused by releasing untreated effluents. We work with authorised services to ensure we maintain high water-quality standards and that our processes adhere to local sanitary requirements.

Water consumption at Aluflexpack sites mostly consists of drinking and sanitary water sourced from local supply networks, which has minimal environmental impacts, while some of our plants additionally use water for cooling equipment. At two of our locations, water plays a vital role in production processes. In Omiš, it is primarily used for cooling purposes during solvent recuperation system, necessitating regular replenishment due to evaporation, while in Drniš usage of water is needed due to certain technological processes in the treatment of aluminium.

To make sure effluents are adequately treated and disposed of, our production sites use context-specific approaches depending on the location and local regulations. Our primary approach is to connect our facilities to the local sewage if possible or, if necessary, set up independent disposal systems such as septic tanks and water purifiers. Cooling water at our facilities is predominantly utilised in closed-circuit processes, collected and then processed through water treatment ensuring its safe discharge.

In 2023, our water consumption was 119,661 m³, an increase of 28% compared to 2022 (93,289 m³). This rise originates from multiple contributing factors. The commencement of the expansion project in Drniš generated a significant portion of 117% rise in water usage due to testing of new processes, while a burst pipeline incident in Omiš contributed to a 33% escalation. Furthermore, discrepancies were identified in the reported water consumption data from the preceding year, specifically in our location in Zadar, adding complexity to the analysis of consumption trends. Additionally, last year, PPS reported water consumption in liters rather than cubic meters, introducing disparities in the data when comparing across years.

We have initiated assessments of our locations to determine their vulnerability to water risk, recognizing its critical importance in safeguarding our business operations. Understanding and addressing these risks are paramount to ensuring resilience and sustainable growth.

Water risks are a critical global challenge, driven by floods, droughts, and water-borne diseases, worsened by climate change. Access to clean water is vital for human health, industry, agriculture, and energy production, posing a major humanitarian threat. Aqueduct's mapping tool helps users understand and address emerging water risks worldwide through high-resolution maps.

Aqueduct's water risk atlas identifies 5 categories: Low, Low-medium, medium-high, High and extremely high). Four of our locations are in areas classified as having medium to high water risk, indicating that severe events could lead to a loss of business, though the impact is below the level of risk rated as high. These locations include AFP Poland, Arimpeks, Top System, and Teko. None of these locations use water for technological purposes.

Water Risk Strategic projects

1. **HSE management system with water management mandatory requirements and recommended best practices**
2. **Operational plans in place for prevention of waste water potential contamination**
3. **Water conservation initiatives and celebration of Water World Day**



DRIVE CIRCULARITY



Our innovation highlights in 2023: the aluminium solution with up to 90% recycled content and the recyclable pouch. Both are designed for primary packaging, with the aluminium achieving an 85% reduction in CO₂ footprint compared to virgin aluminium and the pouch being fully recyclable.



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DRIVE CIRCULARITY

Building on our commitment to sustainability, Aluflexpack is a leader in promoting circularity in the packaging industry. Key to our strategy is the high compliance of our products, especially our aluminium products with the upcoming Packaging and Packaging Waste Regulation (PPWR), thanks to their exceptional recyclability. This compliance is enhanced by the unique ability to incorporate high percentages of recycled content in our aluminum packaging, offering a distinctive opportunity to foster a circular economy through closed-loop systems.

Our portfolio excels in environmental stewardship, with over 85% of recyclable solutions. This achievement supports our customers' sustainability goals and meets the growing demand for eco-friendly packaging solutions in the market.

Furthermore, we have achieved 90% Life Cycle Assessment (LCA) coverage, moving systematically towards our aim of ensuring all our products are sustainable. Through our Innovation Challenge #2, "Open Innovation across the supply chain" we engage closely with key stakeholders to solidify our position as leaders in sustainable packaging, making substantial contributions to circularity while enhancing our climate care initiatives.

These efforts demonstrate our unwavering dedication to reducing environmental impact and supporting our customers in delivering circular solutions that align with the values of today's eco-conscious consumers.

Our customers are not simply purchasing products from us; we are deeply involved in their development. Our approach is based on the identification of their needs and the development of the products that suit them best, but this is not where our work is done – we are always on the lookout for new materials and ideas, initiatives and collaborations that will perfect our products from the point of view of both quality and sustainability.

Our efforts stem from our 3-WIN strategy: People, Planet, Prosperity, pushing forward the development of advanced packaging solutions.

Strategic Circular Innovation at Aluflexpack

At Aluflexpack, our dedication to enhancing circularity in packaging is not just a goal but a systematic strategy embedded in every aspect of our operations. Through strategic initiatives, we strive to push the boundaries of sustainability, increasing recyclability and recycled content, and minimizing our environmental footprint while maintaining compliance with regulations and maximizing efficiency.

By ensuring our products align with PPWR guidelines, we not only promote high recyclability but also facilitate the integration of higher percentages of recycled content into our aluminum packaging, thereby fostering closed-loop systems within the circular economy.

Moreover, we prioritize the maximization of recycled materials in our products, evident in our development of containers and capsules from recycled aluminium. This not only conserves resources, but also reduces usage of virgin materials, further advancing sustainability objectives.

Innovative product designs, such as mono-material laminates and downsized aluminium foils, enable us to significantly reduce our carbon footprint while maintaining essential barrier properties. These advancements conserve resources and minimize environmental impact, demonstrating our commitment to responsible manufacturing practices.

Operational efficiency is crucial in our pursuit of sustainability. Our in-house R&D initiatives, such as lacquer mixing and the development of PVC-free lacquers, streamline operations, reduce reliance on external suppliers, and offer our customers

Advancing Circularity in Packaging

- Over 85% of our portfolio includes recyclable solutions.
- Aluminum products comply with PPWR for enhanced recyclability.
- High recycled content in aluminum supports closed-loop systems.
- 90% Life Cycle Assessment coverage achieved.

products that excel in the market and align with their sustainability goals.

Furthermore, our commitment to innovation is exemplified through projects like advanced paper barrier coatings and mono-PP lids, which not only enhance packaging functionality but also reduce its environmental footprint, meeting consumer expectations and regulatory standards alike.

Through continuous collaboration with stakeholders, we ensure that Aluflexpack remains at the forefront of sustainable packaging solutions. Our integrated approach not only advances the circularity of our products, but also supports our customers' sustainability objectives, creating additional value for their offerings.

More detailed information on our product solutions are provided on the next page.

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Packaging and Packaging Waste Regulation (PPWR) Task Force

The establishment of the PPWR task force signifies a proactive approach to address the challenges associated with Packaging and Packaging Waste Regulation. This task force aims to identify challenges and opportunities and develop strategies for the effective handling of our customers' future needs.

% share of portfolio recyclability

2022: 80%

2023: 85%

% of product subcategories assessed for life-cycle sustainability

2022: 70%

2023: 90%

Increased Recyclability & High Recycled Content Solutions

Capsules and containers made of aluminium with recycled content: Capsules and containers made of aluminum with recycled content have seen significant advancements at Aluflexpack. In 2023, we expanded the possibility of recycled-content aluminum usage to additional products, including lids and closures. Industrial testing results have been promising, affirming the practicality of incorporating up to 90% recycled content aluminum in our packaging solutions without compromising product integrity. Utilizing high-recycled content aluminum diminishes our dependence on virgin resources. Moreover, this approach significantly reduces CO₂ emissions, achieving a potential reduction up to 85% compared to the European average of primary aluminium, underscoring our commitment to

sustainable packaging solutions. Compliance with stringent packaging standards across various food and non-food applications is fully ensured.

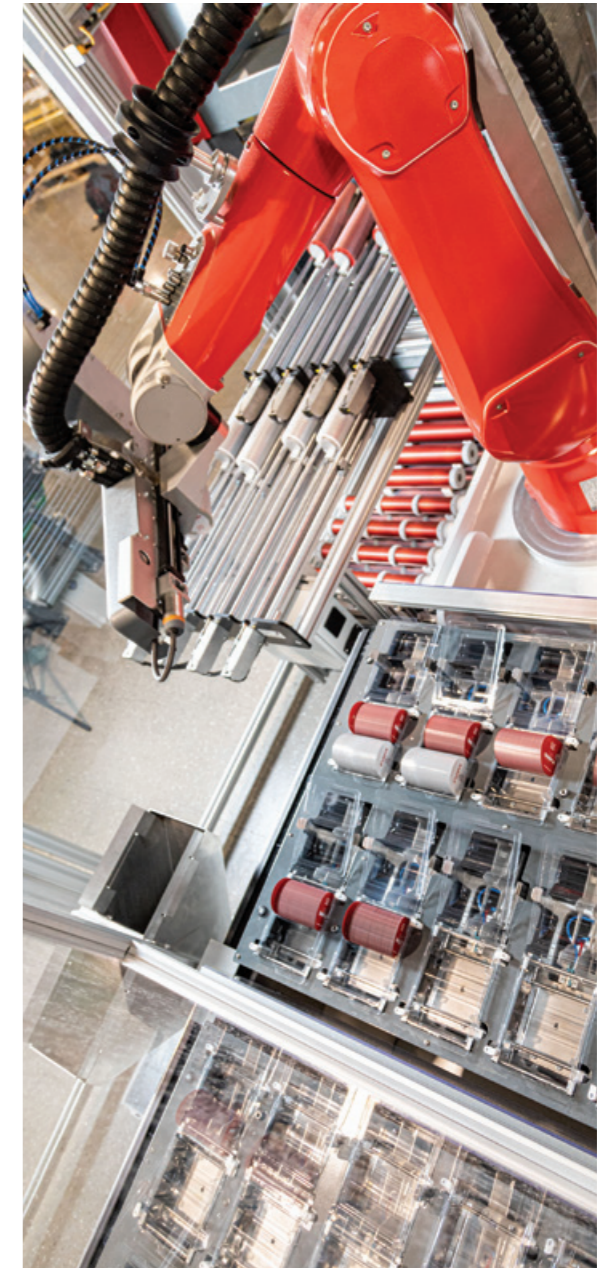
Laminates and pouches with high recyclability: The development of mono-material laminates and pouches for dry-food and pasteurisation applications recorded further developments and optimisations in 2023. These innovative solutions, made of mono polypropylene (PP), mono polyethylene (PE) and blended polyolefins, are highly recyclable, while the elimination of complex multi-material structures supports a circular economy and the preservation of the necessary barrier properties. This solution enables our customers to achieve a very high recyclability score in the context of the upcoming PPWR.

Aluminium containers redesigned for full recyclability: As an even more recyclable alternative to our standard aluminum containers with plastic inner layers (e.g., pet food applications), we have developed a container composed almost entirely of aluminium, enhancing its recyclability to an optimal level (up to 95%). These containers are not laminated with plastic film but are instead coated with special lacquers, making them perfectly recyclable. This innovation provides a reliable and environmentally friendly substitute for a wide range of products.

Smart lidding solutions with mono-PP: Aluflexpack positions itself as a leading specialist in lidding solutions, across all commonly used materials. We made a big step forward in 2023 with mono-PP lids, discovering

Strategic R&D projects:

- Aluminium with recycled content or lower CO₂-footprint
- Downgauging
- Development of mono-materials



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new types of raw materials that can be used for their development and investing in new tools that will allow us to achieve this. For instance, even our mono-PP lids ensure that yogurt lids match the material of the cup, providing compatibility and consistency in packaging solutions and therefore offering distinct benefits for customers by matching with Design for Recycling guidelines fully.

Carbon Footprint Reduction Solutions

The reduction of materials not only enhances product efficiency but also aligns with our climate care initiatives, to further reduce the overall environmental impact.

Thinner Aluminum foil - downgauging for sustainability: Downgauging aluminum foils represents a significant element in Aluflexpack's sustainable innovation efforts. Aimed at reducing the overall CO₂ footprint, this ongoing initiative focuses on reducing the thickness of our aluminum foils without compromising their essential barrier protection and mechanical properties. The goal is to lower the consumption of raw materials and energy, thereby minimizing the environmental footprint of our packaging solutions.

Thinner pouches: In 2023, Aluflexpack made significant progress in the development of thinner pouches, utilizing materials that were rigorously tested and approved. By reducing the thickness of our pouch layers, we've effectively decreased material usage while maintaining the high quality, shelf life, and filling performance our clients expect. These high-performance, multilayer laminates are ideal for a variety of applications including pet food, fruits, and baby food, and are especially suited for retort pasteurization and dry products. Importantly, these advancements do not require any modifications to existing filling machinery. In addition to enhancing product efficiency, we managed to reduce the thickness more than 25%. This initiative has successfully reduced the product carbon footprint, underscoring Aluflexpack's commitment to resource-efficient solutions without compromising on quality or safety.



Innovative Product Development

Pioneering PVC-free container and capsule solutions: PVC, used in lacquers and coatings for its protective qualities, poses environmental concerns due to its non-recyclable nature and the release of toxic chemicals during production and disposal. Addressing these issues, Aluflexpack's initiative to develop PVC-free coatings in 2023 is an important step towards eco-friendly packaging solutions. Following extensive research conducted in partnership with our key suppliers, the development of PVC-free lacquers was carried out in 2023. The encouraging outcomes of this process affirms the feasibility of products featuring PVC-free lacquers, offering product solutions for a future where harmful substances are supplanted by environmentally friendly coatings.

Peel-Off-End (POE): We have successfully developed a new and special POE version for our global customers. POEs are significantly more sustainable than standard can closures, offering greater material efficiency and

energy savings during production. They also enhance consumer convenience with their ease of removal. Moving forward, we plan to integrate aluminium with recycled content to decrease the product carbon footprint of these solutions even further.

Advanced coated paper solution: In collaboration with a paper supplier, adhesive supplier and production-machine company, we started a development project for advanced coatings designed to create the moisture and oxygen barrier of paper materials and ensure perfect sealability. These barrier coatings expand the potential applications of paper, including dry-food packaging, thereby diminishing reliance on conventional plastic packaging while harnessing the renewable and biodegradable attributes of paper.

Success Stories: Investments in a More Sustainable Production

In 2023, we introduced new technology in our Aluflexpack Novi Driš plant in Croatia – continuous annealing and

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pre-treatment. This is a pioneering advancement for Aluflexpack: aluminium foil is continuously heated, to improve its properties – improving quality for further processing and ensuring integration along the vertical value chain. This technology enables working with different, special alloys with recycled content, which need annealing and pre-treatment. By enabling the processing of these materials, this investment substantially boosts the circularity of our production processes and results in products with a significantly lower carbon footprint.

This latest investment, of approximately 70 million euros, was completed after three years of continuous work. We have already started operating the state-of-the-art machines and process-and-products quality-control equipment, using the technologies provided by this investment: chemical and heat treatment lacquering and slitting. This expansion not only brings new technology, increased production capacity and possibilities for CO₂ footprint decrease but also social benefits in terms of increased employment and contractor cooperation in the Drniš local community.

3.5 million euros were invested in environmental protection—this includes the construction and modernization of systems for water purification, waste segregation, and a regenerative thermal oxidiser (RTO). We continuously invest in the utilization of green energy. The importance of this investment for Croatia and especially the Drniš area was highlighted by the visit of the Croatian Prime Minister, with a ministerial delegation, in mid-2023.

As part of this investment, a new metallurgical laboratory in Drniš was set up and equipped to control and secure the aluminium treatment process (continuous annealing); given the change in the mechanical values of the foil at the entrance and exit from the machine, it was essential to acquire equipment capable of monitoring and controlling all necessary foil properties.

The laboratory is thus equipped to measure tensile strength, yield strength and elongation, earing, assess

the homogeneity of the foil (deep-drawing ability) as well as to analyse and test the microstructure and mechanical properties of aluminium foil. This enables comprehensive monitoring and control over the new aluminum treatment technology, significantly aiding in the development of new products and alternative foils for both existing and new applications, particularly in the development and application of recycled alloys. This investment marks a pivotal enhancement in our commitment to advancing circularity in our production processes.

Collaborations in the Value Chain

At Aluflexpack, we strongly believe that only through collaborative efforts between businesses and all their stakeholders can sustainability challenges be addressed at their root. Consequently, we actively engage with stakeholders across the entire value

chain by participating in various international initiatives and associations but also drive our efforts to engage different perspectives across our value chain.

Innovation Challenge #2: Leveraging Diverse Experiences and Insights

Building upon the success of our previous (internally focused) challenge and seeking to identify transformative ideas that promote collaboration among companies, we launched our second Innovation Challenge. Mindful that diverse experiences and insights can bring high value to sustainability-driven innovation, in 2023 we invited industry players to join us in creating a collaborative ecosystem that fosters open dialogue, knowledge sharing and collective growth.

We extended the challenge to other industrial stakeholders as well as to our suppliers and collected



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more than 50 ideas on our open innovation platform aluflexpackopen.nos.co. The successful conclusion of our second Innovation Challenge took place at a three-day bootcamp in Vienna in November 2023. The selected three teams, supported by internal coaches, delved into market analysis, customer insights, business strategies and technology evaluations, developing new ideas and solutions. Collaboration on the projects with suppliers is continuing in 2024 to further develop innovative sustainable solutions; these relationships along the value chain are essential to address current and future sustainability challenges.

Our Innovation Challenge continues in 2024; taking into consideration the importance of fresh and out-of-the-box thinking, this year we will engage with early-stage start-ups, students and research teams who are developing ideas and solutions aimed at various segments within Decarbonization, Circular packaging & Industry 5.0.

Partnerships in Innovation

We rely heavily on partnerships with academia, institutions, companies and knowledge hubs to gain more insight and launch projects aimed at addressing the most important sustainability topics of our industry. These initiatives are focused mainly on utilising the properties of aluminium that place it at the peak of sustainable packaging materials, at the same time enabling maximum recyclability of used products and supporting a circular economy.

Aluflexpack is a member of **CEFLEX (A Circular Economy for Flexible Packaging)**, a collaborative project involving a European coalition of companies and associations spanning the entire packaging value chain, including material suppliers, manufacturers/converters, brand owners, and recyclers. Participating in CEFLEX, Aluflexpack continuously strives to increase the recyclability of flexible packaging. Moreover, as a member of **Flexible Packaging Europe (FPE)**, we collaborate on making flexible packaging a truly future-oriented, sustainable solution, fully effective

and with a minimal environmental footprint. Within the **European Aluminium Foil Association (EAFA)**, we collaborate with our peers on pinpointing and sharing best practices in the use of aluminium as a sustainable packaging material. With CEFLEX, FPE and EAFA we cooperate in the development and positioning of products linked to sustainability, participating in projects aimed at developing packaging design for recycling, recyclability and other sustainable features.

Careful and thoughtful procurement of materials is the beginning of the journey towards more sustainable packaging. This is why two production plants in our group carry ASI certification. The Aluminium Stewardship Initiative (ASI) is dedicated to establishing standards and certifications that promote the responsible production, sourcing and stewardship of aluminium. ASI's rigorous criteria extend across the entire supply chain, from extraction to downstream industries incorporating aluminium into their product ranges.

We also seek new opportunities to join forces with other stakeholders in our value chain and work together on developing new solutions. For example, our partnership with Saperatec, a start-up dedicated to delaminating multilayer foils and transforming them into secondary raw materials, used our products to design technology intended to separate the different layers of multilayer foils, sorting the other materials (like plastic and paper) from the aluminium, and recycling different single materials.

Throughout 2023, we presented our solutions at the most prominent international packaging and processing trade fairs, like Interpack in Düsseldorf and Eurasia Packaging Fair in Istanbul, as well as Pharmapack in Paris and CPHI Barcelona, both renowned pharmaceutical events. We took these opportunities to present our high-quality packaging portfolio, but also learn more about new trends, materials and products, as well as custom-made machines that are keeping pace with the latest innovations.

Resource Efficiency

Effective resource management is crucial in aluminium packaging production due to its impact on both environmental sustainability and economic efficiency. By carefully managing input materials at one end and waste at the other, we minimize our environmental footprint throughout the production process. Implementing efficient waste management practices ensures that valuable materials are recycled and reused, contributing to a circular economy and reducing the need for raw material extraction. Additionally, optimizing resource usage helps us mitigate risks associated with resource scarcity and volatility in commodity markets, enhancing long-term business resilience. Overall, prioritizing resource management from input materials to waste management is essential for sustainable and competitive packaging production.

Across the complete life cycle of our products, we emphasize waste management by creating packaging solutions utilizing downgauging techniques. This strategy ensures minimal material usage without compromising on quality or dependability. In doing this, we ensure the safeguarding and durability of the packaged items.

As we are committed to preserving nature for future generations, we carry a great sense of responsibility for practising efficient use of resources and raising awareness about preserving our planet.

This commitment is embodied in the development of a robust internal management system, meticulously designed to align with the ISO 14001 standard. Our initiative reflects a deep commitment to integrating best practices in environmental management across all facets of our operations. Aluflexpack's integrated Health, Safety, and Environment (HSE) Management System will serve as the backbone of our endeavour, establishing a unified standard to which all our locations are held. In 2024, we will commit to assess all certified locations and yet to be certified locations against newly developed system. The goal is clear:

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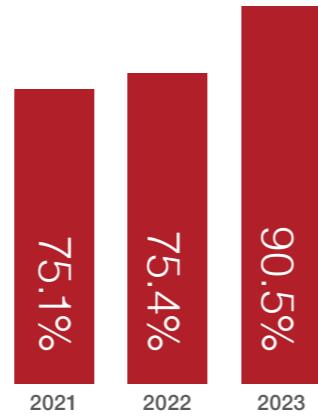
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Waste Diversion Rate YoY (%)



to set a benchmark that upholds our commitment to excellence and sustainability in every action we undertake.

Responsible Waste Management

At the core of our waste management strategy lies our commitment to prioritise reuse followed by recycling (secondary approach), particularly evident in our handling of aluminium scrap, which constitutes the primary component of our waste stream. By selling aluminium scrap in entirety, we actively contribute to the broader recycling efforts within the industry, promoting circularity approach and resource conservation. In addition to our recycling efforts, we emphasize the recovery of waste, especially energy recovery, as a tertiary approach. However, should recycling, energy recovered waste or incineration without energy recovery not be feasible, we adopt a stringent protocol for the disposal of the remaining waste. This waste is meticulously managed in accordance with local legal regulations by specialized companies authorized to handle and dispose of such waste in a responsible manner. This multifaceted approach ensures that every effort is made to minimize our environmental impact

and uphold regulatory compliance throughout our waste management processes.

The efficiency of our waste management procedures across the organization is assessed using a thorough measurement system. This system tracks the total weight of both hazardous and non-hazardous waste, providing a basis for evaluating our waste efficiency. Our performance evaluation is conducted against benchmarks drawn from international standards, global best practices, and cutting-edge methodologies within the field. Results of this evaluation undergo scrutiny in both internal and external audits to ensure alignment with local and international regulations and standards.

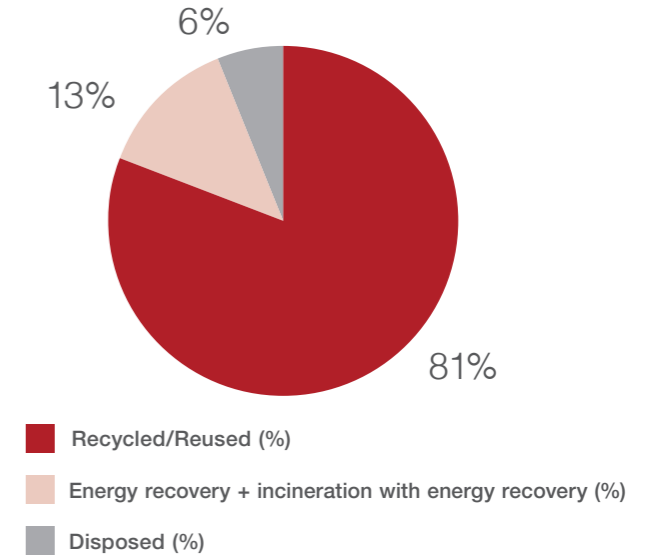
Notably, in the previous year, certain waste quantities were estimated and calculated based on density and volume. In line with Waste Diversion Rate roadmap actions, 2023 marks an improvement as we have implemented weighing procedures at AFP Poland, enhancing the accuracy and reliability of our waste management data.

We are able to report reduction in total generated waste by 3%, primarily driven by the implementation of weighing procedures at AFP Poland and better waste segregation practices. Notably, only 8% of total waste generated was sent to disposal, marking a significant 24% reduction compared to the previous year. This improvement is attributed to enhanced understanding and optimization of waste processing methods, particularly the identification of incineration without energy recovery amounting to 2,593 tonnes.

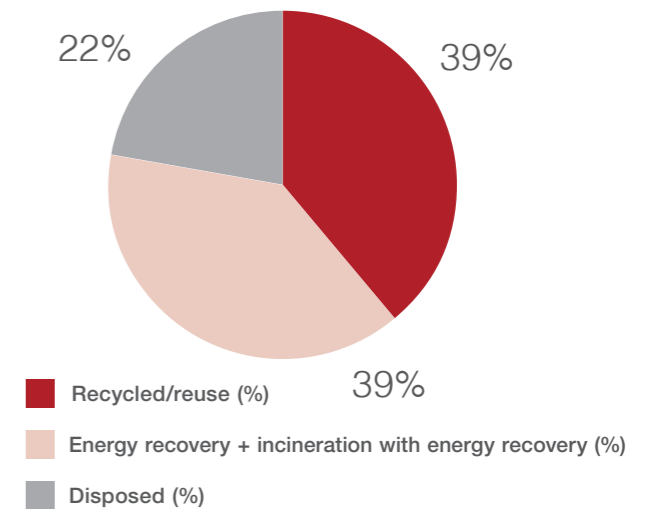
Assessing our two main categories of waste, our total hazardous waste increased by 3% compared to 2022, in which paints, varnishes containing organic solvents and sludges still made up around 62% of the total hazardous waste quantities.

On the other hand, we recycled 21% more hazardous waste, but introduced a new category of waste treatment - energy recovery, which amounts to 36% of hazardous waste. In line with our Waste

Non-hazardous waste by treatment method in 2023



Hazardous waste by treatment method in 2023



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Diversion Roadmap, we have put an emphasis on collecting reliable data on energy recovered waste. The remaining part is then incinerated without energy recovery. Within this category, the waste to disposal has slightly increased by 5%.

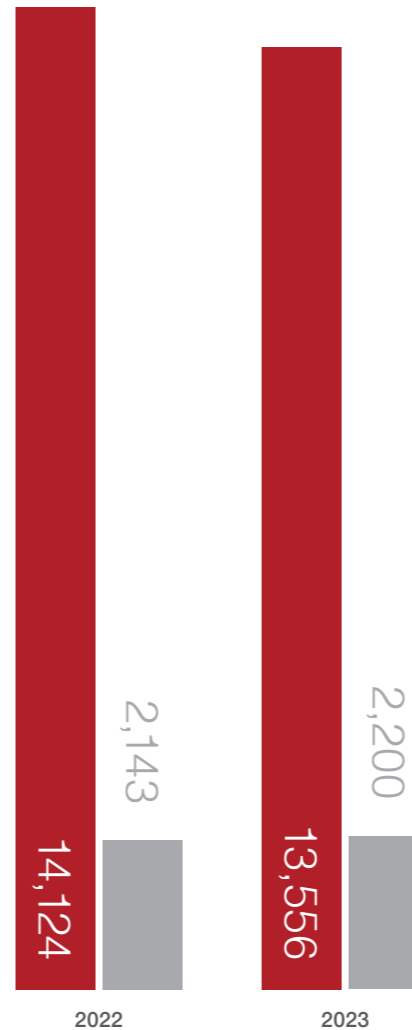
In 2023, Aluflexpack demonstrated a commendable commitment to waste management, where we have witnessed decrease in our non-hazardous waste (4%) compared to 2022. As mentioned previously, aligned with our WDR we have put an emphasis in 2023 on collecting reliable data on energy recovered waste and have been able to identify 12% of non-hazardous waste being energy recovered. This data was not available for 2022. Looking at our recycling/reuse ratio, it has decreased only 1% compared to 2022. These figures underscore our proactive approach to maximizing resource utilization and minimizing environmental impact through efficient waste recovery methods. Moreover, the ratio of non-hazardous waste directed to disposal stands at 6%, reflecting a 3% decline from the previous year.

Following the introduction of Waste Diversion Rate (WDR) target in 2022, we have recorded notable rise in WDR compared to the previous year, which is attributed to the implementation of supplementary waste processing records. Specifically, the introduction of waste energy recovery methods, which has contributed substantially to final WDR result. Incorporating waste processed for energy generation into the total WDR calculation offers a more comprehensive overview of our waste management efforts, aligned with WDR definition.

This enhanced categorization of waste processing facilitates a more precise understanding of the disposal methods employed. By delineating between various waste recovery techniques, we gain valuable insights into the specifics of our waste management practices. This approach not only enables better monitoring of our environmental impact but also supports informed decision-making aimed at further optimizing our waste management strategies.

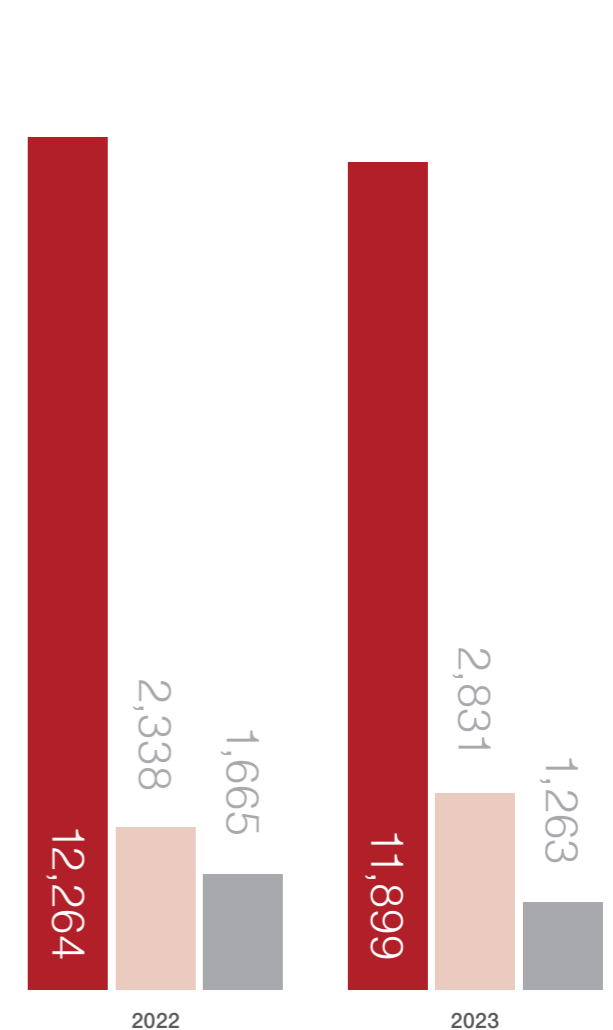
Total generated waste 2023 vs 2022

■ Non-hazardous, total (t)
■ Hazardous, total (t)



Total generated waste by treatment, 2023 vs 2022

■ Recycled/Reused, total (t)
■ Energy recovery + incineration with energy recovery, total (t)
■ Disposed, total (t)



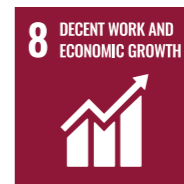


ACT RESPONSIBLY



mo zajedno!

In September 2023, we organised a teambuilding event for four plants located in Croatia. Over 600 people participated in sports and social activities enhancing team spirit and togetherness!



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ACT RESPONSIBLY

Skilled, engaged and committed employees alongside long-term partnerships with local communities are the main assets in pursuing our ambition of becoming a packaging leader in the global market. We remain committed to supporting the growth of our employees and ensuring them a safe and meaningful work environment with an emphasis on the achievement of a healthy work-life balance.

Building a strong organisation by creating a working environment that attracts, retains and develops people is one of the main pillars of Aluflexpack Group's business strategy. A strong organisation can be achieved only by fostering a strong organisational culture, something we at Aluflexpack cherish and strive towards. Our core values reflect the environment we support – ambitious, proactive, empathic, systematic, passionate and with drive to create. These values are the guiding principles that shape our actions and interactions, fostering a culture of excellence, innovation and mutual respect. By living them every day, we strengthen and enhance our collective ability to overcome challenges, drive growth and inspire every team member to contribute their best. Our goal is to build a supportive and dynamic workplace where everyone feels valued and empowered.

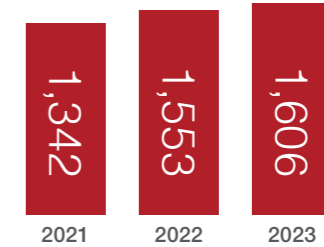
Our human resources strategy, carefully aligned with our overall business objectives, serves as one of the key elements in achieving both business strategy goals and a supportive, high-performance workplace culture. It ensures the ambitious and continuous development of our employees and organisational capabilities, enabling us to pursue our strategic initiatives and operational plans effectively.

As we expand our operations to new countries and continue growing our workforce, we remain dedicated to collaborating with our employees and listening to their voices, so as to enhance current practices and implement innovative approaches. We are focused

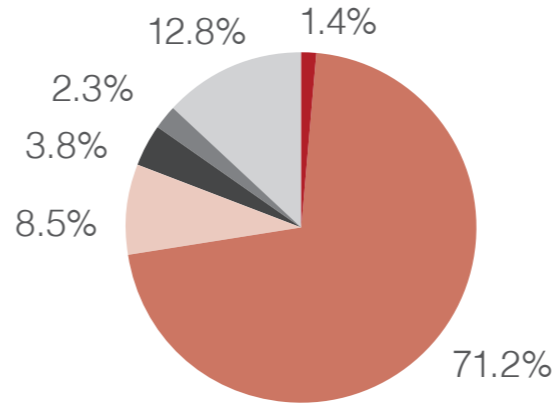
Sustainability Strategy 2025+

- Safe and healthy work environment
- Safety and quality in production
- Learning and development
- Equ(al)ity opportunity for employment
- Diversity and inclusion
- Community engagement

Employee trend 2021-2023

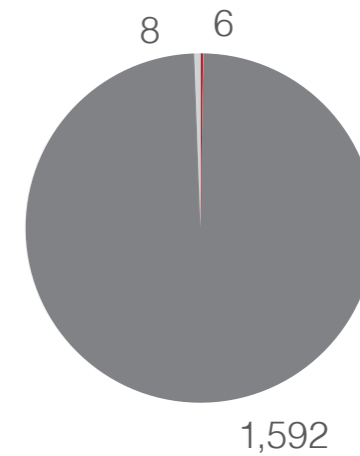


Percentage of employees by country



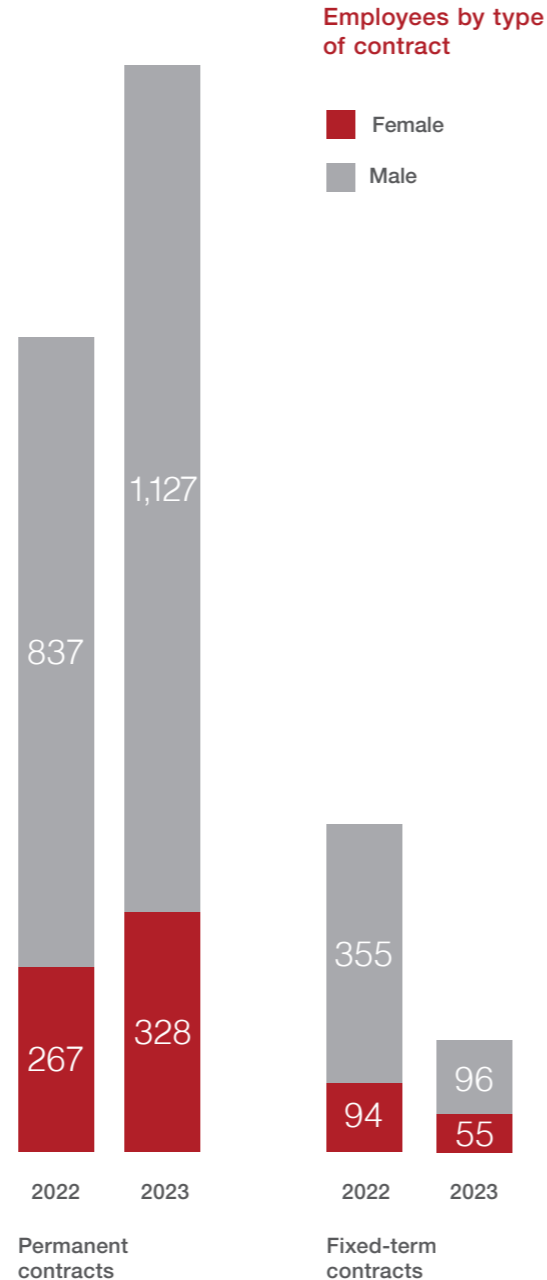
- Austria
- Croatia
- France
- Poland
- Switzerland
- Türkiye

Employee structure



- Agency workers
- Full-time employees
- Part-time employees

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on strengthening the company culture together, implementing initiatives that are aimed at respecting their uniqueness and diversity and carrying out activities that will strengthen our connections and unity while tapping into the richness of local communities.

Our business growth is reflected in the continual rise in the total number of employees at the group level. In 2023, we had 3.4% more employees than the previous year. The growth in the size of our workforce was accompanied by changes in the employment-type structure as well. More than 99% of our people are employed full-time and in 2023, we increased the share of employees with permanent contracts from 71.1% to 90.6%.

Listening to Our People

Building on positive experiences from the previous year, in June and November 2023, we held two management update meetings at every group location. These sessions provide all employees with an opportunity to directly interact with the Group Management Board members, openly express their opinions, share insights and discuss suggestions for improvement. During these meetings, employees are also informed about all important information regarding Aluflexpack's strategy, key projects, and plans at both local plant and group level.

In line with the results of the 2021 Great Place to Work (GPTW) survey, significant efforts were made throughout the reporting year to enhance communication with employees, by implementing mutually agreed action plans. In addition to the aforementioned management update meetings, we implemented new feedback communication channels tailored to the specific needs of each of our plants. The most common form of communication includes open-door days for plant managers at Aluflexpack Novi and monthly meetings with the management at Arimpeks, Omial Novi, Process Point Service and Eliopack. These events are designed for employees to have direct contact with the company management, enabling them to ask questions and get first-hand information from their superiors.

Our Commitment to Human Rights and our Dedication to Diversity, Equity and Inclusion

To make sure the values we stand for are clear to all our employees and other stakeholders, in 2023 we took another step forward by expanding topics covered by our existing Code of Conduct and adopting our Human Rights Policy (covered in more detail in the Transparent Foundation chapter). This policy is focused on fostering an inclusive and diverse work environment where everyone is given equal opportunities and treated with respect and fairness. We prioritise the provision of fair and safe working conditions, alongside ensuring adequate wages, benefits and social security for all employees. Additionally, freedom of opinion and expression is valued and respected from top to bottom. Building on this foundation, during 2024 we will be actively working on developing a comprehensive Diversity, Equity and Inclusion Policy, delivering specific activities and key objectives to achieve our diversity, equity and inclusion goals.

Preparing for the next Great Place to Work Survey

After conducting our Great Place to Work survey in 2021, we successfully implemented action plans for each location, achieving a 99% success rate. This led to the implementation of 103 activities aimed at enhancing employee experience. Building on this momentum, in 2023 we completed preparations for the second edition of the survey.

The second GPTW survey, encompassing all member companies within the Aluflexpack Group, is scheduled for the beginning of 2024. We are dedicated to maintaining quality communication with employees centred on trust and honesty so we can achieve our main goal of making impactful changes in improving our employees' experience and contributing to our 3-WIN strategy.

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To achieve these objectives, in 2023 we launched an information campaign intensifying efforts in the days leading up to the survey, making sure our people are well-informed and prepared. On the basis of the survey results, we are going to develop a new set of action plans, which are expected to be implemented throughout 2024 and 2025, resulting in further improvements in employee experience and satisfaction.

New Benefits for Employees

Employment conditions, policy obligations and practices at Aluflexpack Novi in Croatia are regulated by the newly signed Collective Agreement in place until 31 December 2024. Following the new Collective Agreement for Aluflexpack Novi and amendments to the corresponding regulations in Omial Novi, several new benefits have been introduced for our employees in Croatia which cover 71.2% of employees in the Group. Newly introduced benefits include increased non-taxable income and support, loyalty rewards for pension, and additional days of paid leave for employees with kids and Aluflexpack volunteers contributing to work-life balance and engagement. This agreement also includes health benefits in the form of additional health insurance and supplementary health insurance. Our employees can receive a systematic health examination once a year, and all their additional medication costs are covered through supplementary health insurance. As a key element of our wellbeing strategy, we emphasise the significance of nurturing one's health and our focus will remain on spreading similar health benefits across the whole Aluflexpack Group.

It is worth mentioning that our Aluflexpack Group GmbH employees have been given access to a special employee-benefits portal with exclusive discounts. Discounted offers are always available through a dedicated platform ensuring lasting savings, adding to the overall employee experience.

In Aluflexpack Poland, employees were given vouchers for wellness and cultural events. Such a connection for



nurturing both body and mind is essential to wellbeing and productivity.

Creating a Safer and Healthier Workplace

Prioritising health and safety (H&S) and protecting employees from HSE related accidents, injuries, and illnesses by implementing health and safety protocols not only leads to higher productivity and efficiency but is one of the key elements of overall satisfaction with working conditions. The year 2023 was foundational for Aluflexpack in this segment, with a detailed three-year HSE road map developed encompassing key HSE pillars aligned with our 3-WIN strategy.

We are steadfast in our pursuit of creating a safer, healthier and environmentally sustainable workplace. This commitment is embodied in the development of a robust internal management system, meticulously designed to align with the ISO 14001 and 45001 standards. Our initiative reflects a deep commitment to integrating best practices in occupational health and

safety protection across all facets of our operations. Our integrated Health, Safety and Environment (HSE) Management System will serve as the backbone of our endeavour, establishing a unified standard to which all our locations are held. This system is crafted to manage all HSE elements uniformly, ensuring a cohesive approach across our global operations. The goal is clear: to set a benchmark that upholds our commitment to excellence and sustainability in every action we undertake.

The primary strategic objective in this segment is to minimise the occurrence of injuries per working hours and to drive the lost time injury rate (LTIR) to 2.0 by 2030. This objective is to be reinforced through the implementation of internal H&S campaigns/programmes and H&S initiatives. Moreover, enhancing communication channels, providing comprehensive training and fostering heightened awareness among all employees will be pivotal components in achieving this objective.

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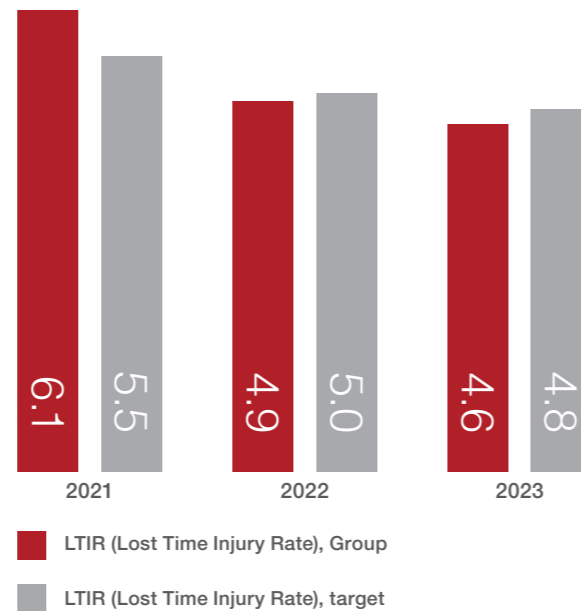
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Key Performance Indicator



The publication of our new group-wide HSE Policy marks a significant step forward in our commitment to sustainability. This policy provides a clear framework and guidelines for setting and achieving group targets and reflecting our dedication to continuous improvement. In 2023, we proudly achieved ISO 45001 certification at our Omiš facility alongside the successful completion of the ISO 45001 control audit at our Drniš facility. As part of our continued efforts, we have diligently prepared for additional ISO 45001 certification, which will take place in 2024 at our remaining locations in Croatia, the Zadar and Umag facilities.

Building HSE Group-Wide Processes

To foster a proactive safety culture, we introduced a group-wide incident-reporting process and made it accessible for all the group site employees via a simple

QR code. This was a pivotal move, making possible the reporting of not only recordable injuries but also near-misses, unsafe acts/conditions, and positive HSE observations. This initiative has been a positive step towards building a proactive safety culture and a more transparent way of recording injuries. We constantly encourage all employees to report any unsafe event and they are able to do so anonymously if needed.

Marking World Health and Safety Day, we conducted on-site workshops and used the opportunity to further engage with employees and explain what the reporting process brings to them in preventing hidden and potential hazards. In line with our ongoing commitment, we have introduced an ad-hoc HSE alert system as part of our proactive approach. Introduced by our group HSE and deployed by local HSE teams with operational teams, this process serves as a vital step in expediting incident investigation and formulating effective corrective action plans. Moreover, it plays a crucial role in bolstering organisation-wide awareness and pre-emptive measures to prevent the recurrence of such incidents.

Working Together

In 2023, cross-division and cross-functional HSE excellence teams were set up to solve some of the HSE problems while building standardised processes. An example of such a learning team included a people from quality, HSE, maintenance and IT teams to set up a new digital visitor/contractor management process

Key Performance Indicators

% production sites ISO 45001 certification

- 2021: 0%
- 2022: 10%
- 2023: 20%

HSE High on Management Agenda

The HSE topic was introduced in 2023 and is now high on the agenda in regular monthly review meetings in our Croatian plants. Additionally, the HSE Group Dashboard with updates (showcasing comprehensive HSE statistics, initiatives and programmes) is communicated regularly as part of Board of Directors meetings. Furthermore, our CEO and CFO make regular site visits to all locations - management update meetings - in which all production employees participate and can pose direct questions to the Management Board regarding various topics. Since 2023 each of our plants has had a dedicated HSE presentation spot to ensure all employees are regularly updated on HSE projects and ongoing initiatives, coordinated by the Group Head of HSE.

that will be launched in 2024 in Croatia, as a pilot at all four locations. The aim is to introduce a digital QHSE brochure with the main QHSE rules and accompanying QHSE questionnaire for all stakeholders visiting our sites. In this way, we streamline processes and ensure that the highest quality, safety and operational requirements are followed when our sites are entered.

Furthermore, the development of an HSE Booklet, driven by the Head of Operations, provides a practical guide for achieving operational HSE excellence, encompassing main safety rules, an incident and investigation management process, safe operations, and performing managerial HSE observations, scheduled for publication in 2024. The managerial HSE observations – an easy to use digital inspection tool - targets our leadership team and helps supervisors across sites perform a systematic HSE observation and drives engagement in HSE topics. A digital form is easily accessed and aims to increase leadership visibility on sites as well as safety leadership commitment with continuous follow-up on actions.

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Hazard Identification Programme (HAZID)

In 2023, we organised and delivered risk management HAZID workshops for operational teams across Croatian sites. These workshops served to establish clear uniform methodology and raise awareness about identifying HSE hazards and assessing HSE operational risks. Each location implemented week-over-week follow-up meetings with main department heads to bring clarity to risk ownership and drive HSE risk management practices forward. We will continue with workshops in the coming year, raising further awareness of all HSE risks, in other group locations as well.

Communication and Building HSE Knowledge

Our newly developed HSE internal portal serves as a central hub for the HSE community sharing HSE news, best practices, templates and internal official documentation, ensuring transparency and easy access to information for all stakeholders. Connecting people across our organisation in regular HSE community calls has further enabled us to share insights, incident-investigation analysis with lessons learnt and new ideas and to monitor our progress towards our HSE roadmap.

The Aluflexpack Life Saving Rules were developed in 2023 and will become mandatory to implement across the group. These were identified in collaboration with the HSE community, targeting the most common causes of incidents, so as to increase the maturity level of our safety culture and raise awareness about the main life-saving rules. The project will start in five locations and will include workshops with workers and local management teams/supervisors. The workshops will serve as an open dialogue safe space in order to gain feedback from operational staff and engage them in safety dialogue on rules and lessons learned from past HSE incidents. The aim is to overcome the language barrier between our locations and increase awareness of the critical rules we need to follow.

Local Initiatives: First Aid for Cardiac Arrest in Aluflexpack Novi

Cardiac arrest can happen to anyone and at any time - it is estimated that as many as 80% of cardiac arrests occur outside of the hospital, and, on average, out of 100 people who experience a cardiac arrest, only 5 to 10 survive. From the moment a person goes into cardiac arrest, the chances of survival decrease by 10% for every minute that CPR is delayed.

After the unfortunate cardiac arrest of a colleague from the production department in Umag, three AEDs - automated external defibrillators - were purchased for the Umag plant.

Following the Umag example we extended the project and procured four defibrillators for the Drniš plant, and one for Zadar. Marking World Heart Day in September, we organised an automated external defibrillator (AED) training session, in cooperation with the team from the Croatian Institute of Emergency Medicine, for six employees in Umag and 11 employees in Drniš. The Zadar plant will organise the same training in 2024.



By purchasing these life-saving devices and officially registering them with the Croatian Institute of Emergency Medicine, we have integrated into the network of publicly available AEDs. This not only enhances our capacity to provide immediate first aid in our company premises but also extends our support to the surrounding communities where we operate, ensuring swift assistance to individuals in need of urgent medical attention.

2023 HSE Results

We strongly believe in setting realistic yet ambitious targets, which we surpassed in 2023, achieving a 5% decrease in LTIR (4.6) compared to 2022 (4.8). Further growing and expanding our operations, we continued to record the same number of lost time injuries as in 2022. We suffered no fatalities in our operations, either of company staff or outside contractors. Furthermore, our LTIR target is now one of the KPIs for a syndicated credit line worth €100 m, which also accentuates the firm commitment and importance of safety for Aluflexpack's long-term sustainable production.

Among the recorded 67 injuries, nine cases stood out due to their higher severity, each resulting in more than 60 calendar days lost. This subset of injuries

underscores the importance of maintaining robust safety protocols and implementing targeted measures to mitigate risks within our operational environments.

The top five direct causes of work-related injuries mirrored the previous year, with incidents primarily attributed to cuts and scrapes; being caught in, under or between; and struck by or against. To effectively address these primary causes, our organisation continues with refresher training and further refining our detailed investigation procedures, ensuring the identification of all underlying factors and that the implementation of appropriate measures is put into practice and followed up. All investigations follow a strict procedure and involve all stakeholders: operational staff, HSE and management – with HSE being in the lead role.

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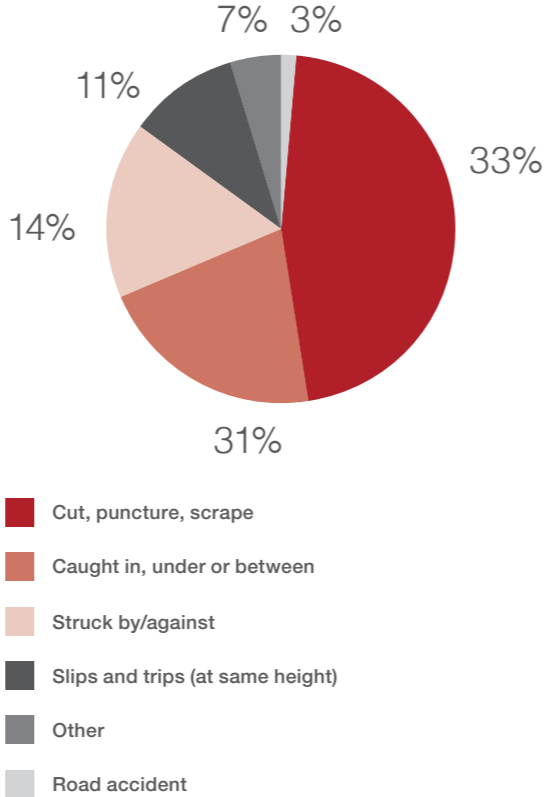
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Top five direct causes



Celebrating World Day for Safety and Health at Work

By promoting prevention of occupational accidents and diseases globally, raising awareness and promoting the importance of a safety and health culture in reducing work-related fatalities and injuries for the first time in Aluflexpack we celebrated world day for H&S. Working in a manufacturing environment can be challenging, especially for production and operational employees. That is why we decided to dedicate one week in April to raising awareness, by implementing numerous

tailor-made lectures, training, and safety quizzes for operational staff.

In 2023 we decided to focus on the main safety hazards present in our day-to-day business and help employees identify and learn all about controls mitigating those hazards. The most common hazards present at each plant (such as noise, mechanical hazards and chemical hazards) were emphasised, and we discussed their impact on health and wellbeing and the prevention of potential injuries. The use of designated personal protective equipment (PPE) for each task was also highlighted. To test worker knowledge after the briefing we conducted short and fun quizzes, and we offered a small reward for each winner. Lastly, we learned and practised how to report all those hidden potential injuries and health and safety incidents waiting to happen such as near-misses, unsafe acts, and unsafe conditions.

A Comprehensive Strategy to Ensure the Wellbeing of our Employees

To demonstrate our commitment and passion to improving the overall work experience at Aluflexpack, in 2023 we created an ambitious employee wellbeing strategy and accompanying implementation plan for the period 2023 to 2025. The strategy is founded on three pillars – Health, Social and Life – aimed at creating a supportive and safer working environment while driving a positive impact upon communities.

Within the Health pillar, equal emphasis is placed on mental and physical health; the Social pillar encompasses employee engagement and community aspects of employee wellbeing; while the Life pillar focuses on work-life balance and developing employee-assistance programmes. The strategy provides clear direction for all group members and includes guidelines for specific wellbeing activities. While some activities are standardised for all group members, each site is encouraged to develop individual initiatives tailored to the local culture and their specific needs.

The implementation of the strategy began with a group-wide mental health campaign under the slogan "Mental

Health is a Journey, not a Destination" in October 2023. The campaign marked World Mental Health Day (marked on 10 October 2023), dedicated to recognising mental health as a key element of overall health. The mental health campaign was accompanied by various educational and informative activities to raise awareness about the importance of maintaining mental health. All materials – including posters, brochures, and online articles containing specific topics on maintaining mental health – have been translated into local languages and distributed in all our facilities. Brochures also included customised contact lists and details on services offering free psychological counselling, to make sure our employees can easily access the required services and experts.



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Aluflexpack Novi and Omial Novi Obtain Future Resilience Certificates

Throughout October and November 2023, as part of our mental health campaign, we carried out a programme for raising awareness and detecting causes of stress, in which 42 Aluflexpack employees in Croatia participated.

The programme build resilience to various business and personal challenges, as well as unpredictable and stressful situations. Our employees took part in five sessions (focusing on emotional intelligence, building assertiveness, dealing with change, preventing stress and burnout, as well as fostering empathy), to nurture more satisfied teams. The education was highly rated by our employees, receiving a score of 4.5 out of 5, proving our mental health campaign was a success and serving as an encouragement to carry out similar awareness-raising activities in the future. As a result of implementing this programme, our group members Aluflexpack Novi and Omial Novi have become holders of the Future Resilience Certificate.

In 2024, we plan to initiate the implementation of further activities to carry out our wellbeing strategy. We will design and implement a volunteer activity within the framework of social responsibility, fostering unity, promoting socially responsible behaviour and enabling individuals within the organisation to contribute directly to the community. We are also planning to provide basic hygiene supplies in all group restroom facilities, including sanitary pads and tampons for women which is also aligned with our gender equity and women's empowerment activities. Our group member Teko has already implemented this measure (in December 2023) along with oral hygiene supplies for men. Lastly, we will look into promoting flexible work arrangements and initiatives that contribute to the alignment of personal and professional life.

Learning and Growing Together

Aluflexpack Group operations in 2023 were spread across 14 locations in seven countries, each having unique characteristics in terms of local context and type of activities. Motivated, skilled and engaged employees are a prerequisite to attaining our ambition of being the best aluminium-packaging producer while expanding our business, making each individual immensely valuable. Our talent management strategy was developed and introduced with the main aim of attracting and retaining individuals willing and able to grow alongside Aluflexpack.

As part of the implementation of the talent management strategy, we have undertaken preparatory measures to align the Talent Management Programme with the 3-WIN strategy and its objectives and key results (OKRs). In October 2023, we held a workshop involving all group heads, CEOs and plant managers to define the competencies essential for the execution of our strategic OKRs. Following the workshop, a comprehensive talent-management implementation plan was formulated: the Key Employee Programme.

In 2024, we will move on to the next phase of the process by conducting in-depth reviews with group heads and CEOs to assess the competencies identified during the workshop and to carry out a gap analysis. This process will result in the definition of key skills, positions and employees from each business function, as well as the formulation of individualised developmental plans for key employees, rooted in the organisation's developmental needs.

Given our substantial growth as a group, in 2023 we also began aligning the organisational structure of group business functions and their corresponding scopes of responsibilities. We intend to conclude the process and, by the end of 2024, standardise the organisational structures for all group business functions (along with the corresponding scope of responsibility), and also standardise job descriptions.

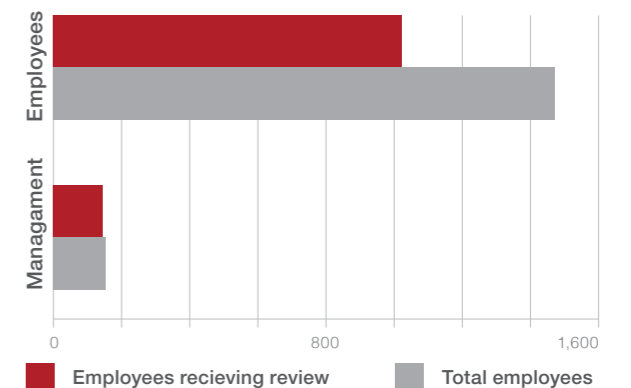
Education and Collaboration

Training and education programmes at Aluflexpack are founded on the individual approach to each employee and outlined in the annual Education Plan. The Human Resources Department coordinates the process by collecting inputs from all departments and locations, considering individual and organisational needs.

In addition to ongoing programmes defined by the plan, each manager is required (and encouraged) to create individual training and education programmes based on the needs of the position and the employee's personal needs and priorities. New arrivals are provided with mentorship and development plans to make sure they can acquire the skills necessary to perform the work at their new positions. In 2023, we recorded 90.3 training hours per employee (M: 96.1, F: 71.7). In the past year, our average education hours per employee slightly decreased from 97.7 to 90.3 due to the optimization of training programme, but it still remains well above the global average of training hours per employee. We have streamlined our training sessions to enhance efficiency and effectiveness, focusing on quality over quantity.

Feedback Culture

Employees receiving performance review in 2023



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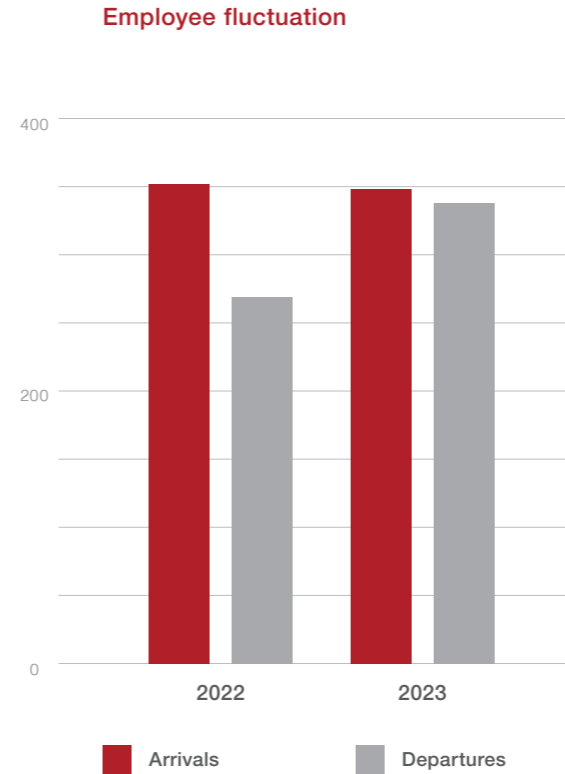
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To ensure comprehensive feedback and achieve development across all levels of our organisation, we conduct performance reviews for majority of our employees. In 2023, 93% of managers and 70% of employees at Aluflexpack Group had received regular performance review, which is an improvement compared to 63% overall in the previous year. High completion rates for managers and employees signal a mutual dedication to ongoing development, feedback and the nurturing of a transparent, accountable and engaged workplace culture based on two-way communication that in turn drives individual growth and organisational achievement.

Adapting to Dynamic Labour Changes

Prevailing labour trends, both in Europe and globally, continue to pose challenges in terms of securing a skilled workforce. Due to labour-market trends, economic and political circumstances and decreasing interest in manufacturing jobs among the domestic population in Croatia (but also in Europe), we have taken a proactive approach to tackle shortages in the local job market by actively recruiting third-country workers, improving the career page, expanding our advertising channels and improving working conditions. Making applications for open positions is easier and more accessible with our new career web page, launched in 2023 and available in all seven languages of the Aluflexpack Group. For example, all open positions for operations in Croatia are posted bilingually, in English and Croatian, and easily accessible on the web page. This initiative will unify the attracting of potential talent throughout the whole group.

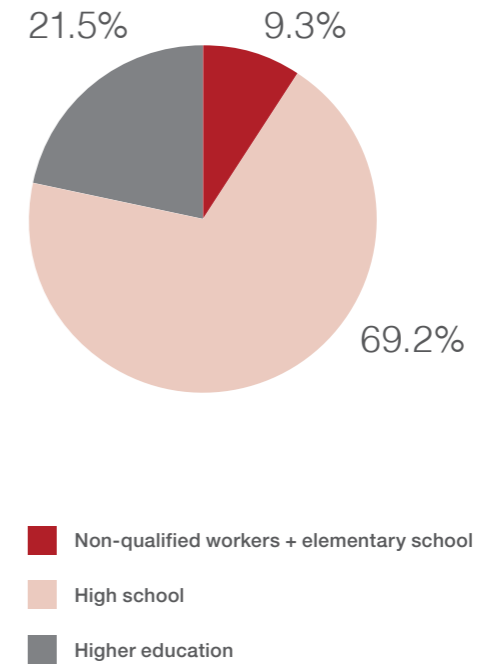
To effectively manage trends in our workforce, we introduced a new methodology for measuring the total turnover rate, which includes both voluntary and involuntary turnover. In 2023, our overall turnover rate was 21.34%. As expected, the highest turnover rate occurred in Turkey due to hyperinflation among



other geopolitical factors which impacted the overall turnover rate.

To make sure we grow in a sustainable manner, we are focused on creating opportunities for hiring from within. In 2023 internal promotions accounted for 45% of all new hires. A high promotion rate reflects our efforts to promote a merit-based advancement culture, offering significant growth opportunities for employees. It also suggests the company is rapidly evolving, necessitating frequent role adjustments to adapt to changes.

Employees by qualification structure



One of our main priorities is to ensure we satisfy the expectations of our customers when it comes to high-quality products providing opportunities to people based on their motivation and skills. Out of 1,606 people working at Aluflexpack Group in 2023, 74% were blue-collar workers directly contributing to the efficiency and quality of our manufacturing operations, while 26% included white-collar workers representing a good balance amidst challenges in the job market.

To mitigate the reduced interest in work in the manufacturing sector, we are also putting additional

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efforts and investment into digitalisation, automation, and the application of AI tools. These improvements in technology and processes will not only enable us to reduce our environmental impacts by optimising production processes but will also boost our resilience and exposure to labour shortages. An example is the automation implemented at our plant in Zadar, where we have fully automated four punching machines by incorporating robotic arms. These machines are highly productive, require a minimal number of operators and provide our employees with attractive opportunities to work on technologically advanced machinery.

Diverse Workforce

At Aluflexpack Group we view diversity as an opportunity, striving to create a workplace attractive for people of different genders and age groups, from various backgrounds and experiences. Conscious that we have a sizeable and multicultural workforce spanning eight countries, building an inclusive as well as diverse company culture is an area of high importance to us.

Women have traditionally been under-represented in our industry. We are trying to change this ratio by creating flexible and inclusive work environment that offers opportunities for growth. The implementation of the activities aiming to improve work-life balance are planned for the 2024. The number of women at Aluflexpack Group is continually increasing, growing by 6.6% while their share in the total workforce rose by 0.7 percentage points compared to the previous year, from 23.1% to 23.8%. In 2023, women occupied 24.8% of management positions.

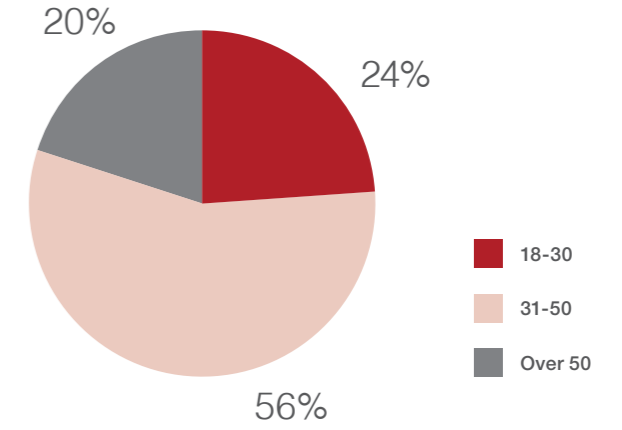
We are also continuously putting effort into providing work for young people and caring for our more experienced people. Prioritising ethical employment practices, we have a strict policy against hiring individuals under the age of 18, highlighting the company's commitment to banning child labour and promoting responsible and lawful work conditions. Most of our employees are between the ages of 31 and 50 but our younger employees (under the age of 30) represent almost a quarter of the workforce.

Data-Driven Human Resources

As the labour market continues to change rapidly, we are also developing our internal capacities to adapt to a more competitive environment. Last year, we focused on strengthening the analytical aspect of human resource management and our HR indicators.

In enhancing data-driven insights, along with GPTW Survey insights, we introduced a new standardised offboarding interview form, accompanied by a self-generated dashboard. This approach allows us a simpler understanding of the reasons for employees' departures and enables us to introduce measures to address identified gaps. This offboarding form will be implemented in 2024 across all group members and will help us further enhance the data-driven approach based on the HR KPI dashboard.

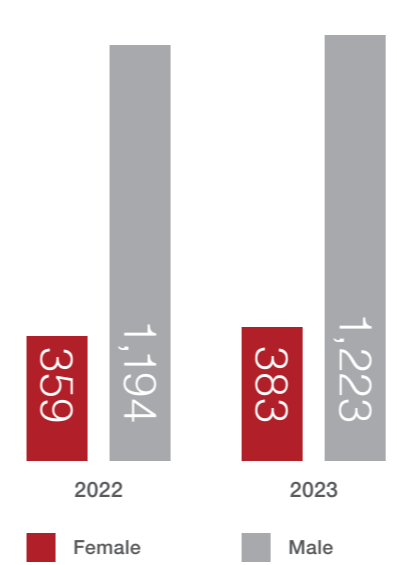
Employees by age group 2023



Standardising the Onboarding Process

Aware that our business is continually expanding, we have introduced a group-wide standardised onboarding process that will enable us not only to successfully adapt to an increasing number of new employees but also to achieve planned and structured onboarding to ensure employee satisfaction, better integration into the organisational culture, and preparation for a successful journey within our company. Given onboarding processes already existed in all our subsidiaries but had been conducted according to local procedures, we have gathered examples of best practice and implemented a comprehensive system covering both the pre-hiring and post-hiring periods with clearly defined roles of key stakeholders and guidelines that can be applied in local contexts, ensuring all employees across the group, no matter the location, enjoy equally well-guided integration from the moment they accept our job offer. In Croatia, for example, we conducted feedback sessions with employees from both production and administration who had been with the company for up to one year, aiming to gather insights into the onboarding process for Aluflexpack Novi and Omial Novi.

Employees by gender



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The new standardised group onboarding presentation contains enhanced and refined materials to familiarise new employees with our company's business scope, culture, values, industries and products. This presentation includes best practices from our group members and addresses the latest recognised needs and experiences. New employees are additionally provided with summarised templates containing information on key regulations, other legal acts, benefits, and the overall flow of the onboarding process.

To ensure the onboarding process is fulfilling its purpose and continually improving, we have created an evaluation questionnaire about satisfaction with it. In 2024, we plan to implement this process across all group members.

Onboarding for Foreign Workers in Croatia

Even though the need for foreign workers in Croatia – and their numbers – continues to grow year-by-year, a unified approach to their integration into the workforce but also into society is still missing, making it the responsibility of employers to ensure they are well-acclimatised. To guarantee we can successfully accommodate an increased ratio of non-Croatian-speaking colleagues at our locations, we have prioritised further improvement and expansion of our onboarding processes. A specialised orientation has been established, providing key supporting mechanisms aimed at familiarising new employees with Aluflexpack's culture and work processes. For the year 2024, we plan to implement an integration plan for foreign workers, which will include workshops for learning the Croatian language, among other activities. Through this integration plan we aim to ease their transition into our company and also their introduction to Croatian culture and local community.

Succession Planning

Succession planning is essential for ensuring organisational continuity, mitigating risks caused by unexpected departures, and developing a pipeline of



Advancing Social Responsibility

As part of our dedicated approach to socially responsible conduct, our Croatian group member, Aluflexpack Novi, conducted comprehensive presentation sessions to inform all current employees about social responsibility topics, with the aim of enhancing transparency, providing better and more informed communication channels with employees, and advancing socially responsible practices within the organisation. Topics covered in this session included the new provisions of the Aluflexpack Novi Collective Agreement, rights related to annual, paid and unpaid leave, salaries, salary allowances and other financial and non-financial benefits for employees.

This education was also focused on raising employee awareness of the importance of corporate

future leaders. Having the right number of successors is crucial for maintaining organisational agility, flexibility, talent development and long-term success. In addition to leaders' successors, critical positions have been identified. From the organisational perspective, this facilitates the transfer of knowledge from employees handling specific tasks with unique expertise and ensures the preservation and dissemination of specialised skills and knowledge while providing employees with clarity about their career path and growth opportunities.

In 2023, we continued executing our standardised succession planning procedures. At Aluflexpack, managers across all levels are mandated to nominate potential successors for their roles, as well as for other key positions within the organization. This practice serves to identify individuals who are prepared or eager to assume new responsibilities within the company. In 2023, we had identified 184 positions in total, which were entered into the succession plan.

social responsibility for the company, and CSR requirements outlined in the Labour Law and the Collective Agreement. The presentation also covered data protection, and privacy under GDPR guidelines, along with explanations of internal social responsibility standards defined through company policies.

Additionally, the session outlined the company's legal procedures, such as the Code of Conduct, rules for appointing a confidential person and the procedure for internal reporting of irregularities. Towards the end, the education sessions highlighted the various certifications in the field of corporate social responsibility that Aluflexpack has acquired over the past years, including EcoVadis, SMETA/Sedex, and the Aluminium Stewardship Initiative (ASI).

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Spending Time Together and Being Active

Aluflexpack employees from all over the group organised team-building activities for employees from different locations and their families. The first joint team-building event by our group members from Croatia (after a six-year break) was organised in September 2023 in Krašograd, titled "Together Event". This activity brought together almost 600 employees from all our Croatian production sites, showing how much we have grown together. They celebrated Aluflexpack's 40th anniversary with an exhibition and a whole day of socialising, fun and a positive atmosphere, as well as numerous sports games.

Following the annual tradition on International Women's Day, Omial's female employees took a trip to Bosnia and Herzegovina to see the natural beauty of our neighbouring country.



The Process Point Service team in Switzerland organised a summer team competition in the mountains and enjoyed their time together socialising capped off by an exciting go-kart drive.

Moreover, our employees from Aluflexpack Poland hosted Croatian colleagues from Omial in Poznań. They spent their time together learning about each other and the rich history of the city.

Our employees from Arimpeks and Teko in Türkiye had their well-known annual team building events in nature with sports activities including their families and strengthening the bonds between them.

Our employees participated in numerous sporting events throughout 2023 such as Wings for Life, the Vienna Marathon, Đirada Pašman, Promina Trail, Jazavac Trail, Zira Brač and sports games organised by the Metal Workers' Trade Union of Croatia, winning first place in five different categories: darts, card games, bocce, mini-football and beach volleyball.

As in previous years, we continued to encourage team spirit by supporting the Omial Novi football team in the Companies League in Croatia.

We are proud to say that our companies are fostering collaboration and camaraderie by extending invitations for team-building activities and visits to each other's plants and offices, providing opportunities to meet and engage with fellow employees. This spirit just underlines the togetherness we foster in Aluflexpack.

Small Deeds Making a Big Difference

To mark International Volunteer Day, we organised a reception for one of our employees at the Aluflexpack Novi Umag plant, who received the Volunteer of the Year Award from the City of Umag for his selfless work as a running promoter, helping the Olympic Association with training sessions and races and spreading the attraction of running and the positive effects of recreation to its members while volunteering in the local hiking club and fire department for the past 15 years.

We also acknowledged two of our colleagues in Croatia who distinguished themselves as voluntary blood donors in 2023 by reaching their 30th and 60th donations, respectively.

Every year when Christmas approaches, Aluflexpack employees from Poland remember abandoned animals. This time, they bought food, blankets, towels and other necessary items and took them to the shelters in Skarłów and Tychy.

Top-System employees in Poland prepared sweet gifts together – Rogale local pastries – to share with our valued customers. In modern times, they are baked to celebrate Poland's Independence Day.



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Another Year of Support for GOOD Fest

To demonstrate our commitment and support for the arts and quality projects in the local community in Drniš, we supported the GOOD Fest for the third year in a row. During the festival, we also set up the exhibition “Drniš: The Story of Aluminium”, where visitors could learn how Drniš’s rich history and natural resources have shaped and influenced the present day of both Drniš and our plant.

Drop in the Cap for Expensive Medicine

During 2023, our initiative “Drop in the Cap for Expensive Medicine” continued. Nearly 250 kilograms of plastic caps were collected across our Croatian plants, for the Leukaemia and Lymphoma Patients Association. The funds obtained from collecting this valuable raw material enable the association to procure expensive medications for individuals suffering from severe malignant diseases. By collecting plastic caps, we also contribute to environmental wellbeing. Additionally, in 2023, a visual rebranding of the collection boxes was implemented, to further promote and visually strengthen the initiative, showcasing our continued dedication to this initiative.

Contribution to Science and Education

In 2023, school and university visits were exceptionally significant for our companies in Croatia. Starting with a visit by an elementary school in Umag in March, we continued to expand our collaboration with educational institutions across the country. The Graphic School in Zadar also had the opportunity to visit our facility there, providing us with a chance to interact with future professionals in the field of graphic design.

Furthermore, visits from teachers at the Jure Kaštelan High School in Omiš and professors from the University of Applied Sciences in Šibenik to our facilities in Zadar and Drniš further deepened our ties with the

educational community. This exchange of knowledge and experiences is beneficial both for our company and for teachers and students who had the opportunity to familiarise themselves with our work and industry practices.

We stood out as sponsors at the Faculty of Chemical Engineering and Technology in Split and also held a presentation at the “ZORH” convention, presenting to students the case study on the recuperation unit in Umag, demonstrating our commitment to supporting education and research in the fields of chemistry and technology.

We also attended the Job Fair at the Faculty of Engineering in Rijeka, where we explained our activities to interested students and presented them with internship opportunities in all four of our Croatian facilities.

In addition, a total of 13 student practices were completed in our Croatian plants during 2023. Out of these internships, nine were from universities, and four were by high school students. Students came from universities and high schools in Rijeka, Split, Zadar and Pula.

All these activities not only strengthened our ties with the Croatian academic community but also provided us with the opportunity to exchange ideas, explore collaboration possibilities and identify potential talent for future employment. This diverse interaction with educational institutions in Croatia in 2023 contributed to our company’s development and simultaneously supported the growth and development of young professionals in our industry.



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Engagement Across the Value Chain: From Suppliers to Customers

Integrating sustainability into the value chain is essential for driving innovation, reducing costs, enhancing brand reputation, ensuring regulatory compliance and creating long-term value for business, society and the environment. By adopting a holistic approach to sustainability across all stages of the value chain, we aim to unlock new opportunities, mitigate risks and contribute to a more sustainable and prosperous future.

Sustainability in the Supply Chain

A sustainable supply chain is integral to achieving long-term business success, resilience and responsible stewardship of resources. By embracing sustainability principles, we aim to create shared value for our stakeholders, mitigate risks, drive innovation and contribute to a more prosperous, equitable and environmentally sustainable future.

In 2023, our production consumed 62,600 tonnes of input materials, maintaining the level from the previous year. Almost every material we use, including aluminium, plastics, paper, cardboard, wood, and liquids, is recyclable, contributing to the sustainable design of our products and their packaging. However, only about 4% of these materials are currently sourced from recycled content, primarily paper and cardboard, which are mainly utilized in our product packaging. An increasing proportion of our aluminium products contain recycled material, and we are actively pursuing certification for these materials to enhance the percentage of recycled content in our products.

Aluflexpack Group cooperates with more than 1,300 suppliers, over 90% of whom are from the EU. The materials we supply the most within these partnering relations are various types of alloys and thicknesses of aluminium foil, different lacquers

and chemicals needed for the production of flexible packaging, polymers (PP, PET, PE and other films) as well as paper for lamination and packaging materials like pallets, cardboard boxes and so on.

Supply chain disruptions, geopolitical instabilities and price volatility are trends and risks we take into consideration in the development and management of our supply chain, approaching them with careful selection and supplier diversification. Therefore, within these relations, we apply the same principles of operations: what we expect from ourselves in terms of impact, risk and opportunity management we also expect and encourage in our suppliers. This is why in 2023 we started to create a Supplier Code of Conduct which will be communicated to suppliers as soon as it is published.

The updated Code of Conduct obligates our suppliers to compliance with laws and social norms, integrity and non-discrimination, fair competition and ethical business practices, responsible sourcing, respect for human rights, protection of health, safety and environment, and data protection. Suppliers are encouraged to use the established mechanism for reporting any violations of the Code of Conduct and are guaranteed protection against retaliation. In the reporting period, all of our suppliers responded to the questionnaire, while major suppliers were successfully audited at their locations. There were no negative environmental or social impacts recorded within these evaluations and audits in 2023.

Following our efforts in decarbonisation and contribution to the circular economy, we engage with our suppliers in projects aimed at minimising our joint environmental and climate impacts. One such project was launched in 2023, focused on recycling scrap aluminium and reusing it in our production cycle. The project will continue in 2024.

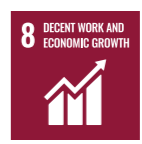




TRANSPARENT FOUNDATION



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!



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TRANSPARENT FOUNDATION

Proud to have established Aluflexpack as a trustworthy partner and a respected stakeholder renowned for its transparent, ethical and robust management practices, we are working towards setting a clear and consistent foundation for all our strategies and actions. Realising our aspirations entails several crucial components, including unwavering personal commitment, transparent and efficient communication, a unified team ethos, a perpetual quest for innovative quality and a steadfast focus on meeting customer needs.

We strive to embed our dedication to sustainability deep within everything we do, aligning seamlessly with our overarching strategies and endeavours aimed at fostering positive impacts on the environment and the communities we serve. These concerted efforts serve as the bedrock of our success, empowering us to consistently deliver outstanding outcomes. Following this mindset, we aim to craft policies and guidelines that amplify our accountability and fortify our relationships with stakeholders, upholding the utmost standards of ethical conduct and corporate governance. As pioneers in both the market and technology realms, our main objective is to pursue a sustainable growth strategy that underpins value creation over the long term.

Recognising our impacts on the environment and society, as well as the opportunities that come from our understanding of our market and sustainability context, we do not neglect careful consideration of risks that could affect our performance capabilities. Every year, we conduct a group-wide risk assessment that, besides operational, financial, strategic, IT, market and external risks, addresses ESG risks in our entire value chain.

Therefore, sustainability performance metrics are integrated into the Key Performance Indicators (KPIs) of the Management Board. This ensures they receive equal emphasis as all other strategic management areas. To align management compensation with Aluflexpack's dedication to environmental, social and governance

objectives, individual targets – including specific ESG benchmarks – are incorporated into the compensation framework. This guarantees that the achievement of Aluflexpack's ESG objectives significantly impacts the remuneration of the management team.

The identification of ESG objectives for the Management Board and the evaluation of their fulfilment fall under the responsibility of the Board of Directors. The Board evaluates and establishes new ESG objectives on an annual basis, fostering Aluflexpack Group's commitment to continual enhancement and advancement in its ESG efforts. The Management Board members receive regular updates on sustainability matters within their individual and collective spheres of responsibility. Furthermore, in 2023 we prepared thoroughly for a step forward towards realising our commitments, integrating sustainability standards and communicating transparently with our stakeholders. As a result, in early 2024 we reached an agreement with financing partners to integrate sustainability criteria in the existing syndicated credit lines of €100m. This is the first time that the group has tied its loans to sustainability targets.

Risk Management

Aluflexpack and its subsidiaries have established a comprehensive risk management system, on the basis of which results are reported at least once per year to the Board of Directors and to the Audit and Compliance Committee. The risk management system focuses on identifying, assessing and evaluating risks and their potential impact on the Group's profitability and financial stability. The main objectives are to help actively manage the Group's risk exposure, provide a tool to prioritise actions and raise risk awareness among risk owners. All risk-related activities of the Group are subject to the Group's risk management framework regardless of the legal entity in which they are undertaken. Consequently, the framework is applied at group level and cascaded to all legal entity levels.



Success Stories: Great Start with the Croatian Sustainability Index

In its first year of participation in the Croatian Sustainability Index (HRIO), Aluflexpack Novi achieved amazing results, surpassing industry averages in all categories, scoring an impressive 99 per cent in Sustainable Corporate Governance, and achieving a perfect 100 per cent in Human Rights!

The Croatian Sustainability Index is a methodology that enables a comprehensive insight into sustainable business practice applications, in line with the latest European Union directives and regulations, and enables companies to compare their achievements with those of others in their respective fields. It evaluates business practices in six categories: sustainable corporate governance, the working environment, environmental management, community engagement, human rights and children's rights.

While the assessment was done for Croatian plants, it is highly relevant across our whole Group value chain, as our Croatian plants have a major group impact. This sets a good marker for our future activities and sets a base for expanding best practices across the entire group in the years to come.

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A continuous assessment of its risks also helps the Group systematically leverage business opportunities.

Following an inclusive bottom-up approach, key management personnel, including the Management Board members, identify and assess the risks. Participants use a detailed risk assessment form, covering risk categories, descriptions, probabilities, estimated damages, current preventive strategies, and potential improvements. Regular assessments by the Management Board and immediate reporting of major changes in the Group's risk profile to both the Board of Directors and Audit and Compliance Committee ensure proactive risk management.

Among different risk categories (such as operational, financial, external, market and IT), the Group also analyses ESG risks linked to human rights, environment, labour rights, image and reputation, among others. To comply with future ESG regulations such as the Task Force on Climate-related Financial Disclosures (TCFD), the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy, a climate physical-risk scenario will be conducted in 2025 at the latest.

Ethics and Integrity

We recognise our obligation to uphold ethical standards across our entire value chain. Our operations revolve around principles of fairness, transparency and openness towards all stakeholders, fostering long-term relationships based on mutual trust. By considering the long-term impacts of our every decision on society, the environment and future generations, we aim to create value in a way that is both economically viable and socially responsible. Enforcing a strict zero-tolerance stance against corruption and bribery, and implementing proactive measures to prevent its occurrence, we actively manage corruption risks. Following our governance ethos, Aluflexpack Group abstains from making contributions to political parties.

Guiding the behaviour of all Aluflexpack employees, our Code of Conduct, updated in June 2023, is grounded in the principles of the International Bill

of Human Rights, the EU Convention on Human Rights, the Ethical Trading Initiative (ETI) Base Code and the Aluminium Stewardship Initiative (ASI) Standard. Our code articulates the principles and values underlying our daily operations, setting forth expectations of behaviour for ourselves and all our business partners. Furthermore, we maintain a zero-tolerance policy towards any form of financial or non-financial fraud, bribery, corruption or extortion; we demand the full respect of all human and labour rights, rejecting discrimination based on factors such as race, religion, political beliefs, disability, gender, maternity status, age or any other characteristic.

Following our commitments enshrined in the Code of Conduct, in 2023 we further strengthened our positions by adopting the Human Rights Policy, demonstrating our commitment to respecting, protecting and promoting human, child and labour rights, along with a dedication to diversity and inclusion. Aluflexpack Group is committed to upholding and promoting human rights as a fundamental pillar of our sustainability and responsible practices through our three business pillars (People, Plant and Prosperity) and our leading Core Values. We embody these values through every aspect of our business operations. By integrating these principles into daily practices, we drive innovation and excellence while ensuring our path to sustainability respects human rights, and honouring our communities, environment and stakeholders.

The policy is based on the following principles:

- **Non-Discrimination and Equality & Respect for Human Dignity:** we are committed to creating an inclusive and diverse work environment where everyone is treated with respect and fairness, promoting non-discrimination and equality in all areas of our organisation.
- **Labour Rights:** Aluflexpack does not tolerate any form of forced labour or child labour, and it upholds fair working conditions, social security, and freedom of opinion and expression while adhering to applicable wage, work-hours and benefits laws.

Aluflexpack does not employ or use children (persons under the age of 18) in any type of labour.

**A Step Towards Group-Wide EcoVadis Certification**

Acknowledging its significance as a yardstick for our environmental, social and ethical endeavours, we have proactively enacted EcoVadis measures to bolster our sustainability initiatives and address pivotal concerns. Beyond merely aiming for a rating, our focus has been on fostering authentic sustainable growth and delivering meaningful contributions to global sustainability. In 2022, we received EcoVadis Gold status for three of our production locations in Croatia, while reassessment was started by the end of 2023 which is currently under assessment. In 2023 we also started preparations to introduce EcoVadis certification at the Aluflexpack Group level. Our efforts towards integration and standardisation based on sustainability principles underscore our unwavering dedication to sustainable growth and our aspiration to effect positive change in the world.

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- **Children’s Rights in the Communication Area:** we ensure that our communications and marketing do not adversely impact children’s rights, avoiding reinforcement of discrimination and unrealistic or sexualised body images, while promoting positive self-esteem, healthy lifestyles and non-violent values.
- **Work Environment (Health, Safety and Environmental Protection):** we prioritise the health and safety of all individuals involved in our operations, implementing rigorous safety protocols and maintaining a shared responsibility for health and safety through adherence to HSE Policy principles.

Aluflexpack encourages employees and stakeholders to promptly report any violation of human rights through a dedicated reporting system. This can be done safely and anonymously using an online form that has been set up with a supporting investigative process. The reporting system allows for anonymous reporting following the applicable whistle-blower regulation and covers various misconducts, including breaches of the Code of Conduct, bribery, corruption and discrimination, as well as environmental concerns. The company emphasises the importance of providing accurate information and ensures confidentiality and

anonymity in the reporting process. All reports are subject to prompt and thorough investigation, respecting the privacy and dignity of all persons involved.

In 2023, a total of seven cases were recorded via the whistle-blower tool; in two of these, the complainers claimed that ethical standards had been violated. In both cases, Aluflexpack launched an immediate investigation. In one case, no evidence was found of a violation of ethical standards; in the second, it was identified that the accusation did not reflect the truth. No complaints were recorded regarding possible violations of human rights.

We fully understand our obligation to work continuously on awareness raising in our organisation about the matters of ethics and human rights. This is why all employees receive regular training and awareness-raising activities on human rights issues, including their rights and responsibilities and how to prevent and address human rights violations within the workplace, in their onboarding and orientation sessions.

In 2023, our primary focus was on developing a Human Rights Policy, establishing the groundwork for our dedication to fostering diversity, equity and

inclusion (DEI). Building on this foundation, during 2024 we will be actively working on the comprehensive development of a DEI policy, delivering specific key objectives to achieve our diversity and inclusion results.

Uncompromised Quality

The flexible aluminium packaging we produce is used for perishable goods or items sensitive to environmental factors like moisture, light or air. High-quality packaging ensures that the product remains protected from these elements, preserving its quality and shelf life. It also ensures that the product is safely contained, reducing the risk of contamination, leakage or other hazards. This is particularly important for food, pharmaceuticals and other products where safety is paramount. Furthermore, quality packaging often translates to durability and reusability, reducing the need for frequent replacements and minimising environmental impact. Finally, high-quality packaging materials may be more recyclable, contributing to sustainability efforts.

Taking all these aspects into consideration and following the demands of a packaging regulation that calls for the monitoring of all regulatory changes that lead to shifts in the composition of materials and the quality of raw materials, Aluflexpack’s strategy centres on maintaining consistent and reliable product standards. We are dedicated to delivering outstanding quality and safety, instilling trust in our customers through adherence to industry-specific regulations and standards. Moreover, we continually invest in advancements in science and technology within the industry.

Our manufacturing processes are conducted under meticulously planned and closely supervised conditions. We consistently monitor and ensure the conformity of documentation to applicable specifications and environmental requirements. Along with offering our customers products of the utmost quality, we communicate the regulatory demands that dictate our new solutions, such as the approach to issues like NC-free, BPA-free, PFAS-free and other regulatory requirements, working in parallel on the development of analytical methods to validate all these changes.



Seeking certification from recognised standards bodies such as the Aluminium Stewardship Initiative (ASI), which sets standards for responsible aluminium production and supply chain management, we demonstrate our commitment to sustainability. Aluflexpack purchases aluminium foil exclusively from ASI members, thereby minimising sustainability-related risks. Furthermore, in recognition of our efforts, the Aluminium Stewardship Initiative certified our plants in Drniš and PPS against ASI Performance and Chain of Custody Standards in 2021.

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Our quality-management system adheres to ISO 9001:2015, BRCGS issue 6:2019 Packaging Materials, ISO 14001:2015, ISO 15378:2011, and ISO 22000:2005 standards. Moreover, designated team leaders and members at each site possess the necessary responsibility and authority to implement ASI and/or FSC standards, along with standard internal training and audit protocols. Additionally, we ensure alignment of our social and environmental protection systems with ISO 14001 standards, SMETA/Sedex, and EcoVadis requirements.

Recognising the importance of a uniform approach to quality management, in 2023 we reorganised our quality assessment system with quality-control and quality-assurance departments in all locations of the Aluflexpack Group. In this process, internal audits of all locations were made to record the current situation, prepare a platform for organising corporate manuals and documentation as well as to strengthen cooperation on the implementation of standards (including risk analyses for the production of high-hygiene products). We accentuated our collaborative approach by organising the annual meeting of the quality group with topics that included the latest development projects and regulations related to packaging and packaging waste. For example, all regulatory changes related to EU 10/2011 on plastic materials and articles intended to come into contact with food were communicated at the group level, and a group Declaration of Compliance document was prepared, which includes the item Environmental Declaration related to handling packaging waste.

Aiming to refine our processes, avoid possible mistakes in production caused by misinformation in initial phases and establish clear project tracking of samples, we initiated the project of input data management, creating a unified template for product data collection that will be used by all member companies with their customers. Furthermore, in our risk analysis scope, in which we focused strongly on product characteristics (chemical, microbiology, foreign body risks), we looked into developing a risk management tool to be used at the group level.

Role of quality in the 3-WIN strategy:

- Excellent customer feedback in all audits
- Development of internal practices to upgrade group-wide cohesion
- A-level BRC audit results across the board

**Key Performance Indicators
Customer evaluation results
and audit results**

A high level of satisfaction recorded in all evaluations and customer audits

In 2024, we plan on equipping the laboratory with instruments for controlling the content of recycled material and improvement of analytical methods.

Throughout 2023, our company experienced zero instances of non-compliance related to the health and safety impacts of our products, with no product recalls on the market. Furthermore, we had no compliance issues related to environment and governance topics in 2022 and 2023. We take pride in consistently garnering positive feedback from our customers, which not only reflects the high quality of our products but also acknowledges the strong relationships and collaborative efforts we cultivate. More than 90% of our existing customers communicated excellent grades and gave positive feedback, while we recorded A or higher in announced and unannounced BRC audits on our production locations in 2023.



A Token of Gratitude from a Loyal Customer

In October 2023, one of our loyal customers decided to thank our employees for their dedicated work! The employees from our factories in Drniš, Omiš, Umag and Zadar received customer's products and enjoyed them over their breaks and shared another special moment together.

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MATERIALITY

Sustainability Strategy Reflecting Material Impacts

To ensure that value creation for our stakeholders goes hand-in-hand with environmental stewardship, the well-being of our employees, building long-lasting partnerships and supporting the development of local communities, we have placed the responsible management of sustainability impacts at the heart of our Sustainability Strategy 2025+. A thorough materiality assessment process carried out in 2022 serves as the basis for a materiality re-assessment of our core sustainability areas, taking into consideration fast-paced developments in our industry, increasing expectations from our stakeholders and dynamic changes in the global context.

As we prepare, in future reporting periods, to conduct a double materiality assessment that will fully reflect our sustainability universe – by mapping relevant stakeholder groups and engaging them in recognising actual and potential positive and adverse impacts of our activities and business relationships on both the environment and human rights – we have established a due diligence framework and created a materiality matrix that encompasses the full scope of stakeholders' diverse interests and expectations. Integrating the unique perspectives of our 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), and local communities in our business planning in the coming years will enable us to stay the course in creating financial value for our shareholders while growing as an environmentally and socially conscious company.

Given that there were no significant changes in our business model, activities or partnerships in 2023 that could lead to considerable changes in our material topics and affected stakeholders, in this reporting year we focused on previously recognised areas and prioritising those with the greatest potential impact. To

Priority material topics

HIGHEST PRIORITY:

- Decarbonisation of production
- Responsible waste management
- Responsible management of effluents
- Energy efficiency and renewable energy

HIGH PRIORITY:

- Responsibly sourced raw materials

MEDIUM PRIORITY:

- Protection of ecosystems and biodiversity
- Responsible water management

HIGHEST PRIORITY:

- Ethical and responsible management

HIGH PRIORITY:

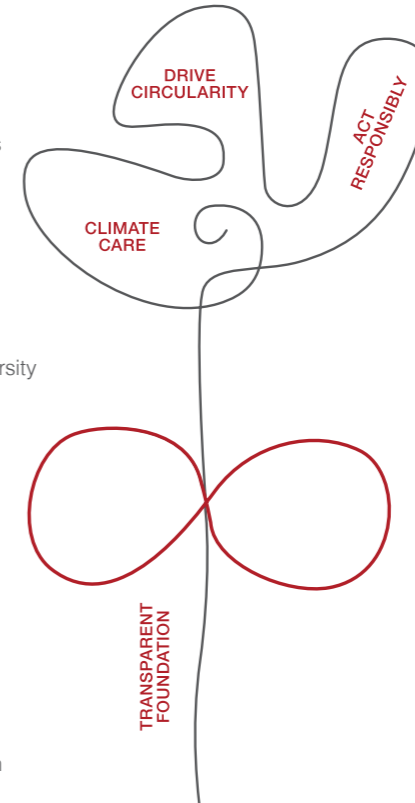
- Supplier engagement
- Corporate governance
- Efficient risk management
- Fair and transparent market approach
- Diversity within the company

HIGHEST PRIORITY:

- Customer-focused company
- Sustainable packaging solution

HIGH PRIORITY:

- Research, development & innovations



HIGHEST PRIORITY:

- Safe and healthy work environment
- Safety and quality in production
- Professional training and development

HIGH PRIORITY:

- Equality of opportunity for employment
- Diversity and inclusion
- Community engagement

pinpoint material impacts requiring our focused attention and commitment in each of our four priority sustainability areas, members of Aluflexpack's sustainability team were tasked with assessing the importance of each material topic within the scope of their expertise. The prioritisation has been carried out taking into consideration the findings of the due diligence process and stakeholder engagement started in the previous year, feedback from expert stakeholders (the reporting ranging from customers and regulators to creditors), recent business

developments, as well as current and upcoming regulatory changes in Switzerland and the European Union.

Changes related to the previous year include placing the highest emphasis on decarbonisation of production, energy efficiency and renewable energy, as well as safety and quality in production and high priority on diversity within the company. Even though these material topics had already been recognised as highly important, our re-assessment process determined that prioritising these areas is a necessity to fully align with the goals laid out in our Sustainability Strategy 2025+.

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REPORT PROFILE

This Sustainability Report is published annually and covers the activities of Aluflexpack Group in 2023. 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. and Aluflexpack GmbH. This report was developed in accordance with Global Reporting Initiative Standards (GRI) and has not been subject to external assurance.

Nevertheless, three main non-financial KPIs (emission intensity, waste diversion rate and LTIR) were externally audited.

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 to: info@aluflexpack.com.



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GRI 2: General Disclosures 2021

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2-1	Organizational details	7, 46	
2-2	Entities included in the organization's sustainability reporting	46	
2-3	Reporting period, frequency and contact point	46	
2-4	Restatements of information	12, 15-16, 17	
2-5	External assurance	/	
2-6	Activities, value chain and other business relationships	7	
2-7	Employees	7, 27-28	The method for the calculation of the headcount of part-time employees differs between the Annual Report 2023 (1,602) and the Sustainability Report 2023 (1,606) resulting in a difference in the reported total number of employees.
2-8	Workers who are not employees	27	
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2-9	Governance structure and composition		Annual Report 2023, p. 70-86
2-10	Nomination and selection of the highest governance body		Annual Report 2023, p. 74-81
2-11	Chair of the highest governance body		Annual Report 2023, p. 85
2-12	Role of the highest governance body in overseeing the management of impacts		Annual Report 2023, p. 70-86

Disclosure		Page	Comment
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2-14	Role of the highest governance body in sustainability reporting	41	
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2-16	Communication of critical concerns	41	
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2-18	Evaluation of the performance of the highest governance body		Annual Report 2023, p. 70-86
2-19	Remuneration policies		Annual Report 2023, p. 97-103
2-20	Process to determine remuneration		Annual Report 2023, p. 104-115
2-21	Annual total compensation ratio		Annual Report 2023, p. 115-122

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2-28	Membership associations	23	

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2-29	Approach to stakeholder engagement	9, 45	
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Topic-specific disclosures

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Sustainable packaging solutions			
Research, development and innovations			
GRI 3: Material topics 2021	3-3 Management of material topics	19-20, 39	
GRI 201: Economic performance	204-1 Financial assistance received from government		We utilise EU funds aimed at the encouragement of production modernisation. Two such projects were conducted in Croatian plants Drniš (Aluflexpack Novi) and Omiš (Omial Novi), with co-financing amounting to EUR 217 thousand in total.
GRI 301: Materials 2016	301-1 Materials used by weight or volume	39	
	301-2 Recycled input materials used	39	
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GRI 3: Material topics 2021	3-3 Management of material topics	43-44	
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	23, 44	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	44	
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GRI 3: Material topics 2021	3-3 Management of material topics	42	
GRI 205: Anticorruption 2016	205-2 Communication and training about anti-corruption policies and procedures	42-43	
	205-3 Confirmed incidents of corruption and actions taken	43	
GRI 415: Public Policy 2016	415-1 Political contributions	42	

Standard	Material topics and disclosures	Page	Comment
Diversity and inclusion			
Diversity within the company			
GRI 3: Material topics 2021	3-3 Management of material topics	27, 35	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	12, 35	
Supplier engagement			
Responsibly sourced raw materials			
GRI 3: Material topics 2021	3-3 Management of material topics	19, 22-23, 39	
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	19, 23, 39	
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	39	
Decarbonisation of production			
GRI 3: Material topics 2021	3-3 Management of material topics	14-16	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	15, 50, 51	
	305-2 Energy indirect (Scope 2) GHG emissions	15, 50	
	305-4 Emissions intensity	11, 15	
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GRI 3: Material topics 2021	3-3 Management of material topics	14-15	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	15, 50	

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Responsible waste management			
GRI 3: Material topics 2021	3-3 Management of material topics	23-24	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	23-24	
	306-2 Management of significant waste-related impacts	23-25	
	306-3 Waste generated	24-25, 51	
	306-4 Waste diverted from disposal	11, 24-25, 51	
	306-5 Waste directed to disposal	24-25, 51	
Responsible water management			
GRI 3: Material topics 2021	3-3 Management of material topics	17	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	17	
	303-2 Management of water discharge-related impacts	17	
	303-5 Water consumption	17, 51	
Equality of opportunity for employment			
GRI 3: Material topics 2021	3-3 Management of material topics	34	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	34	

Standard	Material topics and disclosures	Page	Comment
Safe and healthy work environment			
GRI 3: Material topics 2021	3-3 Management of material topics	29-30	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	29-30	
	403-2 Hazard identification, risk assessment, and incident investigation	31-32	
	403-3 Occupational health services	31-32	
	403-4 Worker participation, consultation, and communication on occupational health and safety	29-31	
	403-5 Worker training on occupational health and safety	30-32	
	403-6 Promotion of worker health	29	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	30-31	
	403-8 Workers covered by an occupational health and safety management system	29	
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GRI 3: Material topics 2021	3-3 Management of material topics	33	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	12, 33	
	404-3 Percentage of employees receiving regular performance and career development reviews	33-34	
Community engagement			
GRI 3: Material topics 2021	3-3 Management of material topics	36	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	37-38	

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Emission sources scope 1 in Drniš & PPS (ASI certified)

Source of emissions (scope 1) (tCO ₂ e)	2022	2023
Natural Gas (Drniš)	7,254	9,460
Solvents (Drniš)	8,262	8,063
Diesel + Gasoline (PPS) (mobility)*	10	10
Electricity** (Drniš)	0	0
Electricity** (PPS)	0	0

*PPS: scope 1: is only using 100% green electricity in production
 **market-based emissions = 0 since 100% green electricity is purchased

(End-of-life) recycling strategy Aluflexpack

Market data from Switzerland reveals that approximately 64% of aluminum coffee capsules, a core product of Aluflexpack, are recycled. Aluflexpack actively engages in local initiatives to collect end-of-life materials, aiming to increase participation and employee awareness, such as through plastic cap collection. Additionally, we collaborate with organizations like Flexible Packaging Europe (FPE) and the European Aluminium Foil Association (EAFA) to promote recycling. Over 85% of our products are recyclable, with a focus on developing mono-material solutions to enhance recyclability.

We are currently assessing our product portfolio to define targets by 2025 for recyclability and Life Cycle Assessments (LCAs) in alignment with Packaging & Packaging Waste Regulation (PPWR) requirements. Our goal is to increase the recycled content in aluminum products to reduce environmental impact. Furthermore, we track Environmental Performance Indicators monthly, part of our ISO 14001 improvement plan. Establishing Waste Diversion Rate KPIs in 2023, essential for bank loan requirements, ensures our commitment to waste reduction. We've introduced a Waste Diversion Roadmap with cascaded targets, including local reuse and recycling goals (Plant Drniš: 75.65%, PPS: 98%).

In Q2 2024, we will develop a comprehensive Waste Management Plan for the Drniš facility to meet environmental permit requirements and bolster our waste reduction strategy. These efforts underscore our dedication to sustainability and responsible resource management.

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			AT/CH	CH	CRO	CRO	CRO	CRO	FR	PL	PL	TUR	TUR
INDICATOR TYPE/YEAR	Total 2022	Total 2023	Head office Vienna/Reinach	Process Point Service (PPS)	Aluflexpack Novi – Drniš	Aluflexpack Novi – Umag	Aluflexpack Novi – Zadar	Omial Novi – Omiš	Eliopack	AFP Poland	Top System	Arimpeks	Teko*
CLIMATE CARE													
Scope 1 (tCO ₂ e)	32,693	33,921	30	10	17,523	5,521	1,207	6,177	1,445	41	46	712	1,209
Scope 2 market-based (tCO ₂ e)	3,541	1,847	2	0	0	0	0	0	687	6	562	590	0
Scope 2 location-based (tCO ₂ e)	26,201	26,963	4	39	8,607	6,829	3,321	4,317	349	8	785	693	2,011
Total Water consumption (m ³)	93,289	119,740	79	172	8,089	26,646	4,679	77,065	525	39	623	1,501	322
Spills to environment	0	0	0	0	0	0	0	0	0	0	0	0	0
DRIVE CIRCULARITY													
Hazardous Waste (tonnes)	2,143	2,200	NA	0	660	534	199	427	279	0	4	36	59
Hazardous Waste Disposed/Landfilled	459	481		0	10	11	72	315	34	0	0	6	33
Hazardous Waste Recycled/Reused	713	864		0	105	368	36	112	220	0	0	9	15
Energy Recovered waste	971	790		0	497	154	92	0	22	0	3	22	0
Inceneration without energy recovery	0	64		0	48	0	0	0	4	0	1	0	11
Non-Hazardous Waste (tonnes)	14,124	13,556	NA	544	3,553	2,863	1,645	2,246	1,224	1	356	198	925
Non - hazardous Waste Disposed/Landfilled	1,206	782		0	192	364	17	7	89	0	0	4	109
Non -hazardous Waste Recycled/Reused	11,551	11,034		536	3,088	1,833	1,619	2,239	539	0	319	194	667
Energy Recovered waste	1,367	1,566		8	197	666	0	0	507	0	37	0	150
Inceneration without energy recovery	0	174		0	77	0	8	0	88	0	0	0	0
Total Waste generated	16,267	15,755	NA	544	4,214	3,397	1,844	2,673	1,504	1	360	234	985
Total Waste to Disposal (tonnes)	1,665	1,263		0	202	375	89	322	124	0	0	10	142
Total recycled/reused waste (tonnes)	12,264	11,899		536	3,192	2,201	1,655	2,351	759	1	319	202	682
Total energy recovered waste (tonnes)	2,338	2,593		8	694	821	92	0	529	0	40	22	150
Total Inceneration without energy recovery (tonnes)	NA	238		0	126	0	8	0	92	0	1	0	11
Waste Diversion rate	75.39%	90.47%	NA	100.00%	92.24%	88.95%	94.74%	87.96%	85.64%	65.51%	99.75%	95.73%	84.49%
ACT RESPONSIBLY													
Lost time injury Rate (Own Staff)	4.9	4.6	0.0	2.7	7.8	1.9	3.8	1.7	11.2	0.0	4.8	6.5	3.9
<i>Lost time injury Rate Group Target (Own Staff)</i>	4.9	4.8	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Lost time injury (Own staff)	67	67	0	1	18	6	9	3	14	0	2	8	6
Lost time injury (Contractor)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total number of lost days	NA	3,195	0	160	1,006	462	401	159	614	0	35	142	216

*Acquisition of Teko from May 2022

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