Sustainability report 2021

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Introduction

Welcome to Elopak's 2021 sustainability report!

Being a leading global supplier of carton packaging and filling equipment, Elopak is committed to always acting responsibly and leaving the world and its people unharmed. This report will present our holistic sustainability approach and report our progress. The report is fully digital and conducted in line with the GRI framework, based on core reporting criteria with disclosures on selected elements, some of which are third-party verified.

The report is split into five main parts:

- Introduction – presents the company as well as our approach, strategy, and governance
- People – describes our material topics within the social areas
- Planet – presents our company's approach to our environmental material topics
- Profit – presents our sustainability-driven development and innovations
- About – provides further data and information about the methodology behind our numbers, as well as documentation

About Elopak

*Excluding Joint Ventures

2021 was a landmark year for Elopak

From listing on the Oslo Stock Exchange to securing a platinum EcoVadis sustainability rating and announcing the acquisition of Naturepak Beverage Packaging, our people worked tirelessly to position Elopak for future growth whilst at the same time pushing towards new sustainability-focused targets. I am incredibly proud of all that was achieved.

As we look forward, we are deeply concerned by recent events in Ukraine. Elopak stands with those who are suffering as a result of the conflict, and we condemn the unprovoked attack by the Government of Russia on Ukraine. On 4th March 2022, the Elopak Board of Directors took the decision to temporarily suspend all activities in Russia until further notice. Elopak's plant in Fastiv, Ukraine, has been temporarily closed since 24th February 2022, as we work to protect the safety of our colleagues and their families. I would like to take this opportunity to reassure people that we are doing everything we can to support our staff during this difficult time.

A strong start

In June 2021, we were delighted to welcome 3400 new investors on board. Elopak's IPO saw 18 million additional shares issued, raising EUR 50 million in new equity. As a listed company, we now have greater flexibility to grow and develop so that we can effectively meet the rising demand for sustainable packaging solutions. 2021 was a year marked by challenges, including the impact of the Covid 19 pandemic, the volatility of raw material pricing, and the disruptions to our supply chain. Despite this, Elopak delivered its highest-ever revenue of 940 million Euro, up from 909 million Euro in 2020. We maintained a strong EBITDA margin, and net profit for the year stood at 54.1 million.

Investing in innovation

Elopak has a proud history of innovation, and in 2021, we upgraded the Elopak Technology Centre – transforming it into a customer-centric hub ready for another century of innovation. We were delighted to unveil new products such as the more environmentally friendly Pure-Pak® eSense: our first aseptic carton made without an aluminum layer. By eliminating this extra layer, we have reduced the carbon footprint of the carton by 30%. We also announced the Pure-TwistFlip™ – a tethered cap that remains attached to the carton throughout its entire lifecycle. This is our lightest cap to date, reducing the use of plastics while also delivering on the EU Single-Use Plastics Directive ahead of 2024

Sustainability at our core

In 2021 we shifted our focus from simply doing less harm towards doing more good, maintaining our focus on the three areas of people, planet, and profit. The roll-out of our new vision, 'Chosen by people, packaged by nature', and our mission to remain our customers' partner and consumers' favorite across the business supports this positioning both externally and internally.

Carbon neutral since 2016, Elopak stepped up a gear, and our efforts were recognized as we secured a platinum rating from EcoVadis – placing us in the top 1% of more than 75,000 companies rated worldwide by EcoVadis and their network.

We continued to place strong a emphasis on people, working to identify and strengthen initiatives designed to promote employee wellbeing and motivation, as well as keeping them safe during the Covid-19 pandemic. In 2021 we developed a human rights framework and performed a human rights risk assessment of suppliers. Meanwhile, efforts to raise safety awareness have contributed to a reduction in the number of recordable injuries by 23% since 2019.

As a champion of the power of collaboration, we were also delighted to officially join the UN Global Compact as a participant. We continue to track our performance against our targets, and I encourage those interested in learning more to read our latest Sustainability Report.

Sustainability-driven growth strategy

As a pioneer of sustainable packaging solutions, Elopak's growth strategy is centered on investment in innovation; the pursuit of new business opportunities in existing and new markets across both traditional and non-traditional segments; driving the plastic to carton conversion; and driving commercial excellence through margin optimization, value engineering, and operational improvement. Significant progress was made on these fronts in 2021, from the announcement of our intention to acquire Naturepak Beverage Packaging Co Ltd to the roll-out of our popular Natural Brown Board cartons in North America and the reintroduction of an old favorite in the form of the D-PAK™ range of cartons for household products.

We delivered growth in more established segments, pursuing a strategic initiative to develop the UHT business, as well as growing high-value products in new segments like iced tea to boost our aseptic sales. As a result, there was a 9% volume growth in Pure-Pak® Aseptic compared to the previous year, with increased demand for our Pure-Pak® Aseptic systems.

2021 was indeed a landmark year for Elopak from which we have emerged stronger, more pioneering, and with a clearer sense of direction. We look forward to building on this strong foundation in 2022 and beyond.

Our CEO, Thomas Körmendi

Our approach

As a global corporation, Elopak has a holistic approach to sustainability. We strive to take care of our employees, reduce our impact on the environment, source our raw materials responsibly, and conduct business ethically and responsibly.

This approach is deeply anchored in our culture, management, ownership, and employees. Sustainability is not merely handled by one department but is an integrated part of our strategy and influences all aspects of our daily business. This is also reflected in the products we are developing and offering, which continuously prove to be among the most environmentally friendly packages on the market.

Being a successful business requires more than financial returns. It also requires responsible business conduct and transparency. In Elopak, we find this even more important now as a listed company, when a new group of stakeholders, the shareholders, express clear expectations for delivery across the triple bottom line.

It is no longer enough for companies to consider causing less harm; businesses need to do more good. We believe transformative change requires effort and broad collaborative action. As a participating member of the UN Global Compact, Elopak considers the ten guiding principles as a framework for our sustainability approach. This, in addition to our pledge against greenwashing, helps enrich our knowledge and ensures that we operate in a way that respects our planet's people and environment and secures equal opportunities for future generations.

The Intergovernmental Panel on Climate Change released its publication on the 9th of August 2021 on the state of our climate and the physical science behind climate change. The publication confirms, once more, that climate changes are real, they are man-made, and there is an urgent need to stop emitting greenhouse gases into the atmosphere. Hence, Elopak keeps the high focus on emissions and global warming and has decided to set Net Zero targets following the new framework launched by the Science-based Targets initiative. In preparation, we have updated our Science-based target to near-term targets and increased the scope of our reporting – including all of our scope 3 emissions.

We are closely following the developments around us, such as within the regulatory sphere in Europe, where the Green Deal, as launched in 2019, is set for Europe to be climate neutral by 2050. In 2021, the "Fit for 55 package" was presented, with legislation to help reduce emissions by 55% by 2030.

The EU Taxonomy intends to steer investments towards sustainability by providing a framework for investors and companies to categorize what share of their portfolio and activities respectively can be classified as "sustainable."

In addition to the environmental- and climate-related regulations, multiple countries are strengthening the focus on Human Rights, such as Norway's upcoming Transparency Act. Elopak supports sustainability initiatives and works to live by its commitment to conduct business in a responsible manner and to account for social and environmental aspects not only in our company but throughout our value chain.

Our sustainability approach is based on the UN Sustainable Development Goals, the ten principles of the UN Global Compact, the UN Declaration of Human Rights, the UN guiding principles on business and human rights, core International Labour Organization conventions, Science-based Targets, CDP, RE100, as well as product certifications such as FSC™, ISCC PLUS, and ASI. Sustainability remains a strong part of Elopak's culture, encouraging employees to contribute and speak up at any time.

Over the past three years, we have further embedded sustainability throughout Elopak's business and operational units. This helped us incorporate our sustainability targets with the company's overall targets and to work systematically with the topics most important to us.

Marianne Groven, Sustainability Director

*The Forest Stewardship Council™(FSC™). FSC™ C081801. Look for FSC certified products – the mark of responsible forestry. www.fsc.org

United Nations Global Compact

The UNGC (United Nations Global Compact) is the world's largest corporate sustainability initiative. It calls on companies to align strategies and operations with universal principles on human rights, labor, environment, and anti-corruption and take actions that advance societal goals.

In 2021, Elopak followed UNGC events such as the United Nations Global Compact Leaders Summit, a virtual event with more than 20.000 attendees from more than 120 countries. Here, 2021 was defined as "The Year of Ambition."

"Only through global cooperation at an unprecedented level can we build back from the pandemic, get on track to achieve the SDGs and avert the worst impacts of climate change, and business has a central role to play. (...) The 10 principles of the UN Global Compact are a blueprint for such a response in support of human rights, labor, the environment, and the fight against corruption."

– António Guterres, UN Secretary-General, during UNGC Leaders Summit, 2021

As the pandemic led to setbacks when it comes to children and child labor, the 2021 Leaders Summit focused on child labor, and on the pivotal opportunity to rebuild businesses to be better. We know this is an issue where different stakeholders need to work together to create change.

Elopak will not engage in or tolerate child labor or forced labor and requires the same policy from suppliers and business partners. Elopak's Code of Conduct and Global Supplier Code of Conduct is part of our efforts to raise awareness and eliminate all forms of forced and compulsory labor; and the effective abolition of child labor.

Read our blog post on the topic and the UNGC's webpage.
www.elopak.com/2021/06/16/elopak-at-the-un-global-compact-leaders-summit
www.unglobalcompact.org

Governance

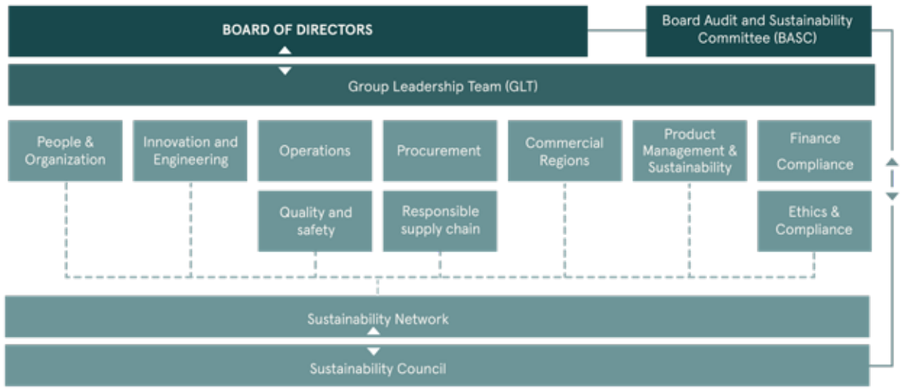
Elopak works continuously and tirelessly to improve its corporate governance framework, aiming to maintain a strong company culture and encourage healthy and proper business management, safeguarding long-term success while remaining truthful to its principles. Elopak's governance framework, which includes our Code of Conduct, serves as a guide to upholding the integrity and ethical foundation of Elopak.

Sustainability governance approach

Accountability for sustainability in Elopak lies with the Board of Directors. The Board has appointed the Board Audit and Sustainability Committee (BASC) to assume its oversight responsibilities. This includes overseeing the reporting process and ensuring balance, transparency, and integrity of external financial and sustainability reporting.

Strategy and its implementation is owned by the Global Leadership Team (GLT). A cross-functional sustainability network has been established to manage and implement relevant sustainability topics in Elopak. Led by the sustainability director, responsibilities are naturally placed under the relevant business units.

Delegated by the GLT, compliance of the different areas under ESG (environmental, social, and governance issues) is governed by a sustainability Council. Chaired by the Sustainability Director, the sustainability council includes the CMO, CFO, CHRO, CPO, and EVP Packaging and Closures.



Governing documents and standards

We have multiple governing documents to support our sustainability approach. In addition, we use measures such as certifications and third-party audits. We believe certifications are an important step towards transparency.

Elopak's management of sustainability is defined in the following governing documents:

General policy documents:

- Code of Conduct
- Anti-Corruption Policy
- Global Supplier Code of Conduct
- Raw Material Sourcing Policy
- Safety Policy
- Sanctions and Trade Compliance Policy
- Anti-Money Laundering Policy

Procedures employment:

- Recruitment and appointment of employees
- Conducting interviews – how to approach candidates
- Onboarding of Employees, checklists, and programs for new employees
- Classification of positions – Mercer Methodology
- Performance Management and Development in Elopak
- Elopak Requirements to Leadership Development and Training
- Remuneration – Elopak Group
- How to do remuneration in Elopak
- Checklist for re-organization – down-sizing
- How to handle workforce reductions and termination of employment
- Offboarding – Checklist
- Resignation Interview

Procedures safety and travel:

- Health, Safety, and Working environment
- A standard for Travel Management
- Employee's Safety on Business Travels
- Global Mobility Policies and Procedures
- Cross-border Employees Tax Treatment
- Posted Workers Directive – Elopak internal guideline on frequent business travelers

Other procedures:

- Corporate Crisis Management in Elopak
- Crisis Management affecting employees and contractors
- Contingency plan for IT Crisis and Crisis Management in Elopak
- Whistleblowing and internal investigation procedure
- Declaration regarding Intellectual Property
- Confidentiality Undertaking
- Responsible Supply Chain Procedure
- Acceptable use of IT – tools – end-users
- Company Use of Social Media
- Employee's Use of Social Media
- Instruction for Processing of Personal Data
- Storing and deleting personal data – Elopak whistleblowing channel

Strategy

Elopak takes care of people through employment, health and safety, ethical conduct, and human rights, within the company and throughout the value chain.

We also strive to protect our planet by sourcing renewable raw materials through sustainable supply chains, continuously reducing greenhouse gas emissions, and ensuring the recycling of materials. Finally, Elopak aims for long-term financial viability and contribution to society by offering interesting and safe jobs and low-carbon, circular packaging that keeps products safe.

Elopak works in accordance with the UN Sustainable Development Goals (SDGs). The 17 goals, with a total of 169 targets, aim to ensure no one is left behind and cover all the key areas to ensure people can thrive and prosper on our planet. This goes hand-in-hand with Elopak's global approach to sustainability.

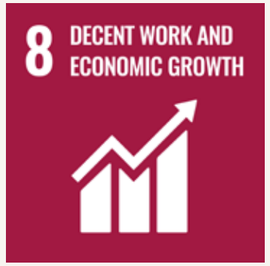
Our approach to the SDGs includes the below evaluations, done in collaboration with key stakeholders:

1. Which of the SDGs can our business and supply chain positively impact?
2. Which of the SDGs can our business and supply chain potentially negatively impact?
3. Which of the SDGs represent a risk to our business and supply chain if not successful?
4. What will our company do differently in order to positively impact the SDGs?
5. What is the potential indirect effect on other SDGs?

Based on these, we defined four key SDGs.

Working together on common ground

Progress on these priorities will be meaningless if done at the expense of others. Although focusing on the ones we can directly impact, we also strive for progress on some of the SDGs key to the production of our main raw materials (clean water, life on land and life below water). Through our focus, we will have positive impacts on remaining SDGs, such as zero hunger, where we enable food to be packaged and distributed safely.



Goal 8: Decent work and economic growth

We create work for many people in our business and supply chain. Historically, we have had a strong focus on labor and ethical practices in our company. We now further increase this focus throughout our supply chain and build the skills and employability of our employees.

Goal 13: Climate action

We take urgent action to combat climate change and its impact. Elopak is fully aware of our responsibility in the global increase of greenhouse gas emissions. We work to reduce our emissions from our operations and supply chain, and with ambitious Science-Based Targets in place, we commit to reducing our impact further.

Goal 12: Responsible consumption and production

We are dependent on renewable natural resources, and the way we source fiber is a great opportunity for Elopak to contribute to sustainable forests. We have targets for sourcing certified raw materials and helping improve recycling in all steps of our value chain.

Goal 17: Partnerships for the goals

We cannot achieve the SDGs working alone, and we have been working with suppliers and customers to reduce emissions and the use of raw materials. Strong international cooperation is needed now more than ever to ensure that countries have the means to recover from the pandemic, come back stronger and achieve the SDGs.

Elopak's stakeholders

Stakeholder engagement is crucial to guide us towards the issues that matter the most to us. Engaging with partners and associations also provides the same valuable input to the company and broadens our horizons. Our engagement includes frequent contact with key stakeholders, and Elopak has focused on qualitative interviews rather than quantitative data. The table below shows the approach Elopak has taken towards stakeholders over the past years.

Key stakeholder groups	How we interact	Key topics and concerns	How we respond
Customers/retailers	• Frequent meetings and desk-studies of websites • Structured interviews	• Certification • Circular economy/recyclability • Climate • Innovative packaging • Raw materials	• Ensure certification of raw materials (in line with target # 12) • Ensure recyclable products and initiatives to increase recycling of products after use (in line with targets # 15 and 16) • Reduce GHG emissions (in line with targets # 13 and 14) • Innovate packaging to ensure offering of the most sustainable package (in line with targets # 10 and 11) • Ensure use of renewable raw materials (in line with targets #10 and 12) to reduce the stress on scarce and finite natural resources • Ensure sourcing of materials through sustainable supply chains (in line with target # 7)
Suppliers	• Frequent meetings and desk-studies of websites • Structured interviews	• Circular economy • Decarbonization • Forestry and biodiversity	• Ensure recyclable products and initiatives to increase recycling of products after use (in line with targets # 15 and 16) • Reduce GHG emissions across the value chain (in line with targets # 13 and 14) • Ensure certification of raw materials (in line with target # 12)
Owners/ shareholders	• Frequent meetings	• Systematic approach to ESG (Environmental, Social and Governance) issues	• Ensure a systematic approach through consistent work across all business units and bench-marking and reporting in line with relevant market standards (in line with target # 9 and all other targets)

Key stakeholder groups	How we interact	Key topics and concerns	How we respond
Financial institutions	• Frequent meetings	• Systematic approach to ESG (Environmental, Social and Governance) issues	• Ensure a systematic approach through consistent work across all business units and benchmarking and reporting in line with relevant market standards (in line with target # 9 and all other targets)
Employees	• Frequent meeting with different departments • Surveys • Frequent engagement (e.g. Sustainability challenge 2020 and new vision, mission, and promises 2021)	• Safety • Motivating place to work • Environmental performance of the company	• Systematically work to improve safety and reduce injuries (in line with target # 1) • Systematically work to maintain and improve employees' competence, development, and motivation (in line with targets # 2 and 3) • Reduce GHG emissions (in line with targets # 13 and 14) • Innovate packaging to ensure offering of the most sustainable package (in line with targets # 10 and 11)
Government/regulators	• Engagement through associations • Desk studies	• Packaging related laws and regulations • Waste, recycling and recyclability/ design for recycling • Emissions • Packaging focus (EU Single-use-Plastic directive, EU Plastics tax, EU Packaging & Packaging Waste Directive)	• Ensure recyclable products, advocacy and initiatives to increase recycling of products after use (in line with targets # 15 and 16) • Reduce GHG emissions (in line with targets # 13 and 14) • Maintain good collaboration with industry peers in various associations (in line with target # 8)
NGOs and associations	• Frequent meetings • Memberships with various organizations • Structures interviews	• Transparency • Biological resources • Certifications • Circular economy • Climate • Labor- and human rights • Raw materials • Responsible sourcing	• Ensure a systematic approach through consistent work across all business units and benchmarking and reporting in line with relevant market standards (in line with target # 9 and all other targets) • Ensure certification of raw materials (in line with target # 12) • Ensure recyclable products and initiatives to increase recycling of products after use (in line with targets # 15 and 16) • Reduce GHG emissions across the value chain (in line with targets # 13 and 14) • Ensure sourcing of materials through sustainable supply chains (in line with target # 7)
Local communities around our main sites	• Sponsoring of local activities • Summer school for children	• Safety • Good place to work	• Systematically work to improve safety and reduce injuries (in line with target # 1) • Systematically work to maintain and improve employees' competence, development and motivation (in line with targets # 2 and 3)

Our strategy

Our material topics (topics reflecting our main impacts) have been identified and defined based on interaction with our stakeholders. Elopak's Group strategy is managed through an annual business planning process where the company defines some key priorities. Each business unit defines its Must-Win-Battles, which are granulated down to individual targets for employees. This structure entails the entire organization and strategic approach, including the sustainability program. Read more about Elopak's Group strategy in our annual report. The sustainability program is an embedded part of the overall group strategy, and responsibilities for various sections are placed throughout all business units. The Group Leadership Team (GLT) is the overall steering committee of the program and reviews the performance on a quarterly basis. The Board of Directors is overall responsible for strategy approval and implementation.

Our sustainability program consists of 16 targets divided into our material topics. The targets are linked to specific strategic initiatives owned by relevant business areas. Specific KPIs are defined to measure and report progress and continuously adapted to reflect our ambitions, some of which refer to the GRI framework; others are more specific to our industry and hence self-defined. In 2022, Elopak will review the current sustainability program with the objective of including stakeholder engagement and a risk-based approach (including climate risk assessments in line with TCFD). We will also further streamline targets, initiatives, and KPIs to ensure the continued relevance of these.

Elopak's sustainability targets

Collaboration, partnerships & external engagement

Engaging with industry peers and stakeholders is important to gain perspective of ourselves in relation to others and the world around us.

In 2022, Elopak plans a revision of the current sustainability program, including stakeholder engagement and considering a risk-based approach (including considering TCFD for climate risk assessments). We will also further streamline targets, initiatives, and KPIs, ensuring the continued relevance of these.
Melina Raso, Global Alliance Manager, GRACE

We also engage with organizations to strengthen our network, increase our knowledge, and get valuable insights and broader perspectives. Within sustainability, there should be no focus competition, only common progress.

If you want to go fast, go alone. If you want to go far, go together
African proverb

Elopak is part of various organizations and trade associations and supports different initiatives. This allows us to interact with other companies and to advocate on how sustainable business practices should develop. We collaborate with peers within our industry to facilitate substantial change within the packaging value chain within the time and scale needed vis-a-vis the climate emergency.

We count on a number of trade associations to support our goals, advocate for progress and a science-based approach to the challenges our society faces, and ensure a level playing field.

Elopak has joined the United Nations (UN) Global Compact as a participant member, working collaboratively with partners to advance sustainability and support the delivery of the UN Sustainable Development Goals (SDGs). We are also a member of Ethical Trade Norway. Both organizations provide guidance, training, tools, and capacity building to secure responsible business practices. Focus areas are human rights, workers' rights, social and environmental standards.

Elopak works with various industry associations on advocacy and communication regarding the benefits of our cartons, which we believe can be a part of the transition to a low-carbon circular economy. We know continued efforts are necessary to increase consumer awareness, improve national collection schemes, and make recycling facilities as widely available and easily accessible as possible so more people can recycle.

Our associations support us in strengthening knowledge about the benefits of packaging in general and, of course, Elopak's cartons. Through them, we gain perspective and share knowledge, collaborating within our value chain and having a clear governance structure that ensures respecting competition law. Advocating for harmonized policies and synergies within policy domains, ensuring a level playing field, is fundamental. The issuance of the industry's 2030 Roadmap is part of our efforts.

We are thrilled to have Elopak committing to the UN Global Compact. The work they have done already, is both impressive and admirable and we look forward to contributing to their sustainability efforts even further. Companies taking action and setting ambitious, but science-based targets in line with the 1.5C target is very important, and we know that their hard and determined work will pay off.

Kim Gabrielli, CEO, UNGC Norway

Memberships

We are a member of trade associations and work with non-governmental and international organizations, certification bodies, and multi-stakeholder initiatives to promote sustainable practices and continuously improve our products and transparency practices.

- The UN Global Compact is the largest corporate sustainability initiative in the world, with more than 19,000 participants. It is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption, and to take action in support of UN goals and issues embodied in the SDGs.
- FSC™ – Forest Stewardship Council™, working to ensure sustainable forest management practices globally
- ISCC – International Sustainability and Carbon Certification, working to ensure sustainable practices behind renewable feedstocks for plastics
- ASI – Aluminium Stewardship Initiative is a global non-profit standard-setting and certification organization. Members include producers, users, and stakeholders in the aluminum value chain, and the organization aims to maximize the contribution of aluminum to a sustainable society.
- RE100 – A global initiative of companies committing to sourcing 100% renewable electricity
- Ethical Trade Norway – a Norwegian member-based, non-governmental organization and resource center for sustainable business practice and trade
- EcoVadis – the world's largest and most trusted provider of business sustainability ratings, with a global network of more than 75,000 rated companies.
- Sedex – One of the world's leading ethical trade service providers
- ACE – The alliance for beverage cartons and the environment, a European industry association working to benchmark and profile cartons as renewable, recyclable, and low-carbon packaging solutions
- GRACE – The Global Recycling Alliance for beverage cartons and the environment, a global industry association
- EXTR:ACT – Driving value from multi-material recycling
- In several countries, we have similar industry associations.
- Carton Council – Industry association to drive carton recycling in North America
- Canadian Carton Council – Industry association to drive carton recycling in Canada
- 4Evergreen – New industry initiative to boost the contribution of fiber-based packaging in a circular economy
- HolyGrail 2.0 – a cross-value chain initiative to improve packaging recycling through the use of pioneering digital watermarks.

*The Forest Stewardship Council™(FSC™). FSC™ C081801. Look for FSC certified products – the mark of responsible forestry. www.fsc.org

Certifications

- All Elopak's factories are certified according to Forest Stewardship Council (FSC). This enables us to offer FSC labeled cartons and to ensure that all the forestry behind our cartons are managed responsibly.
- Several of Elopak's factories are certified according to ISCC PLUS (International Sustainability and Carbon Certification), which enables us to offer cartons featuring certified renewable polyethylene (polymers)
- Elopak is certified according to the carbon-neutral protocol and the PAS 2060 for carbon neutrality.
- All of Elopak's factories have ISO 9001 certification, and some of them have ISO 14001 certification. This ensures good management practices and a strong environmental focus.
- Some of Elopak's factories have ISO 45000/ OHSAS 18001 certification to verify good Health&Safety practices. This is an addition to our internal safety policies and practices.

Case

The Beverage Carton industry launches 2030 Roadmap

In March 2021, ACE, The Alliance for Beverage Cartons and the Environment, have set the industry's vision for the future: we will deliver the most sustainable packaging for resilient food supply systems which is renewable, climate positive and circular. Elopak is proud to be part of the industry's ambitious next steps.

Commenting on the launch Elopak CEO Thomas Körmendi stated "Elopak welcomes the launch of the ACE 2030 Roadmap. Collaboration and innovation are central to advancing sustainability-focused solutions in the packaging industry. Together we can play an important role in the global shift towards a low-carbon circular economy."

"Elopak stands ready to support the roll out of the ACE 2030 Roadmap. We are already working hard to deliver on its ambitious targets, from producing fully renewable beverage cartons to designing for circularity," he continued.

Though this robust and ambitious Roadmap, the beverage carton industry's ten commitments reflect how industry will take action on all parts of its value chain, from sustainable sourcing to climate impact and recycling. The commitments also include increasing the collection and recycling of beverage cartons to reach a 90% collection rate and at least a 70% recycling rate by 2030, and the decarbonisation of the industry's value chain in line with the 1.5° C aligned science-based targets.

The industry has adopted high and ambitious commitments for the next ten years through its Roadmap to 2030 and Beyond. The strong commitment of Elopak and all ACE member companies is critical in reaching these ambitions. Together with our members, we foster a dialogue with EU decision makers to ensure that the necessary regulatory conditions are in place to support the industry's journey in having beverage cartons be the sustainable packaging choice for today and tomorrow.

Annick Carpentier, Director General, ACE

Reporting

Global Compact, and to the Ethical Trade Norway organization.
As suppliers, we report into the Sedex and EcoVadis platforms.

Reporting gives us good and relevant feedback, which helps us understand and improve our overall sustainability performance. In November 2021, Elopak was awarded a platinum rating for its sustainability performance by EcoVadis. This achievement places Elopak in the top 1% of companies evaluated across all industries. Elopak also received a B score in the CDP climate change evaluation, and an A score in the supplier engagement rating, in 2021. We also report as suppliers into the Sedex and EcoVadis platforms. Reporting gives us good and relevant feedback, which helps us understand and improve our overall sustainability performance.

GRI (Global Reporting Initiative) is an independent, international organization that helps businesses and other organizations take responsibility for their impacts by providing them with the global common language to communicate those impacts.

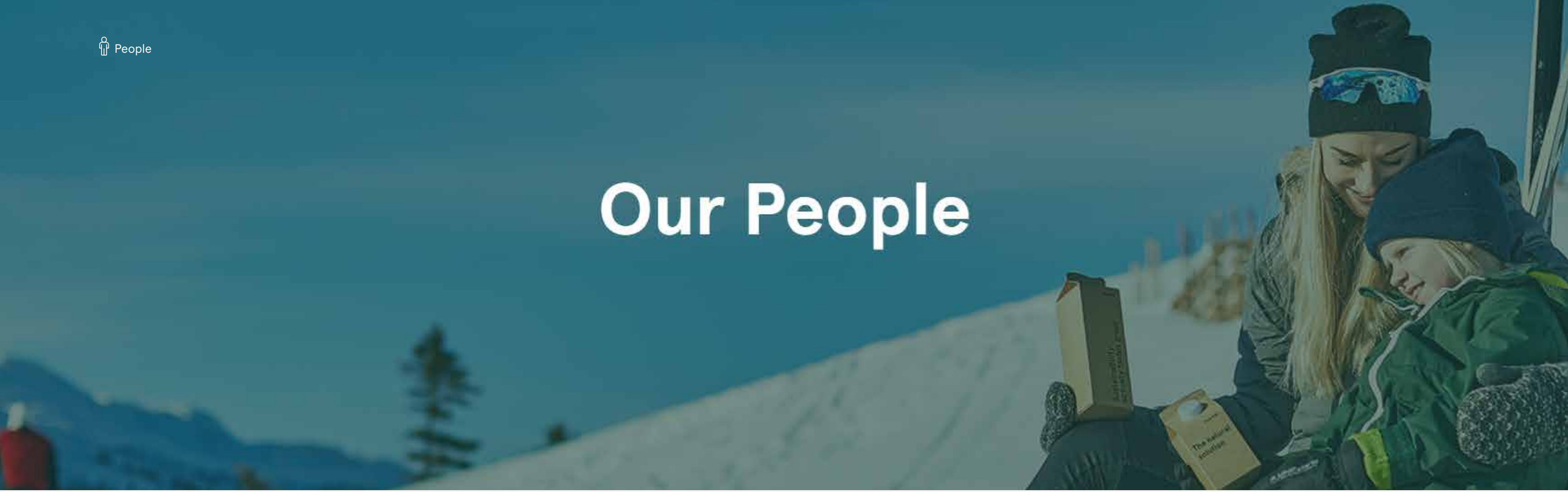
UNGC (United Nations Global Compact) is the world's largest corporate sustainability initiative. They call on companies to align strategies and operations with universal principles on human rights, labor, environment, and anti-corruption and take actions that advance societal goals.

CDP (formerly known as Carbon Disclosure Project) is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. In 2019, a total of 8 400 of the world's largest companies disclosed their climate performance to CDP, an increase of 20% from the previous year.

EcoVadis is a global Corporate Social Responsibility (CSR) rating company based on international standards. They combine CSR expertise and online tools and have become a common industry tool within this area. The supplier assessment is focused on specific risk areas, including environment, labor, human rights, ethics, and sustainable procurement practices.

Sedex is one of the world's leading ethical trade service providers, working to improve working conditions in global supply chains. They provide practical tools, services, and a community network to help companies improve their responsible and sustainable business practices and source responsibly.

Ethical Trade Norway is a Norwegian member-based, non-governmental organization and resource center for sustainable business practice and trade. They require all members to report annually on sustainable business practice performance and development in accordance with their minimum requirements and reporting standard.



Our People

To help build our culture and drive engagement, we developed and started the implementation of a new vision and mission, and we defined principles for how we should work together.

The three principles were developed in the form of mutual promises for leaders and employees. Living by our promises supports our strategy, mitigates risks, and protects our reputation as a responsible employer. Our leadership team sets the tone from the top, and we encourage everyone working with us to live by our promises every day.

Our Vision
Chosen by people, packaged by nature

Our Mission
As worldwide makers of carton-based packaging, we are committed to remaining our customers' partner and the consumers' favorite through relentlessly developing new solutions for an expanding range of content. By applying market-leading technology, skills, and natural material sourcing, we always aim to provide the highest quality products that leave the world unharmed.

With our promises, our continuous focus on sustainability, user-preference and innovation will be better expressed and emphasized. Taking care of our customers and the planet simultaneously is at the core of Elopak.

Training sessions with all leaders ensured that the new set of values were communicated in a structured and uniform way.

To fully live up to our promises and develop our culture for further growth, we have incorporated our promises Empower, Unite, and Accelerate into all major people processes. We have also connected governing documents to reflect how we do recruitment in Elopak and how we deliver results in our performance dialogue meetings.

Empower
As a leader, I promise
to show trust and
build confidence

As an employee, I promise
to take ownership and
seek clarity

Unite
As a leader, I promise
to foster collaboration

As an employee, I promise
to collaborate

Accelerate
As a leader, I promise
to drive speed in
execution through
simplification

As an employee, I promise
to deliver speed in
execution through
simplification

The success of our business depends on our people. Their health and safety remain a priority, especially through this year of the unprecedented COVID-19 pandemic. We empower and unite through close dialogue with employees and unions to accelerate engagement and learning for the benefit of our people and our business performance. Our history builds on a strong sense of social responsibility, and this will continue to be at the core of Elopak.

Nete Bechmann, Chief Human Resource OfficerResource Officer Alliance Manager, GRACE

Design our vision contest

To further support and create engagement for implementing the new vision, we organized a design contest where we asked: “what does ‘chosen by people, packaged by nature” mean to you? All employees received 2 Pure-Pak® cartons: One displaying the new vision, mission, and promises and one blank carton. They were asked to decorate the blank carton with their interpretation of the new vision. The employees’ creativity and engagement were amazing, and 122 designs were submitted by employees from all parts of the organization. The top 5 designs were made available to all employees, and they were invited to vote for the winner.

Melanie Cyr, who is working as a Prepress Technician at our production plant in Canada, is the lucky winner of a trip to Norway.

I am so very happy and pleased that I won the contest. I want to thank all my Elopak colleagues for voting for my design as their favorite. It was great fun to create this little carton world, showing the carton as part of nature; loved by people. I am pleased that so many colleagues liked it. Now, I am looking forward to planning my visit to Norway once the world is opening and we can travel again.

Melanie Cyr, Prepress Technician

Health and Safety

We know it's possible to avoid accidents. Technical safety is in constant development to reduce risks. At the same time, we are developing our employees so that they choose the safest way of working, by instinct.

Roger Taftøe, Senior Manager Corporate Safety & Quality

Approach
Safety

Occupational safety management system

Elopak commits to proactively ensuring a safe workplace by including safety in our daily processes and activities. Safety is a core value in Elopak. In fulfilling our commitment to protect our assets – people and property – Elopak provides and maintains a safe working environment in accordance with local legal requirements, company and industry standards, and our Corporate Safety Policy. Our production units are either certified to, or perform self-assessments according to ISO 45001.

In Elopak, we are committed to working with continuous improvement according to our Elovation program (Elovation is our framework for continuous improvement, implemented globally with local managers at all production sites). Continuous improvement also means improving processes and standards and maintaining equipment to achieve zero accidents and injuries. To meet this commitment, we strive to continuously and systematically improve our workplace, ways of working, and employees' training and skills. To identify, monitor, and control safety performance, Elopak sets and manages safety targets.

Safety at work is a management responsibility, ranking equally with the responsibility for Elopak's commercial activities. However, every Elopak employee has an individual and collective responsibility for safety at work. Each production plant and unit has its own Safety Officer to support our safety programs and monitor and ensure compliance.

The following mechanisms are in place to drive safety performance:

1. Management processes

Elopak performs an annual internal safety audit evaluation of compliance and achievements, including:

- Policy, strategy, targets
- Common focus items
- Safety standard

There are monthly reports of activities, including leading and lagging indicators, to the Board of Directors, Global Leadership Team, and the organization as applicable. All recordable injuries are reported to top management for review, while relevant Workers Councils or similar groups review the safety culture and performance.

2. Leading indicators to drive safety performance include:

- Quarterly safety network alignment across Elopak
- Quarterly safety plan review by Corporate Safety
- Safety Walks performed by all levels of management
- Safety observations

3. Hazard identification, risk assessment, and incident investigation

To achieve our target of zero injuries, we need a strong safety culture and structured methods of identifying and managing hazards and risks. For the latter, we have several tools in use. All employees perform hazard identification and act on and report relevant hazards. Such reports are measured as a leading indicator.

We have structured programs for risk assessments of physical areas, machines, and tasks. For non-routine work, we use Last-Minute Risk Assessment to identify and manage risks before starting any activity. Our local Safety Officers work together with their teams to make sure the relevant programs are followed and that the desired effects are achieved. Findings are managed by a Plan-Do-Check-Act cycle to ensure that we gain the right learnings and take the correct actions.

Reporting is currently arranged by local systems. Elopak has invested in a common reporting tool to make this more efficient and transparent. Although the expectation that all employees should act when aware of dangerous situations is anchored in our governing documents such as the Code of Conduct and Safety Policy, we also accept anonymous reports. Safety is the number one priority in Elopak, and we expect everyone to take any required action to remain safe at work. Interfering with production to remain safe is entirely acceptable if that is what it takes to work safely.

We still experience safety incidents in Elopak, and when they happen, there are dedicated processes defined to manage them. Immediate countermeasures are arranged locally. Any fatality or recordable injury is reported to the corporate organization. The incident is reviewed by the relevant Business Area Vice President, the responsible manager(s), and the local Safety Officer. This review is initiated by the Corporate Safety Director and the Corporate Senior Manager for safety. Such reviews aim to align on what has happened and the initial actions. Often a set of additional actions is agreed to ensure that the same incident will not happen again. A Safety Alert is defined with key learnings and actions to inform the rest of the organization. Although such incidents are undesirable, we realize that they have significant value for driving safety culture through dialogue and learning.

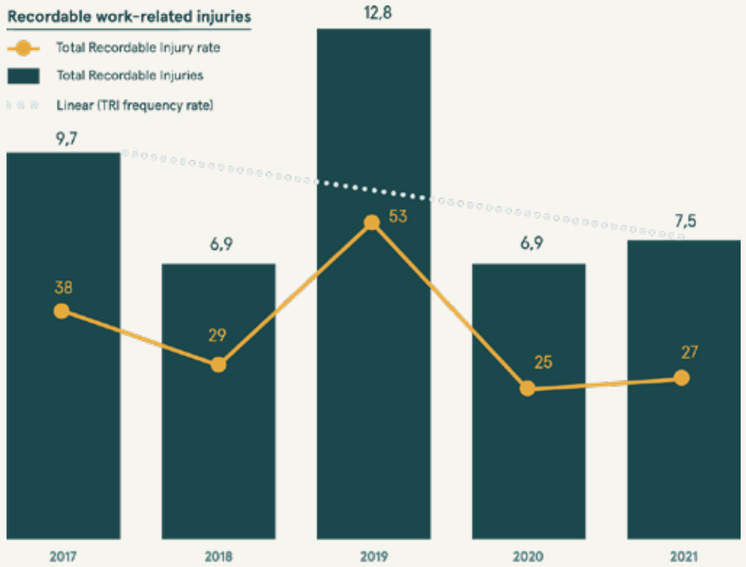
Performance

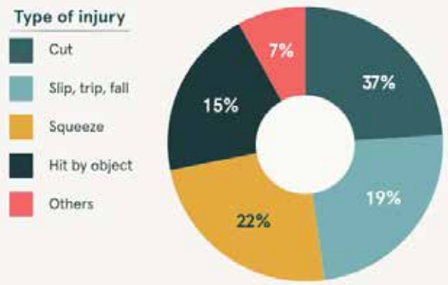
Elopak's continued drive to improve safety in operational areas has resulted in a declining trend over the last years. Although several production sites have already reached the long-term target of zero recordable injuries, we still have sites working towards desired results.

Absence due to sickness has increased from 3.9% in 2020 to 4.0% in 2021, which is above our target of 3%. The main reason is sick leave and absence due to quarantine regulations related to the Covid-19 pandemic, both in 2020 and 2021.

Performance

Targets	KPIs	KPI reference
Elopak makes no compromises on safety and aims for zero work-related injuries	a) TRI rate (Total Recordable Injuries per million hours worked)	GRI 403-9
	b) Sick leave rate	Self-defined
	Status 2021	
		a) 7,5 b) 4%





We have been successful in providing a Covid-secure workplace for our employees. As a result, the number of infected cases across Elopak has been quite stable and it is thanks to the continuous focus, effort, and support from all our employees and visitors that we have been able to maintain all our operations running throughout these unprecedented times.

Jannicke Woxmyhr, Specialist Director Group HR.

Moving forward

A long-term plan and supportive strategy have been rolled out at Group level, providing a framework for safety plans. Therefore, to make Elopak an even safer workplace, key focus items and tailored initiatives have been implemented in all local safety plans. Technical safety remains on the agenda, together with several previous focus areas, but developing a safety culture is increasingly important. A program has been initiated to enable leaders to better interact with the organization, understand underlying factors, and make sure safety issues are understood. This program will be brought further into local organizations in 2022.

Occupational health services

Corrective actions focusing on health and safety activities for managing a healthy and proper business environment are carried out in cooperation between the HR, HSE, relevant line managers, and local health service providers. Employees are invited to perform alternative tasks or work part-time as part of a program to get back to work earlier.

Annual health checks, especially for exposed groups like operators in the plants and Field Service Engineers, are normally carried out frequently (yearly) but have been challenging to uphold during the Covid-19 pandemic.

Elopak has also improved the information to employees on business travel and in need of local health assistance close to where they are staying – reflecting our group-wide travel insurance program ("Duty of Care"), which includes travel assistance service worldwide 24/7.

I started working at Elocoat under the pandemic. During this period, only two people at the time were allowed in the canteen. The same rule was applied at the workplaces to keep the spreading of the virus as low as possible. Luckily, I was able to get to know my colleague's through the rotation system. Due to less restrictive measures it is now possible to be together with all colleagues, which makes working more fun. This is important to me, because I appreciate a good working relationship with my co-workers. What I'm not going to miss is wearing a mask. I am so relieved that rule is out of the door.

Zico Michielsen – Coating Operator

When I was told on March 13, 2020, that I had to work from home, I hoped it wouldn't take that long. My work mainly consisted of planning trips and there was almost no travel due to Corona – the work-load decreased – this made me very bored. Fortunately, the work increased because I was able to help my colleagues from other departments with the administration and translating texts. I also really liked that my colleagues regularly called me via Teams for just a chat. They literally dragged me through this.

Marika de Kort – Executive Assistant – Netherlands

Covid-19

Elopak has, like other companies, struggled with increasing levels of COVID infection rates and lived with several social restrictions in our societies to limit the spread, and as such in our workplaces as well.

Health and safety of our employees have been our main priority during the pandemic. In addition, Elopak has focused on ensuring that infection risks in Elopak facilities have been minimized as far as possible to protect and maintain our essential business activities including manufacturing. All plants in the Elopak Group have been running through the pandemic and most office people have worked from home.

Elopak continued with a Corporate Response Team led by the CHRO throughout the year, in addition to local crisis teams. The role of these teams was to establish and issue corporate and local processes and guidelines to avoid spreading the virus through infected employees. Strict travel restrictions were maintained, with continued use of home office wherever possible.

Acknowledging the strain the pandemic put on the organization, a survey on "how are you doing" was performed. Regardless of the workplace, the survey showed that most people felt comfortable with the working situation and well taken care of. See more about the survey here.

Our Employability

Our business performance depends on attracting, motivating and retaining talented employees. We aim to provide opportunities for development and engagement in all phases of the “life cycle” of employment. Dynamic development of our employees is key, and our aim is to enable everyone at Elopak to build their career and achieve their goals with us.

Our new set of promises describes principles and standards of behavior that shape how we carry out our work and interact with each other. Together with our promises and focus on safety and ethical behavior, we aim to create a motivating and engaging workplace where we take care of both people and planet.

Approach

Motivating workplace

Securing a motivating workplace is carried out through a systematic focus on employability and working conditions. This is maintained through various policies, procedures, guidelines and people processes, available to all employees. This includes fair remuneration, the opportunity to grow through learning and development, recognition and feed-back, and belonging to a positive and healthy work culture.

Elopak respects all applicable laws, rules, regulations and industry standards concerning working hours, minimum wages and rules related to the working environment rights defined by the United Nations.

Development – Learning and training

EloPeople, our digital and global HR platform, offers a single data collection point for all global learning programs and contains a wide range of courses.

The platform also allows us to track training, ensuring compliance with the Code of Conduct & Anti-Corruption Policy, GDPR, IT Security, hygiene and safety requirements, and other relevant training courses.

Regular performance and development dialogues

Our performance process is built upon both a formal process and frequent 1:1 follow-up –dialogue between managers and employees to ensure that we all work towards common goals, accelerate performance, and help employees grow and develop. These processes are supported by the EloPeople platform.

This mandatory process is described in a governing document that has been revised and updated in 2021 after re-launching the process with the aim of simplifying and reinforcing the purpose. With this revamp of the process, we ran several training sessions for managers on how to conduct performance dialogues and developed training on how to give feedback. We also included a new section on our promises – to ensure that we integrate our promises in the way we work and how we treat each other.

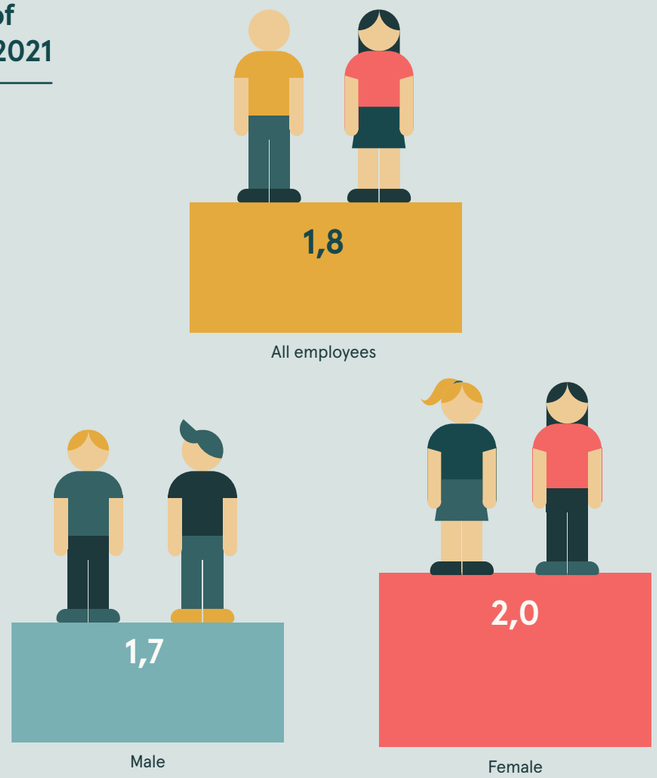
We need continuous improvement of capabilities to fulfil our strategic ambitions. Dynamic development of our employees is key, and we aim to enable everyone at Elopak to build their career and to achieve their goals with us.

Almedina B. Jahre, Group Head Talent management.

Performance

Targets	KPIs	KPI reference
Elopak offers a top-quartile motivating workplace within industry by 2025	a) % employees having performance dialogues	GRI 401-1
85% of employees have individual targets and documented competence development plans	b) Employee turnover rate	GRI 404-3
	c) Average annual training hours per employee	GRI 404-1
	Status 2021	
		a) 76 % b) 7,7 % c) 1,8 hours

Average hours of training during 2021



Performance

Motivating workplace

At the end of 2021, Elopak had 2106 employees, of which 98.5% were employed on a permanent basis.

An engagement survey was conducted to investigate our employees' well-being and motivation after the challenges and restrictions during the Covid-19 pandemic.

1017 persons responded, representing a total of 48% of our employees. Of the people answering, 58% worked from home, while 42% worked from their usual work environment/ workplace. The survey shows sustained employee engagement during the crisis and most of our employees' feedback indicates that they trust Elopak's response to the crisis. They feel connected to colleagues and the workplace, and they feel that management has acted proactively with information and collaboration. They also feel that they manage a healthy work-life balance.

Development

In 2021 we continued with our Project Management Academy to further strengthen our project capabilities. We see that implementing project management across the organization helps create a strategic value chain and we will continue to prioritize upskilling within this area in 2022.

We have also implemented an Onboarding program, knowing that an investment in an effective onboarding program is an investment in employee retention, employee satisfaction, and productivity.

Strengthening the process in several ways led to a substantial improvement of performance dialouge meetings held this year, a total of 76% registered performance dialouges, up from 22% the previous year.

We also offered courses to a pilot group on a wide range of topics containing more than 500 subjects like communications skills and leadership training. The e-Learning pilot received positive feedback and will be continued.

In 2021, 1700 employees have completed one or more courses, and the average is 1.8 hours of training per employee, down from 2.8 in 2020. We have registered approximately 5,700 course completions, a 7% increase compared to 2020. The decrease in average hours of training is explained by a shift from classroom training to digital upskilling, as classroom courses are more extensive.

Internal training courses	2019	2020	2021
Webbased	63 %	74 %	90 %
Virtual	18 %	5 %	8 %
Instructor-led	19 %	22 %	2 %

Our operations around the world conduct several regional and local training activities, which are not necessarily registered in EloPeople and as such not included in the training hours reported above. This includes health and safety, environment and quality, as well as leadership development adapted to local or regional needs.

Moving forward

Motivating workplace

Future priorities will be to continue addressing and measuring the engagement of our employees and implement a new pulse survey tool in 2022, allowing us to measure further progress.

Development

In 2022, we aim to develop a framework for leadership development and continue to train our leaders in our new promises Empower, Unite, and Accelerate. We will also aim to expand e-Learning to a greater extent, based on the evaluation of the pilot. We will also continue to develop our talent and performance management, including succession planning.

Operational excellence

In 2021, Elopak introduced the Elopak Operational Improvement Award, which recognizes and rewards the individuals, teams, and organizations that have committed to achieving operational excellence and transformation. We have also performed a World-Class operational assessment for the third consecutive year.

The World-Class operational assessment is based on the 20 Keys ® management system, systematically improving important aspects such as quality, delivery, safety, and ethics. Each year and at all plants, the assessment is done internally, presenting the assessors with key activities developed since the last assessment.

For the Operational Improvement Award, we asked for projects showing outstanding achievements in teamwork, safety, quality, or efficiency. All employees were encouraged to use their Elovation[1] principles and tools to run projects, apply the outcomes in the organization, share key learnings, and describe the performance impact of the project.

A total of 28 entries were made, mainly from engineering/innovation, production, and supply chain. The entries were screened for compliance with the criteria and evaluated within different categories:

- Best Teamwork of the year
- Best Safety improvement of the year
- Best Quality improvement of the year
- Best Efficiency improvement of the year

The winner was a team from the plant in Aarhus with their approach to improving belt change on flame sealers. The Aarhus team clearly explained the approach, the use of Elovation principles, and LEAN thinking. The operators working on the activity have shown high dedication and have delivered according to Elopak's promises, testing and failing to find the best solution, uniting different shifts in implementing the best practice, and accelerating by simplifying the execution of belt changes.

This is a great opportunity to share great ideas with others and empower others to do the same, thereby uniting and supporting each other in accelerating Elopak with further improvements.

Chris Wilsher, Senior Lean Manager

Community engagement

To build a truly sustainable and inclusive workplace, we also believe in engaging and creating value in cooperation with local communities. A recurring activity is “Forskerfabrikken” (Ferd social entrepreneur “Science Lab”) at some of our larger sites. This project aims to increase interest among young people for STEM subjects (Science, Technology, Engineering and Mathematics) and to increase knowledge of Elopak as a workplace. Due to the pandemic since March 2020, this has unfortunately been delayed.

Below some examples of how some of our local business units engage with the local community:

The Netherlands:

- Sponsoring several sports clubs in the Region (soccer, tennis, padel, cycling, etc.)
- Co-sponsor of a new car for regional high school.
- Delta Ride for the Roses: entry fee paid by Elopak, goes to charity.
- Support of Regional Technique Experience: several colleagues promote the Technique to students.
- Employees are given the opportunity to (partly) donate the Christmas present (box with gifts, food) to the ‘food bank’ (free food for poor people).
- Hiring employees that meet challenges in the labor market.
- Walking App provided to employees (‘Ommetje App’), also supporting the ‘Dutch brain foundation’).

Austria:

- Donation once a year to a large social association called “Licht ins Dunkel.” The association supports different social projects, as well as projects for people with disabilities, and support children and families with financial challenges.
- Support to an association that helps families and children, providing vacations for those who cannot afford them, and helping children and teens build their self-confidence.

Serbia:

- Cooperation with a recruitment agency on a project called “Business inclusion,” which leads to the recruitment of an employee with a disability.
- Through the project “My first salary’’, two talented students were recruited to internships and given the chance to gain practical knowledge and experience.

Norway:

- Sponsoring events and participation in a local cycling race for families in Spikkestad.
- Donation to an annual TV event supporting the fight against child marriage.

Diversity and inclusion

At Elopak we believe that creating a diverse and inclusive work environment is not only the right thing to do, but also the smart thing to do. A diverse and inclusive work environment in which employees feel valued for their uniqueness and feel safe to speak up, makes our company stronger and helps us better serve our customers worldwide.

When I started working at Elopak Denmark A/S near Aarhus, I was positively surprised by the way I was welcomed. Especially because I am a foreigner. I think I'm the first female Asian employed here. I was welcomed like everybody else and I immediately felt included. My colleagues are eager to help me if I have any questions, even when I have minor difficulties understanding things in Danish. Then my colleagues explain things to me slowly in Danish so I can understand them better. Language is not a barrier to me, but I speak Danish at a beginner's level and I still have much to learn. I'm so happy that my colleagues and my manager are as supportive as they are.

Madonna Ebreo Ambas, RollFed Slitter Operator, plant Aarhus

Approach

Elopak promotes gender diversity in our workforce through clear requirements in our recruitment process. Our governing documents were updated in 2021 with a statement that the recruitment, selection, and assessment process will be based entirely on the skills and competencies needed in the specific roles. It is required that the hiring manager double-check the shortlist and reassess diversity, and we aim to have at least two candidates representing both genders to choose from in the final hiring round.

Our governing documents requires not to discriminate directly or indirectly or harass candidates because of age, disability, gender / gender reassignment, marriage / civil partnership, pregnancy/maternity, race, religion or belief, gender, or sexual orientation.

Elopak strongly believes that compensation for equal level/positions should be equal. There can however be legitimate variances due to different payment for different positions reflecting general market practices. Low turnover and high seniority within the engineering industry, which has traditionally been male-dominated, are also factors dominating the holistic picture. The situation is changing and we see a positive transition towards a more diverse management group that will force and encourage a change moving forward and an increase in the number of women in the senior management group.

Performance

Our internal engagement surveys and feedback in performance dialogue meetings confirm that our employees feel they have an inclusive workplace. We have more than 50 different nationalities across our organization.

At the end of 2021, we launched an onboarding program for new employees to enhance the value of diversity and inclusion.

Men have traditionally dominated our industry, which continues to be reflected in our organization, where 22% of our employees are women. We aim for the same distribution in gender diversity across all hierarchical levels, and compared to 2020, we experienced the same gender distribution, although by the end of 2021, the proportion of women in leader positions at level 2 had increased from 33% to 37%.

Data on the ratio of salary and remuneration of women to men is not published for 2021, due to insufficient calculation methods. We have implemented Mercer Job Classification System in the larger sites and aim for implementing Mercer in more countries this year. This will give us a more accurate picture of a gender pay gap.

More results and details of our performance can be found on next page.

Performance

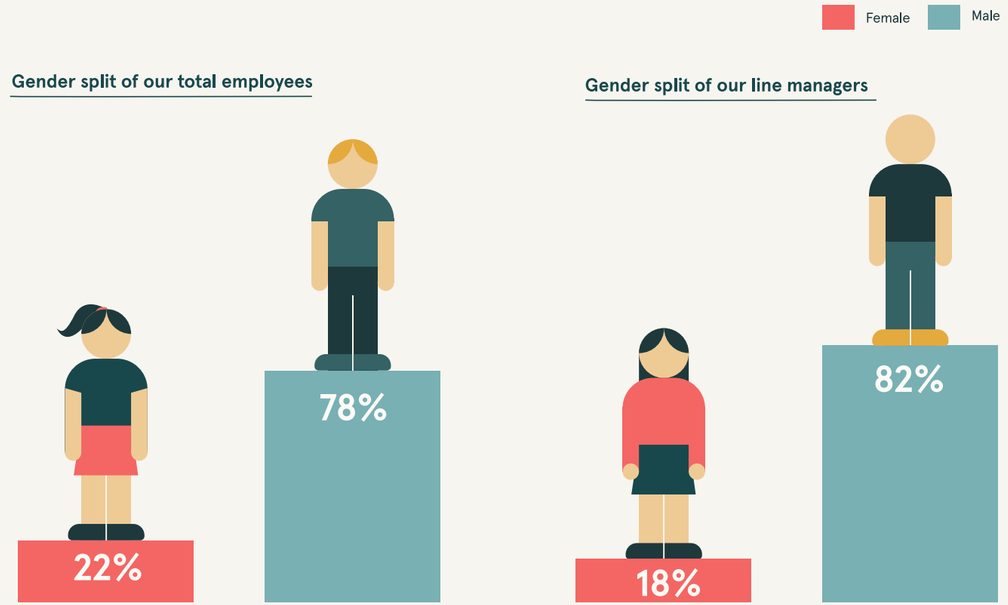
Targets	KPIs	KPI reference
Target the same distribution in gender diversity across all hierarchical levels	% female in organization, and management	GRI 405-1
	Status 2021	
		22% total 18% line managers 37% level 2 management 11% top management

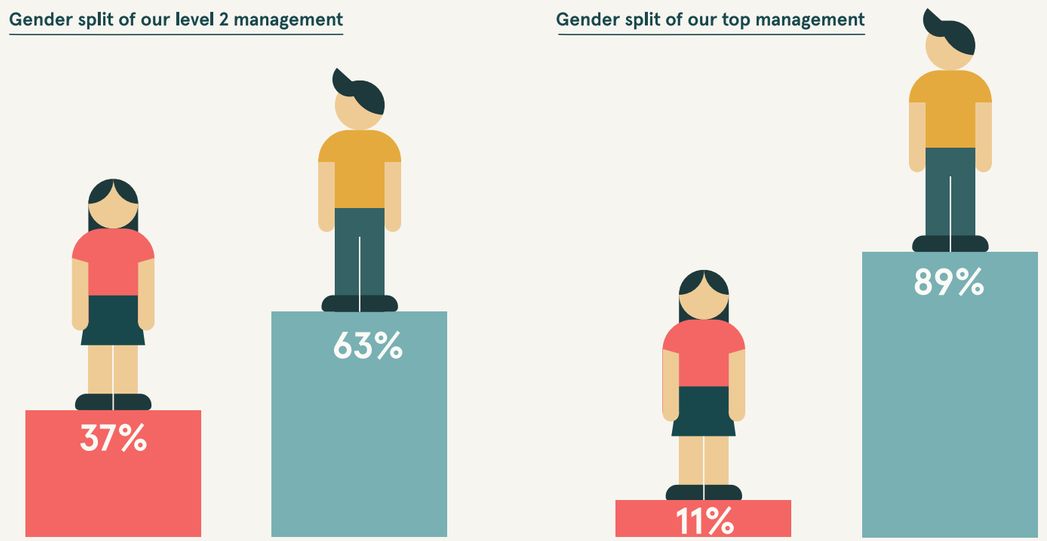
Moving forward

We aim to improve gender distribution and will continue with more initiatives on enhancing diversity and inclusion.

In 2022, we will develop a separate Diversity & Inclusion (D&I) policy that outlines how we will build a diverse talent base, ensuring equal opportunities for all our people, and encouraging inclusive leadership. We aim to include the D&I perspective in all our people processes throughout the company.

Equal pay will continue to be a focus area. There will be continuous follow-up in any salary adjustments as needed, with the possibility of evaluation or adjustments of areas of responsibility reflecting our job classification system. This will also be closely monitored in future recruitment processes. During 2022, we aim to define and anchor the method for calculating payment ratios of women to men, reflecting our structure and job classification system worldwide.





Ethics and compliance

Elopak's global footprint exposes the company to different cultures, values, and conditions. Responsible business conduct is the foundation for our license to operate and ensures we are recognized as a trusted company. This entails respecting human and labor rights, having measures in place to combat corruption, and complying with applicable laws and regulations. One of the most important governing documents is Elopak's Code of Conduct, whose purpose is to ensure that as a global organization, we always act with integrity and in accordance with acceptable ethical standards, always take responsibility for our actions and that we comply with international and local laws and regulations.

Approach

Group Legal and Compliance is responsible for Elopak's compliance program. The department has a key role in managing risks related to corruption, fraud, human rights, competitive information, and our business partners.

As part of our compliance governance model, we have established an Ethics and Compliance Council, chaired by the Chief Legal and Compliance Officer and attended by senior management and personnel in different regions and business areas. The Council meets at least twice a year to ensure an holistic and cross-functional approach to managing and coordinating various compliance risk areas and facilitating efficient implementation across Elopak. Our compliance network supports the implementation of compliance in the line through raising awareness, facilitating training, and providing general guidance. The network consists of Elopak's compliance champions, which are selected representatives from our different regions and specific business areas.

The purpose of Elopak's compliance program is to promote a culture of ethical and responsible business conduct. It is designed to prevent, detect, and respond to breaches of laws, regulations, or internal policies, i.e., non-compliances and misconduct. The compliance program is proportionate and risk-based, and consists of the eight elements illustrated in the figure below.

Further details on prioritized compliance program elements

(2) Risk assessment

- Elopak has a risk-based approach to compliance. An annual compliance risk assessment is conducted where identified risks are evaluated and mitigated where appropriate. Types of risks taken into consideration are corruption, business partners, sanctions, competitive information, and human rights. During 2021 we conducted deep dives in four main risk areas and performed mitigating actions.
- The risk assessment is based on existing legislation and trends in legislation, input from the annual internal Ethics and Compliance Survey, types of reported concerns, and other internal and external input.
- There are multiple contributors to the compliance risk assessment. Legal and Compliance, the Executive Management Team, and stakeholders in the various staff- and business areas provide input on specific risks and mitigating actions. Going forward, the annual compliance risk assessment will be conducted through workshops with the Ethics & Compliance Council.
- The risk assessment is continuously monitored and updated when the risk situation changes.

(3) Governing documents

- Our Code of Conduct reflects our commitments and requirements for how we do business in Elopak. The Code of Conduct applies to all employees, the Board, and those who act on behalf of or represent Elopak. We expect our suppliers to uphold similar standards and act consistently with the requirements set out in our Code of Conduct. This is detailed in our Global Supplier Code of Conduct. To help us apply the Code of Conduct in our daily work, we have developed related policies and procedures, providing more detailed guidance on compliance requirements. The employees receive annual, mandatory ethics and compliance training through our PureEthics training. This is our Code of Conduct and Anti-Corruption Policy e-learning program, and we developed an in-depth dilemma training workshop concept for selected target employee groups. Elopak's standard employment contract includes our Code of Conduct, which new employees must sign and confirm they comply with. The Code of Conduct document and training material are available in several languages to ensure we reach out to all our employees.
- Our Code of Conduct is explicit on our zero-tolerance of engaging in bribery and corruption. Elopak's compliance program includes policies and procedures to comply with anti-corruption and anti-bribery legislation, uphold high ethical standards through preventive and detective measures, and mitigate risk through responsive actions. We have a global network of compliance champions (compliance network) who support the business in compliance issues. Annual mandatory anti-corruption training is provided.
- Elopak has developed clear policies and procedures against non-compliance with laws and regulations where we operate. In 2021, we strengthened our governing documents with new or updated policies and procedures, focusing specifically on our business partner procedure (due diligence), sanctions compliance policy, conflicts of interest procedure, gifts and hospitality procedure, speak up policy, and whistleblowing and internal investigation procedure. These governing documents will be rolled out in the organization in 2022.

(7) Speak up, issue reporting, whistleblowing, and investigation

- Employees and external stakeholders are expected to report suspected violations of Elopak's Code of Conduct, internal policies and/or laws and regulations.
- Employees should contact their line manager when possible. Concerns can also be reported through the Elopak whistleblower helpline, which describes how one can report via phone, e-mail or online. Reported concerns can be sent anonymously through the latter channel which is currently available in eight languages.
- Our whistleblowing and internal investigation procedure establishes guidelines and responsibilities for reporting and investigating concerns. The procedure ensures a standardized and efficient process to handle investigations where confidentiality and protection of the individuals reporting are critical.
- Elopak does not tolerate retaliation against anyone who speaks up.

With a global footprint comes corresponding responsibilities. We are dedicated to responsible business conduct in our operations and throughout our value chain.
Hanne Langård, Compliance Manager

Performance

Targets

All Elopak employees to understand overall compliance risks and requirements for expected behavior

KPIs	KPI reference
a) % completed COC training	GRI 205-2
b) # reported concerns per category	GRI 205-3 GRI 406-1
Status 2021	
	a) 68% total 88% line managers 89% level 2 management 100% top management b) 3 reported concerns

In 2021, 68% of employees completed the Code of Conduct training, PureEthics. This is an increase of 21% from 2020. During 2021, we revised our Code of Conduct to strengthen important topics and clarify our commitments and expectations. The Code of Conduct was approved by the Board in December 2021 and will be rolled out to the organization in 2022.

Moving forward

In 2022, the revised Code of Conduct will be rolled out in the organization and new training will be provided to all employees to reflect the changes in scope. The Ethics and Compliance Survey in 2021 provided feedback from the employees on the training and awareness for ethics and compliance. In addition, the survey retrieved input concerning Elopak's speak-up culture and training in compliance focus areas. Based on this insight, Legal and Compliance will strengthen its efforts regarding awareness and accessibility of the whistleblower helpline, build faith in our reporting and internal investigation procedures, and strengthen our speak-up culture. Going forward, we will accommodate compliance training based on the feedback received from the organization.

PureEthics completion 2021

Employee group	Number	Percentage (%)
Level 2 management	9	100%
Line managers	45	88%
Employees	196	65%
Grand Total	1429	68%

Three concerns were reported through Elopak's whistleblowing channels in 2021. According to external benchmarks, reported whistleblower issues tend to hover round 1% of the total employee population[1], indicating that the number of reported issues in Elopak is low.

[1] According to Navex Global's Regional whistleblowing hotline benchmark report 2021

Reported concerns

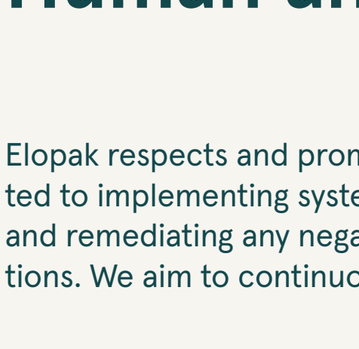
	2019	2020	2021
Number of cases	5	5	3
Accounting, auditing and finacial reporting			
Business integrity			2
Human resources, diversity and workplace respect	2	2	1
Environment, health & safety	1		
Misuse and misappropriation of corporate assets			
Other		3	

Human and labor rights

Elopak respects and promotes international human rights and is committed to implementing systems that minimize risks of human rights breaches and remediating any negative impact on individuals affected by our operations. We aim to continuously improve the work we do in this area.

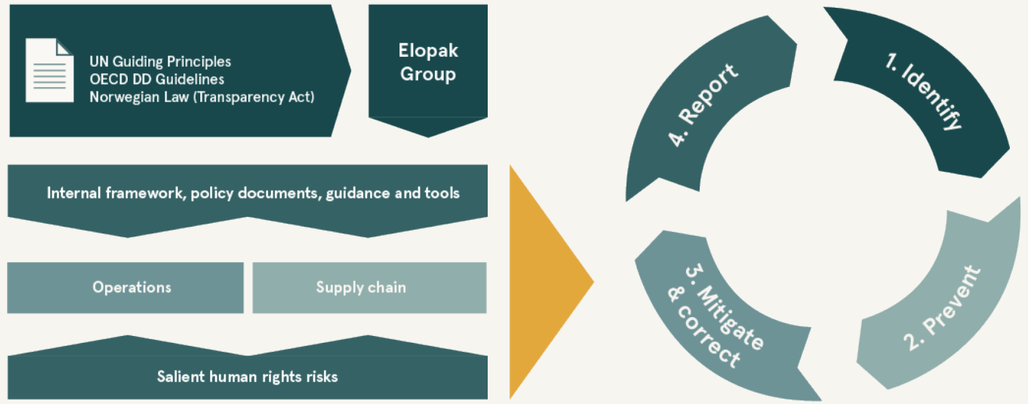
Elopak respects all applicable laws, rules, regulations, and industry standards concerning working hours, minimum wages, and the working environment, in line with human rights as defined by the United Nations. This is also reflected in our Code of Conduct. All our employees and consultants have an equal right to a workplace that is safe, healthy and free from discrimination. Our Code of Conduct represents a commitment for how all Elopak employees shall act towards other employees, communities, customers, suppliers, environment and other business partners of Elopak.

In June 2021, the Norwegian Parliament adopted the "Norwegian Transparency Act", which intends to ensure that companies respect fundamental human rights and decent working conditions in their operations and supply chains. Elopak welcomes such initiatives, which are in line with our responsible way of doing business.



By engaging actively with human rights due diligence in their supply chains, companies can contribute to improving the rights and livelihoods of millions of workers globally, while significantly reducing the risk of their business operations contributing to harm on people, societies and the environment

Kaja Elise Gresko, Advisor, Ethical Trade Norway



Approach

Human Rights

Human rights are included in Elopak's risk management processes and embedded in our compliance program.

Elopak issues a Modern Slavery transparency statement annually, describing what we have done to ensure that potential risks of slavery and human trafficking are identified and adequately managed within our business and supply chains. This is signed off by our Board of Directors.

Supply Chain Human rights risk assessment

In 2021 we conducted a high-level review and risk assessment of our supply chain in order to identify key Human Right risk topics and our Human Rights due diligence priorities. This will better allow us to prioritize and channel our resources and efforts. The approach is based on OECD's due diligence guideline for responsible business conduct.

Our main focus is our salient human rights issues in our supply chain, which are opposing forced and child labor as well as safeguarding the right to decent working conditions and the right to health and safety.

Elopak has a risk-based approach to supply chain human rights due diligence. In order to address issues more efficiently with our suppliers, we will focus on prioritized areas. The priorities have been identified considering scope, scale, irreversibility and likelihood of occurrence. In addition, we have also considered:

- Geography/Country risk
- Activity/risk to people – e.g. level of manual work, use of unskilled labor, hazardous work, etc.
- Elopak's influence – e.g. spend and strategic importance

By having a proactive approach to Supply Chain Human Rights due diligence, we can make a positive contribution to securing decent working conditions, not only in our own operations, but throughout our supply chain.
Sandra Färdigh, Director Group Procurement

Performance

Targets

Target to be defined

Strive for decent working conditions and no gross violations of human rights throughout our supply chain

KPIs	KPI reference
a) % in collective bargaining agreements	GRI 102-41
b) % completed human rights training	GRI 412-2
c) Significant actual and potential negative social impact identified in the supply chain	GRI 414-2c
Status 2021	
	a) 51% b) Not specifically measured c) See text

Using this approach, we prioritize the following categories:

- Raw material categories (board, aluminum, inks & solvents, polymers)
- Logistics & transport
- Filling Machines
- Catering and cleaning services
- Maintenance

The result of the initial risk assessment indicated a potential link between Elopak's supply chain (sub-supplier) and forced labor, where one significant finding was found for one of the entities. Based on the result, an external in-depth due diligence was carried out to further assess the risk, which did not indicate any direct link or further indirect link to forced labor. Other mitigating actions include, among others, dialogue and follow-up with the supplier.

In line with our risk-based approach, we aim to conduct more thorough human rights impact assessments for the prioritized areas with mitigating actions and follow-up plans where there is a higher risk for adverse human rights impacts.

Should we detect or be informed of human rights risks or adverse impacts in the non-prioritized areas of our supply chain, we will take appropriate action to mitigate risks there as well.

Labor rights
Elopak's focus on decent labor and working conditions is maintained through various policies, procedures, guidelines, and training available to all employees. Our speak-up culture and whistleblower helpline is another element safeguarding the well-being of our employees.

Local management and HR maintain a close formal and informal dialogue with the local works councils regarding health, safety, the work environment during organizational changes, and preventive actions to uphold a healthy working climate.

Performance

We continuously work to improve our Responsible Supply Chain procedure and framework and to embed human rights due diligence into our procurement processes.

51% of our workforce are covered by National Collective Bargaining Agreements, a significant increase from last year's report of 28%. Unfortunately, the collective bargaining agreements in the two plants in the Netherlands and Ukraine were not included in previous year's calculation. Employees in Europe are organized in the European Work Council. In addition, we keep employees informed and engaged in the business through frequent team dialogues, our internal communication channels, and town hall meetings. Elopak aims to notify employees, often through unions, in good time before the implementation of any significant operational changes that could substantially affect employees. In our agreements with one union, there is an eight-week notice requirement for any such change.

Moving forward

In 2022, we will continue our focus on human and labor rights, further developing the human rights due diligence framework and performing a human rights risk assessment for our own operations. Based on the human rights risk assessment of our operations, we can refine our KPIs in this area. For our supply chain, we will continue scoping out the top risks for Elopak in key categories and defining risk mitigation actions. Further Governing documents on human rights will be implemented to strengthen Elopak's focus on human rights. We continuously evaluate the need for appropriate training for both our operations and our supply chain. Labor rights will continue to be an important priority, particularly for implementation of new

European Works Council (EWC)

The European Works Council comprises Works Council representatives from all Elopak legal entities within the EU countries (plus Norway, Iceland, Lichtenstein). All legal entities with more than ten employees are entitled to send one representative. Some smaller legal entities are merged and presented by one person.

The EWC delegates meet with management once a year to be informed about strategy, financial results, and updates from different parts of the organization. The agenda for the annual meeting is established by delegates and management in cooperation.

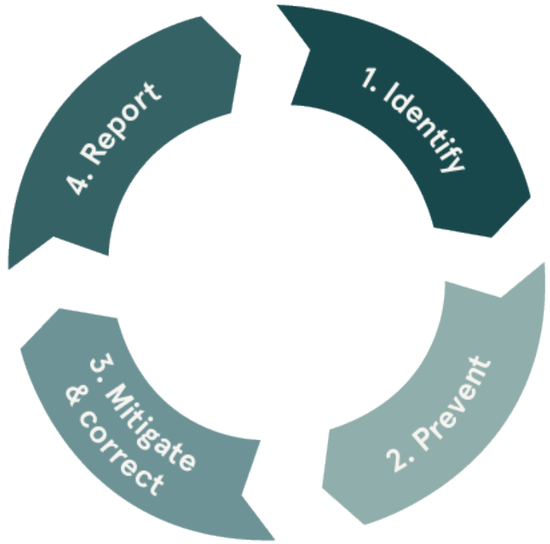
The delegates elect a Working Party comprising five delegates and two substitutes who have bi-monthly meetings with management. These regular meetings ensure a continuous information flow between management and EWC. The Working Party is obliged to share the received information with their local Workers Councils.

For extra-ordinary major or transnational matters such as restructuring, organizational changes, or projects affecting manning/resources, separate meetings are arranged to inform and consult the EWC before the rest of the organization is informed.

Elopak strives to maintain an open and trustful dialogue and relationship with the European Works Council.

Responsible supply chain

In Elopak, we have always had a strong focus on an ethical approach to our labor force, and we are extending this focus throughout our supply chain. In-house progress on these priorities is meaningless if achieved at the expense of others.



Making sure that we work with responsible and sustainable suppliers is crucial to reducing risk and avoiding negative impact throughout our supply chain on people, the environment, and society. It also helps us meet requirements and demands from customers, investors, and other stakeholders, that increasingly go beyond our operations and oppose/avoid social, environmental, and ethical breaches throughout our supply chains.

Approach

Elopak's Responsible Supply Chain work follows a risk-based approach and is based on UN Guiding Principles and OECD framework.

Supplier Code of Conduct

We work with suppliers that meet our requirements and monitor their performance and compliance to assess and mitigate social and environmental risks in our supply chain.

Elopak global Supplier Code of Conduct sets forth our requirements and expectations in business ethics, human rights, labor practices, health and safety, and the environment. We expect all suppliers to comply with the code and have an equivalent code for their suppliers and sub-suppliers. It is an integral part of our supplier onboarding process and supplier contracts.

Supplier Assessments

As part of our process to ensure responsible and sustainable business practices in our supply chain, we perform supplier sustainability assessments with the support of a third-party service provider, Ecovadis, covering the supplier's performance in the areas of Environment, Labor & Human Rights, Ethics, and Sustainable Procurement Practices.

Supplier selection for the assessments considers supplier criticality, country of origin, and industry.

We have also developed and started implementing a Supplier Integrity Due Diligence self-assessment questionnaire used for supplier onboarding and qualification purposes covering the supplier's ability to meet our requirements and expectations.

Where suppliers do not meet our expectations, we work with them on corrective actions to better understand potential gaps and improvement areas. Re-assessments are conducted minimum bi-yearly depending on results of of the initial assessments.

If Elopak identifies or becomes aware of a non-compliance or high risk, we actively engage with suppliers to discuss and agree on mitigating activities and a clear timeline for following up the activities. If a supplier fails or shows an unwillingness to improve or remediate the gap and/or key risk, we evaluate what steps to take and appropriate contractual actions.

Performance

Targets

Ensure all key suppliers accept our Supplier Code of Conduct and are assessed for social responsibility and environmental criteria by 2025

KPIs	KPI reference
a) % of raw material suppliers (by spend) signed, accepted or demontrated conformance to Elopak Global Supplier Code of Conduct	Self-defined
b) % of all suppliers (by spend) signed, accepted or demontrated conformance to Elopak Global Supplier Code of Conduct	Self-defined
c) % of suppliers (by spend) assessed for environmental and social impact	GRI 308-2a GRI 414-2a

Status 2021

a) 100%
b) 80%
c) 73%

Perfomance

Elopak had more than 4000 active suppliers in 2021. By 2021, suppliers accounting for 73% of total spend have been assessed using EcoVadis and/or Supplier Due diligence self-assessment questionnaires covering environmental and social criteria.

The suppliers that have been assessed are primarily key direct suppliers that provide raw materials for our cartons, packaging, filling machines as well as other key suppliers mainly related to logistics and transport, plants investments, IT, in addition to other indirect categories. We have also increased follow-up activities and corrective actions for suppliers with gaps and improvement areas identified in the assessments to secure continuous improvement and mitigate key risks.

Implementation of the updated Responsible Business Conduct requirements in our supplier contracts was initiated during 2021. From 2022 forward, our target is that all new or renegotiated contracts with key suppliers must include the updated requirements.

Our Global procurement Network have received training on our Responsible Supply Chain program during 2021.

Supply Chain Human Rights Risk Assessment

Elopak has a risk-based approach to supplier human rights due diligence. In 2021 we conducted a high-level human rights risk assessment of our supply chain, identifying our salient human rights risk issues and human rights due diligence priorities, allowing us to focus our resources and engagement more effectively.

Moving forward

We are working to further embed human rights due diligence into our procurement processes and to continuously improve our Responsible Supply Chain procedure and framework.

We strive to improve the training program for all people involved in procurement processes and will improve engagement and effectively integrate responsible supply chain and sustainability considerations. We have also started working to develop nano-learnings and additional training material related to Responsible Supply chain and specifically on Human Rights risk assessment and due diligence in the supply chain that will be implemented in 2022/2023.

Environmental and social responsibility is the backbone in the relations with our suppliers.

Tom Helge Egenes, Director Board Sourcing

Our Planet

Our planet provides us with all the resources people use, consume, and waste in our products every day. Maintaining the planet is about retaining the possibility for humans to live and prosper.

In August 2021, IPCC (Intergovernmental Panel on Climate Change) yet again confirmed that climate changes are real and man-made, and there is an urgent need to stop emitting greenhouse gases into the atmosphere. Further, the climate conference in Glasgow highlighted the need for speed in limiting global warming and phasing down and out the use of inefficient fossil energy.

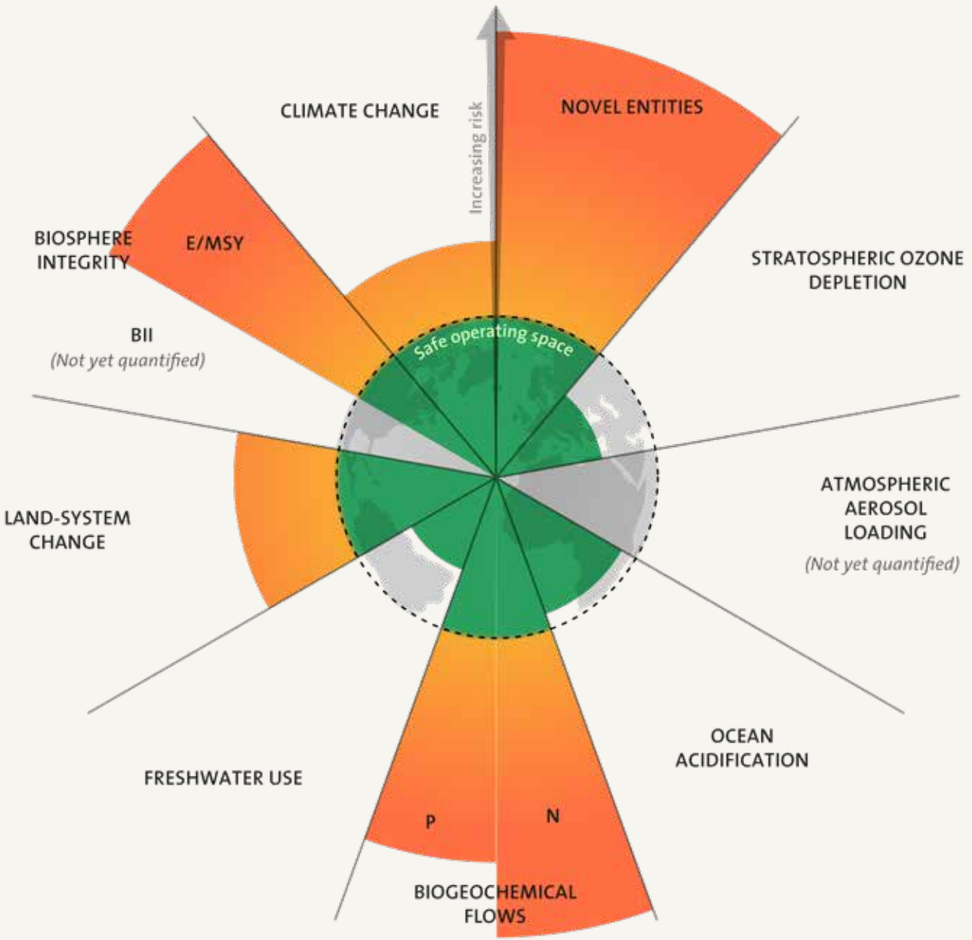
In the EU, the Fit for 55 package was presented in July 2021, stipulating how to deliver the 2030 climate target of reducing net GHG emissions by at least 55%, compared to 1990 levels. This target became legally binding in the European Climate Law in May 2021. The blueprint for the European Union's modern climate and decarbonization agenda was established in the 2019 European Green Deal, with the goal of being net-zero by 2050.

Addressing systematic and monumental challenges such as climate change requires unprecedented collaboration: stakeholders must work together to ensure policies, investments, and knowledge are in place to drive the sustainability transformation in time while ensuring prosperity.

Renata Braga Neperus, Senior Manager
Advocacy and Regulatory Affairs

According to a publication from the Stockholm Resilience Centre, human activity is pushing our planet close to its boundaries in several areas. Transgressing planetary boundaries increases the risk of having a less hospitable planet in the upcoming decades. They have defined nine planetary boundaries, and we have exceeded the safe operating space for five of them.

Staying in balance with the planet and its resources is important for all human beings, and businesses can, and should, make responsible choices to guide the population in the right direction. In this chapter, we will describe how Elopak works within the identified material topics/ relevant areas for our company.



Designed by Azote for Stockholm Resilience Centre, based on analysis in Persson et al 2022 and Steffen et al 2015

Renewability and recycled content

Renewability is important to Elopak because we are an inherent part of this world, and we have a responsibility to maintain the scarce resources of our planet.

Since we launched the first fully renewable cartons in 2014, volumes have significantly increased. It is a great success, with several large brand-owners launching products in fully renewable cartons, significantly lowering the carbon footprint of their packaging.

Inge Eggermont, Specialist Manager Sustainability

According to Global Footprint Network (www.footprintnetwork.org), humanity's demand for ecological resources and services exceeds what Earth can regenerate. Every year they calculate Earth Overshoot Day (www.overshootday.org), being the day when that year's resources have been spent. In 2021, this day fell on July 29. Needless to say, a more responsible use of resources is critical. Resources come in two types – renewable and finite. Renewable raw materials, such as those used to produce our cartons, are naturally regenerated and help ensure resource availability for future generations. In addition, these materials lead to significantly lower greenhouse gas emissions compared to fossil or other finite resources. An important element in reducing the extraction of natural resources is reusing the resources already extracted. The push to shift from a linear to a circular economy has been going on for years, and a lot of research and development goes into enabling materials to be used multiple times without compromising quality and safety for the consumer. For Elopak, the combined use of renewable and recycled materials fits perfectly. It allows for reduced GHG emissions, reduced use of finite materials, and increased use of materials already extracted, in addition to securing the most important criteria to any food packaging producer – food safety.

Approach

We have a systematic approach to renewability in our supply chain through our Raw Material Sourcing Policy, owned by the procurement department. We also have clear targets and KPIs established in our sustainability program. Through Science Based Targets and our RE100 membership, we have committed to continue sourcing 100% renewable electricity for all our global operations.

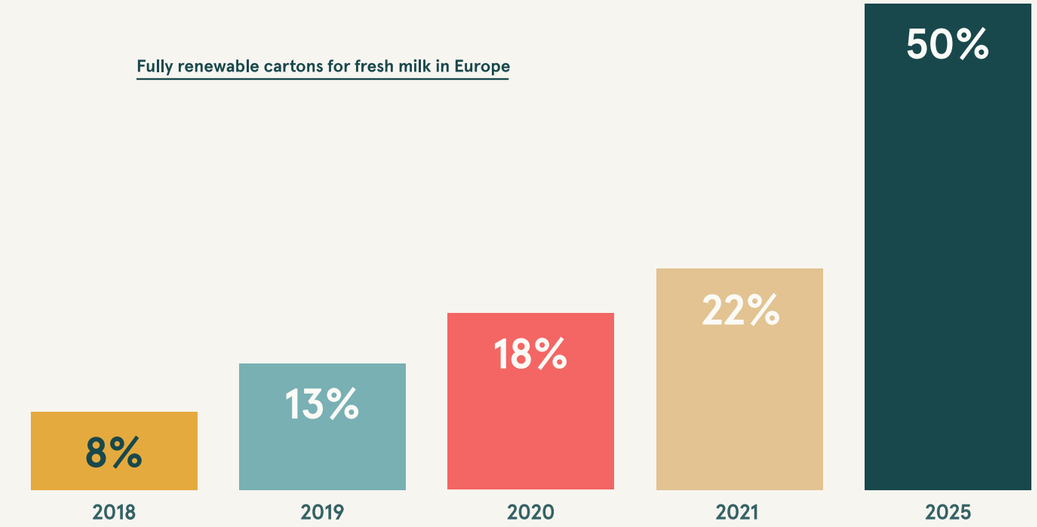
An Elopak carton consists of an average of 85% paperboard sourced from northern hemisphere forests. Forests are naturally renewable because trees grow organically, but they are only renewable if responsibly managed. Since our primary raw material originates from the forests, we take responsible forest management very seriously.

The second most prevalent material in our cartons is polymers, originally made from fossil resources. In 2014, Elopak launched the first fully renewable carton. We continue to develop and improve our offering through a responsible choice of various feedstocks, obtaining certification of a wider range of products, and ensuring responsible practices behind the raw materials through certification.

Food safety remains a priority and must be carefully considered before moving towards recycled content in food packaging.* Elopak is engaging with partners in the supply chain to develop and deliver products from polymers based on feedstock input from recycled plastics without compromising food safety.

The importance of renewability and recycled content for Elopak is confirmed by key stakeholders such as NGOs, industry associations, current and upcoming regulations, as well as our key suppliers and customers.

*: regulated by EC/1935/2004 on materials and articles intended to come into contact with https://sustainabilityreport2021.elopak.com/tables/elopak-stakeholder-approach/ood, and EC/2023/2006 on good manufacturing practice for materials and articles intended to come into contact with food.



Performance

Our Pure-Pak® cartons keep products fresh while using less plastic than alternatives. Elopak strives to reduce the plastic content of cartons, and our customers can already go “fossil-free” with renewable polymers. The main feedstock used for renewable PE in 2021 was tall oil, a residue from paper production.

In 2021, we did not use recycled material in our primary packaging. However, we started a project with a supplier to phase in certified circular polymers (through chemical recycling/feedstock recycling) in our products.

Moving forward

Elopak has an ambitious goal of 100% renewable or recycled content materials in our cartons on the European market by 2030. Reaching this target requires new ways of thinking, collaboration with partners, and an ever-increasing focus on product development. It also requires cross-value chain work to make sure new and more sustainable products are being placed on the market.

Elopak is engaging in research projects exploring raw materials for developing innovative and more sustainable packaging materials. Environmental impacts are assessed already in the early stages of any product developments at Elopak.

Elements to consider when moving towards recycled content in food packaging include the risk of contamination from unknown chemicals in post-consumer waste and limited access to high-quality recycled material, an issue recognized by the EU Joint Research Center in a publication from January 2022.

As for renewable polymers, we evaluate different feedstocks, aiming for solutions with the lowest environmental impact, such as being a residue or waste product and avoiding other consequences such as deforestation or food competition. An excellent example is tall oil-based feedstock, sourced mainly from Nordic forests, which enables us to offer a carton based entirely on wood. All our wood is 100% sourced from responsibly managed forests and other controlled sources, in accordance with the FSC™ standards.

An alternative feedstock being evaluated is Used Cooking Oil, which fits our requirements for sustainable feedstocks. We are also in the process of making the barrier layers in aseptic cartons available as renewable. We also aim to introduce certified recycled polymers (through chemical recycling/feedstock recycling) in closures during 2022.

*The Forest Stewardship Council™(FSC™). FSC™ C081801. Look for FSC certified products – the mark of responsible forestry. www.fsc.org

Forestry and biodiversity

When forests thrive, people, climate, and biodiversity thrive. The worlds' forests are increasingly recognized as one of the best nature-based solutions to address the climate crisis.

2021 was an important year for forestry. The European Union issued its 2030 Forest Strategy in July and measures to curb deforestation in November. During COP26 (the United Nations climate change conference) in Glasgow in November 2021, world leaders pledged to increase support to end deforestation by 2030 and to increase funding for forest protection by indigenous peoples.

Forests are home to three-quarters of the planet's life on land and provide clean air and water. Trees play a vital role in the carbon cycle, absorbing carbon dioxide (CO_2) from the atmosphere and producing oxygen. They are also crucial for biodiversity. According to WWF, they are home to more than ¾ of all life on land. Several species have become extinct over the past few decades, and thus maintaining healthy, wild forests is essential to preserving endangered species. Therefore, it is important to ensure sustainable forestry. We believe wood-based products are fundamental for a low carbon circular economy, including short-lived wood-based packaging products, notably in substituting their fossil-based counterparts.

However, wood is also a valued raw material for timber used to produce houses and furniture. Residues from the sawmills and undersized wood and forest thinnings can be used to produce paper, such as the paperboard used to make Elopak's cartons. In fact, the paper-making process produces natural bio-energy as well. A residue from the process, crude tall oil, can be further refined into bio-naphtha, a naturally renewable feedstock that can be used to produce polymers for use in the carton barrier and closures. This allows us to produce a carton entirely based on naturally renewable forests.

Paper-based products are crucial for using the whole tree in a resource-effective way. Different types of products are produced from one tree, and Elopak's suppliers ensure that new trees are planted after harvesting.

It may seem like a contradiction. Why use forest material to make products when trees are so important to life on this planet? It certainly requires a balance. A balance between forest conservation and responsible forest management, which can help protect vulnerable forest areas, incentivizing the protection of illegal logging and destruction of natural habitats. A balance between harvesting and replanting. Not taking more than necessary to sustain people's needs without excess. It also requires understanding where the raw materials come from and setting strict requirements for sourcing, such as through specific sourcing policies.

Elopak welcomes initiatives to protect forests and biodiversity, takes a clear standpoint against illegal logging, and requires all forestry behind our cartons to be legal and responsible. This is how we ensure that our main raw material is truly renewable and, therefore, will be available for generations to come

NEPP Project – Next Generation Pure-Pak

Elopak is engaged in a research project with RISE PFI and RISE AB, funded by the Research Council of Norway, called NEPP (Next Generation Pure-Pak®). The project started in 2020 and will run until 2022, aiming to develop and demonstrate a new type of fresh milk carton and the process steps needed to produce it. The new carton should substantially improve the impact on the environment and recyclability.

Central research activities in the project are new converting methods, new use of materials, new design, and new process steps, including the adaptation of filling lines.

So far, the project has delivered two literature studies on different technologies and materials to potentially replace the polymers currently used as a barrier in the carton and as material for opening devices.

Laboratory testing shows promising results so far, and although more testing is required, we have high hopes for exiting commercial solutions.
Jørn Erland Olsen, Specialist Director Material Development

FuturePak

Elopak took part in a long-term research project called “FuturePack,” running from 2017 to 2020/21 . Initiated by the Norwegian green dot organization, the project aims to find sustainable and economically viable solutions to the technological, societal, political, and environmental challenges to developing future plastic packaging materials. The project was supported by the Research Council of Norway and included 13 partners, of which 8 from industry and 5 from institutes/universities.

The project did a thorough evaluation of potential Norwegian feedstocks for pyrolysis recycling processes and recommended wood, straw, and plastic waste . The project also mapped other polymers often used together with PE and PP in multilayer packaging, enabling these to be included in the pyrolysis process. The tests are currently lab-scale and not commercially tested.

The project also included an LCSA study which provides insight into environmental and societal factors for the various processes and products.

Although the project did not result in specific relevant outcomes for Elopak, we, together with knowledgeable and experienced Norwegian expertise, gained useful knowledge about recycling and using recycled materials in food packaging.

FSC™ established in Norway

There is increasing interest for Forest Stewardship Council (FSC) certification in Norway, and work is currently underway to establish a national FSC office in Norway. In the spring of 2020, a local initiative group started the process to establish a Norwegian FSC office, and as the first step towards this goal, an association called “Skogen” (the forest) was established in the autumn of 2020.

This association is a Norwegian member association for companies and organizations that want to establish a Norwegian FSC office. Elopak is a memberand welcomes and supports this initiative. The association’s main purpose is to apply for approval to establish a national FSC office from FSC International.

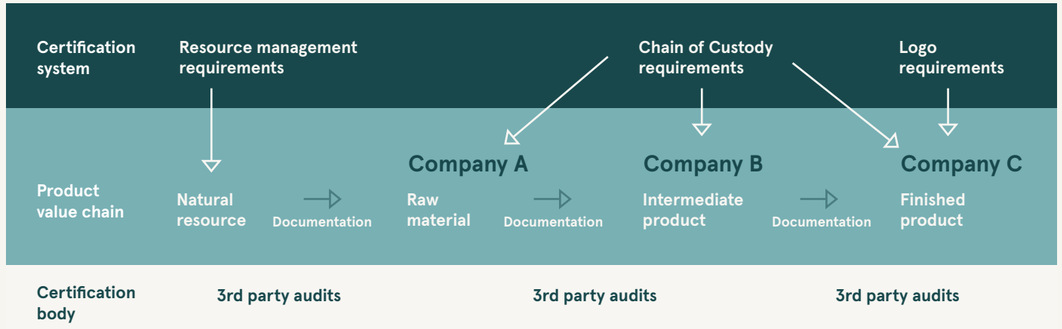
Elopak finds it positive that there is increased interest in FSC and certified forestry in Norway, a small country with a high prevalence of forests. We hope that the Norwegian FSC office can help facilitate more FSC-certified forests in Norway, being one of the countries fo which we source our main raw material.

“We are very pleased to finally have our own Norwegian FSC office! This is a process that has been ongoing since 2019 and was initially started in connection with the work being done to develop a Norwegian FSC forestry standard. Previously it was the Danish FSC office that was responsible for FSC in Norway, but we believe it is absolutely necessary to have our own office to fully utilize the potential we see for growth and interest in FSC in Norway, both in the industry and forestry. A Norwegian office will be in a better position for seeing and detecting the needs of Norwegian companies, forest owners, and organizations. The demand for FSC-certified wood and products is increasing in the international market, and we want to help increase awareness and demand for FSC-certified products in Norway, as well as contribute to increasing the proportion of forests that are FSC-certified both in Norway and internationally. This is because the FSC forest certification scheme has the strictest demands relating to safeguarding important environmental values, and which, with its organizational structure, ensures a balance between different stakeholders at all decisions levels. Increasing the demand for FSC-certified products will help increase the incentives for more forests to become FSC-certified and, by doing so, increase the area of forests subject to the strict requirements set by the FSC standards for safeguarding the rights of local and indigenous peoples, environmental values, and demands related to conversion, deforestation, and equality.”

Marianne Hansen, secretary, FSC Norway

Certification of raw materials

Some of our planet's resources are at risk of exhaustion, and responsible consumption is crucial. Being part of a larger value chain, Elopak works to ensure responsible sourcing of raw materials through our supply chain, and a good way to do this is through certification schemes.



Approach

Certification systems are based on requirements for managing natural resources, and these are often defined through multi-stakeholder consultations and voting. Certified materials travel through the value chain and are documented at each ownership change. Each step in the value chain needs to be certified while trained, neutral auditors perform third-party audits. The finished product often holds a logo to prove the certified credentials toward the original natural resource.

Elopak's main raw materials are paperboard and polymers. Some of our cartons also contain a thin layer of aluminum as an oxygen barrier. We have identified three central certification systems relevant to our products, as presented below.

Through our Raw Material Sourcing Policy, our Global Supplier Code of Conduct, and our Sustainability Program, we secure a consistent approach anchored in our Procurement Team and our Sustainability Team. The certifications are embedded in all relevant areas of the organization, including supply chain, production, design, marketing, and sales.

We work closely with our suppliers and other stakeholders such as NGOs, industry associations, and customers to ensure our approach and choice of certification schemes are relevant.

FSC™

The Forest Stewardship Council™ (FSC) is an independent, non-profit organization devoted to encouraging the responsible management of the world's forests. FSC sets high standards that ensure forestry is practiced in an environmentally responsible, socially beneficial, and economically viable way.

ASI

The Aluminum Stewardship Initiative (ASI) is a global non-profit standard-setting and certification organization. ASI brings together producers, users, and stakeholders in the aluminum value chain to collaboratively foster responsible production, sourcing, and stewardship of aluminum.
Visit www.aluminium-stewardship.org

ISCC PLUS

ISCC stands for "International Sustainability and Carbon Certification" and is a worldwide applicable and acknowledged certification system for any kind of bio-based feedstocks and renewables. ISCC PLUS is specific for food and feed products and technical/chemical applications (e.g., bioplastics) and applications in the bioenergy sector (e.g., solid biomass).
Visit www.iscc-system.org

Performance

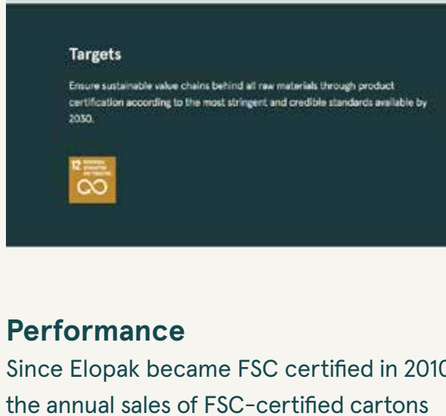
Targets	KPIs	KPI reference
Ensure sustainable value chains behind all raw materials through product certification according to the most stringent and credible standards available by 2030.	a) % certified purchased materials	Self-defined
	b) % certified sold products FSC certified	Self-defined
	Status 2021	
		a) 50% b) 64%

Performance

Since Elopak became FSC certified in 2010, the annual sales of FSC-certified cartons have steadily increased. Since 2015, 100% of Elopak's purchased paperboard has come from verified and controlled sources, in line with the standards from FSC. In 2021, 64% was FSC-certified (74% of the sales volume in Europe). All our FSC-labeled cartons are certified throughout every stage of the value chain, from forest yield to paperboard production to final product manufacturing.

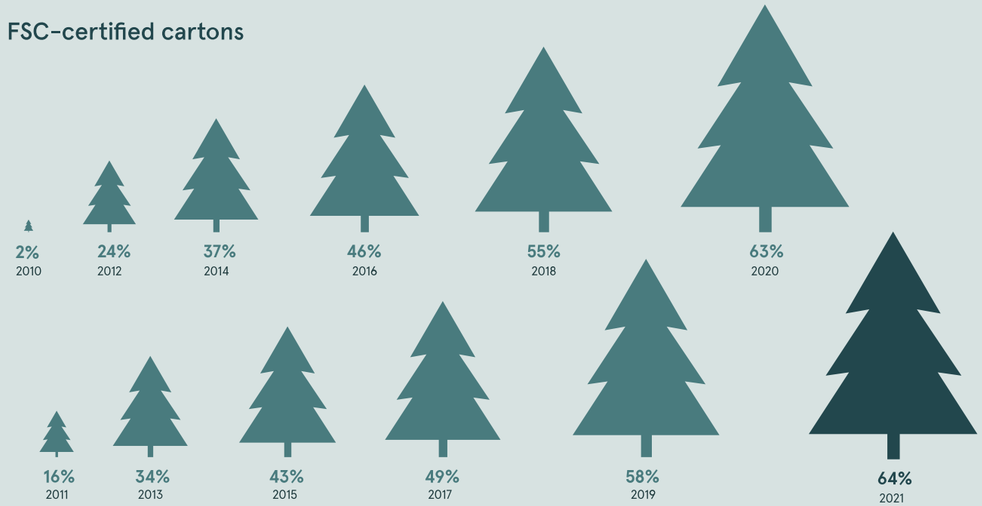
100% of the renewable polymers Elopak supplies are certified according to ISCC PLUS. The ISCC PLUS system can also be expanded to cover certified circular recycled polymers, a process Elopak started in 2021.

In 2021, Elopak had our first ASI performance standard audit, after having been through a self-assessment process. The certificate was in place early 2022.



Reputable certifications such as FSC and ISCC are more and more a standard for our customers to demonstrate to the end-consumer that the packaging materials are coming from responsibly managed sources.

Noella de Cock, Key Account Manager



Excl. Joint Venture

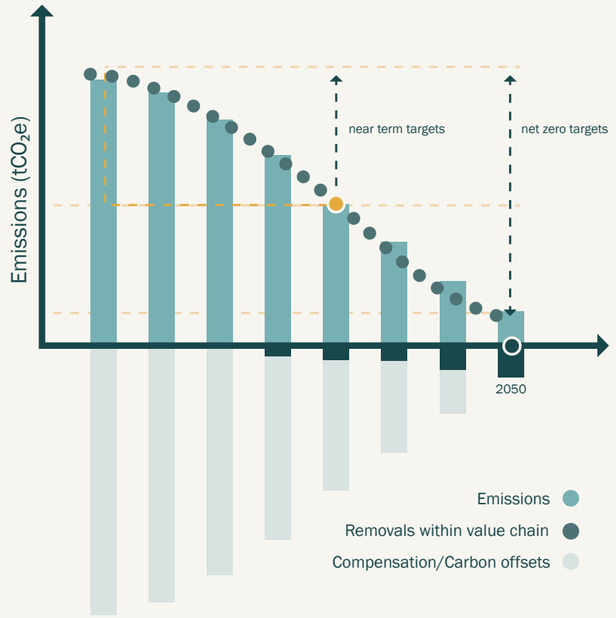
Moving forward

Elopak aims to maintain and further increase the use of certified paperboard. In line with our renewable and recycled content target, we also aim to increase the use of certified renewable or circular recycled polymers. Once we obtain our ASI certificate, we aim to phase in ASI-certified aluminum in our products.

Net Zero

The emission of greenhouse gases into the atmosphere has many negative effects, the most prevalent being global warming. The average temperature on the planet's surface has increased by 1 degree since pre-industrial times.

In 2021, the Science Based Targets initiative (SBTi) launched its Net zero Standard, the first framework for corporate net-zero target setting in line with climate science. The term net zero was previously not defined and could have been applied to carbon neutrality through off-setting or compensation. The new framework requires near-term and long-term targets focusing on rapid, deep emission cuts across the value chain. By 2050, emissions must be close to zero, and any residual emissions that cannot be eliminated must be neutralized through carbon removals



Approach

Elopak has worked systematically to reduce our greenhouse gas emissions since 2008. We have publicly reported our emission data every year and made significant emission cuts through several reduction initiatives, including the increased use of renewable electricity. Since 2016, we have sourced 100% renewable electricity and have been a member of RE100. Since the same year, we have been a carbon-neutral company, offering carbon-neutral packaging to our customers. In 2019, Elopak was an early adopter of the SBTi's initiative to cut Greenhouse Gas (GHG) emissions, keeping the global average temperate increase below 1.5°C.

Elopak supports the SBTi and took part in the Net zero Road Test with 80 other companies during the summer of 2021. We see it as imperative to reach net zero by 2050 first and foremost by delivering on our near term targets and to stay on track towards the Paris Climate Agreement's goal of limiting the consequences of climate change on the people on this planet.

Elopak has updated our near-term targets on the path to net zero, committing to reducing absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2020 base year. In addition, we pledge to continue sourcing 100% renewable electricity. We have also committed to reducing scope 3 GHG emissions by 25% by 2030 from a 2020 base year.

In parallel, Elopak will continue to support sustainability projects in developing countries through our carbon neutrality program.

Our approach is firmly embedded throughout the company through our sustainability program, commitment to the SBT initiative, and RE100 membership. We are reporting in line with the GRI framework, the GHG protocol, and CDP.

Multiple stakeholders confirm the importance of climate and emission reductions, which further strengthens our motivation and drive to deliver on our targets

SCIENCE BASED TARGETS

The SBTi recommends investments outside the value chain to help mitigate climate change elsewhere. There is an urgent need to scale up near-term climate finance; however, these investments should be in addition to deep emission cuts, not instead of them. Companies should follow the mitigation hierarchy, committing to reduce their value chain emissions before investing to mitigate emissions outside their value chains.

Science Based Targets initiative

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Science Based Targets

Science Based Targets is an initiative which sets guidelines to scientifically calculate targets for companies' contribution to decarbonization in line with the Paris Agreement. Originally, this agreement set out keeping the global average temperature increase below 2°C compared to pre-industrial temperatures. However, the SBT initiative launched new guidelines in 2019 for target-setting in line with the 1.5°C target.

Performance

Scope 1 emissions

Natural gas, propane, heating oil, waste incineration, wood

Energy consumption accounts for the majority of our internal CO2e emissions. These are not easy to directly replace with low-carbon energy sources. Therefore, we are focusing on energy efficiency initiatives in our factories and projects to replace fossil energy with renewable sources. In 2021, we saw a 10 % reduction in scope 1 and 2 emissions since 2020, due to initiatives such as replacing gas with renewable electricity, especially on heating of buildings.

In 2021, the emissions from our own production (scope 1 and residual scope 2) were 7 676 tonnes CO_2e

* Compared to a 2020 baseline.

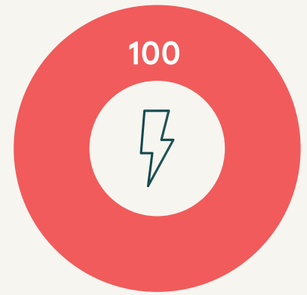
Scope 2 emissions

Electricity, district heating

Renewable electricity means sourcing from renewable sources such as hydro, wind, or solar power. This is highly beneficial compared to finite, fossil energy sources, which have considerably higher emissions.

To source renewable electricity, companies can either directly invest in new renewable generation capacity or use certificate systems. Elopak has chosen the latter and is purchasing energy certificates to cover 100% of our electricity consumption. The electricity consumed should be sourced within the same market as it is produced to increase local capacity and supply.

100% renewable electricity 2021



In 2021, Elopak started sourcing certificates closer to our sites. In addition, we are engaging with Becour to follow the power plants serving our plants through a new online platform.

We used the following sources for the supply of renewable electricity at our sites:

Region	System	Origin
Europe	Guarantees of Origin (GO)	Embretsfoss Hydropower plant, Norway
Russia	International Renewable Electricity Certificates (I-RECs)	Funtovo wind farm and Abakanskaya solar plant, Russian Federation
Ukraine	International Renewable Electricity Certificates (I-RECs)	Krzecin and Piecki wind farms, Poland
North America	Green-e certified Renewable Energy Certificates (RECs)	Cameron wind park, USA

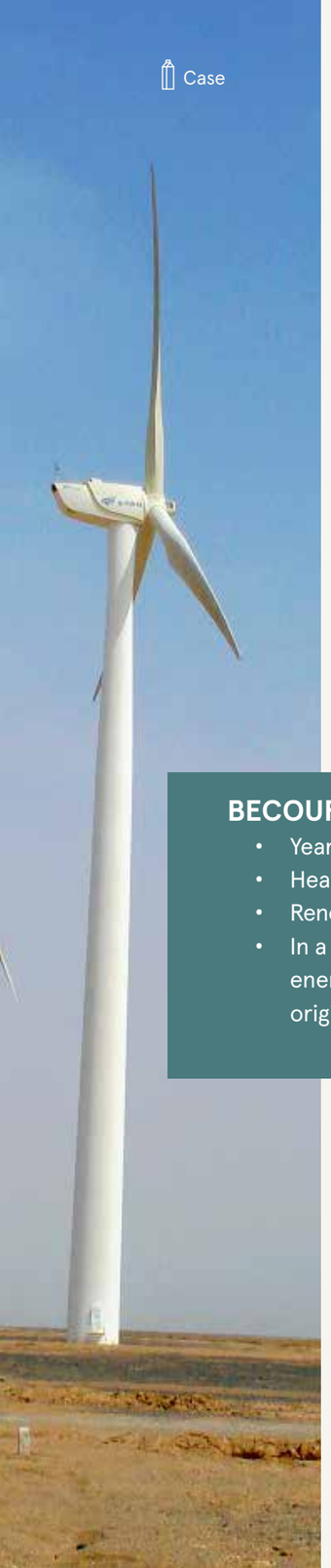
RE100

In 2015, Elopak became the first packaging company and the first Norwegian company to join the RE100 campaign, committing to sourcing 100% renewable electricity from 2016 onwards for all fully owned production units and offices worldwide. We are proud to be one of only a few companies in the RE100 campaign to reach this goal at this early stage.

The RE100 Annual Report for 2021 states that 61 of the RE100 members (up 8 from 2020) have announced reaching 100% renewable electricity.

RE100

RE100 is a collaborative initiative of influential businesses committed to 100% renewable electricity, working to massively increase corporate demand for, and delivery of renewable energy.



Becour – platform for renEl and documentation

Companies like Elopak are transforming their operations to make them compatible with a sustainable future, and a big part of any company's environmental impact is their energy use.
Elopak has been leading the way since the start – they were the first packaging company to join the RE100, a group of companies committed to using 100% renewable energy. They have also been a great help to Becour, supporting us in setting up Marbly, a tech platform that links companies with specific power plants to increase their positive impact on renewable energy markets.

BECOUR

- Year founded: 2018
- Headquarters: Fredrikstad, Norway
- Renewable energy use facilitated: 30 TWh
- In a nutshell: Becour helps global corporate energy buyers credibly document the renewable origin of their energy consumption.

How can you source your energy from renewable power plants?

When you are attached to a national energy grid, you cannot know which of the many power plants on the grid produced the physical electricity used in your home, factory, or office. It is impossible to track electrons – unless you are located on a microgrid with only renewable power sources, you will be using some proportion of fossil energy.

However, it is still possible to document 100% renewable origin for consumed electricity using energy attribute certificates. Whenever a megawatt-hour (MWh) of electricity is produced from a renewable source, a digital certificate is also generated. This certificate is valid for a year and can be sold to electricity consumers. Once the certificate is 'canceled', this counts as the consumer using 1 MWh of renewable energy. If the consumer buys and cancels enough certificates, they have documented the renewable origin for 100% of their energy consumption. This incentivizes the development of new renewable energy plants by allowing the owners to sell not only the electricity but also the certificate.need to purchase around 170.000 liters of heating oil per year. approximately 207 tonnes CO_2e.

Is there room for improvement in the current system for renewable energy sourcing?

Traditionally, certificates can be generated in one place and canceled for energy usage far away. This means that a factory in an area with a large proportion of fossil fuels can claim renewable energy from somewhere where renewables are more abundant. While this supports renewables in general, it does not increase demand for renewables in the place where it is most needed – the grids with a high fossil fuel mix. The core aim of using renewables is to reduce greenhouse gas emissions by displacing fossil energy, so this is crucial. Sourcing renewable electricity produced in a place with a high proportion of fossil energy would mean that more carbon emissions would have been avoided.

There is a similar situation with time. As mentioned, renewable energy certificates can be claimed at any time within a year of being produced. This means that a company can buy many certificates generated, for example, from solar when the sun is shining, and then cancel them for energy consumed during the night. In practice, this means that we are reliant on fossil fuels during the time when solar energy dipped. It does not encourage the building of a renewable energy system that is capable of supporting society at all hours through diverse sources.

What does the future of renewable energy sourcing look like?

Becour helps companies to move forward with their renewable energy sourcing by facilitating them to source energy from specific powerplants in their region through the use of energy attribute certificates.
We can match energy consumption with production happening during the same hour using matching algorithms. Being able to point to specific renewable power plants and say that your operations are powered by those means at all hours will hugely increase trust in a company's commitment to tackling climate change.

Likewise, for companies like Elopak, who have been conducting lifecycle assessments for their products, this opens the door to extending this to include power plants. A life cycle assessment involves taking into account the environmental impact of a product at all stages, from extracting the resources used in production to what happens once it is discarded. There can be a large difference in the sustainability of different power plants due to the year built, type of renewable production, location, construction materials, so this could help them to find the most sustainable energy producers even among renewables – the best of the best.

Of course, we want to stress that we still see traditional renewable energy sourcing as a positive thing that should be the first step for all energy users. However, we see it as a stepping stone rather than as a final destination. We are confident that after seeing the first movers, such as Elopak, many companies will follow. This way, we can build a renewable energy system that can cover more and more of our total energy use, all around the globe, and at all hours.

This was a very interesting project where we successfully managed to install new heating and cooling equipment. This equipment is also very efficient by use of heat recovery, which results in reducing emissions. We now only need gas for our coatingline, but we already started the final phase to go off the gas by changing our flame treatment to corona treatment. It feels meaningful to take part in this project which contributes to a better and healthy work environment and reduce emissions.

Fons Platteeuw, Maintenance Manager
and Leo Cazaerck, Senior Project Manager, Coating Netherlands

Emission reduction projects in 2021

Terneuzen coating plant, Netherlands

2021 was the first year that the Terneuzen coating plant eliminated natural gas consumption for heating buildings; it now uses electricity.

In addition, one forklift was changed to an electrical clamp truck, as per the transition program from gas to electrical forklifts.

Terneuzen converting plant, Netherlands

During 2021, the converting plantprepared the electrical infrastructure for the further transition to electricity in the upcoming years. The program for changing the lights from TL to LED is ongoing, and five production halls have changed to LED in 2021.

The plant also replaced gas-fired heating with heat pumps for the plate-making area and offices and facilitated six places with electrical vehicle charges outside the main building in 2021.

Montreal, Canada

During 2021, all gas valves in the heating, ventilation and air-conditioning (HVAC) system were changed. The system is now more dynamic, reducing the energy needed. One new print line using electricity instead of gas was installed at the end of 2021. This is expected to reduce emissions by 300 tonnes CO2e per year, when fully in operation. In addition, the new line is also expected to reduce waste and increase productivity. Step 1 of a project to change the buildings' heating to electricity was also initiated and planned in 2021 and is planned for installation during 2022.

Scope 3

Scope 3 emissions occur in the product value chain outside the reporting company. The emissions are part of someone else's scope 1 and 2, but they occur because a product enters the market and is therefore also reported by its producer. A life cycle approach to the value chain is important to ensure that all emissions related to products are included

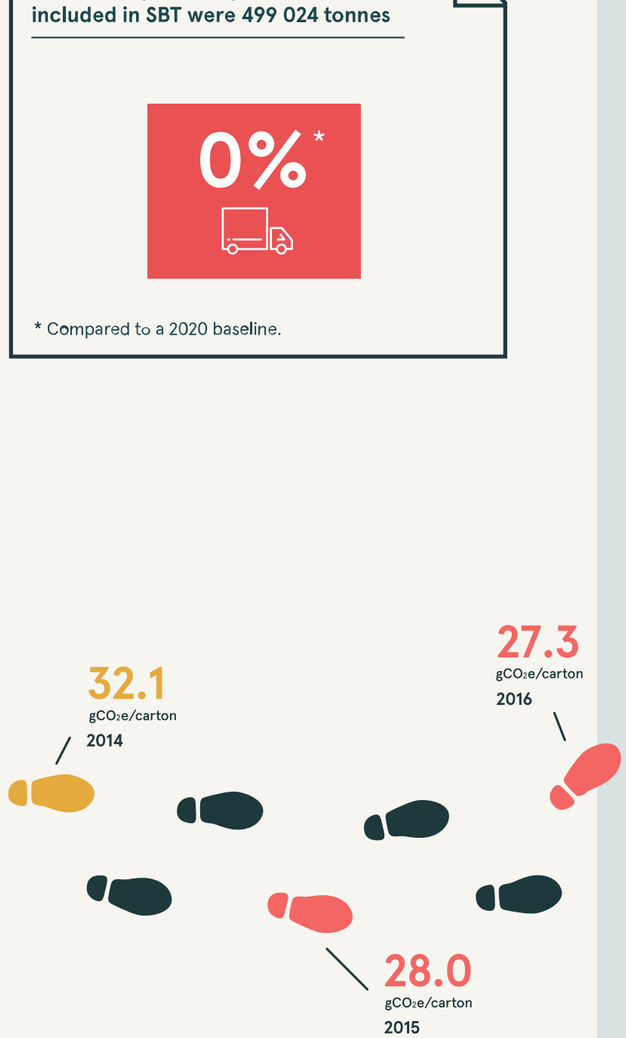
There are many categories for scope 3 emissions, all of which are presented and described in the methodology chapter. Although all categories are estimated and reported in the data tables, we will highlight the categories included in the scope of our Science Based Targets, namely raw materials, business travel, transport and distribution, and filling machines in operation. These are the most relevant categories where Elopak can make an impact through value chain collaboration.

In 2021, our scope 3 emissions remained unchanged from 2020. Each category is presented separately below.

In 2021, Elopak's scope 3 emissions included in SBT were 499 024 tonnes

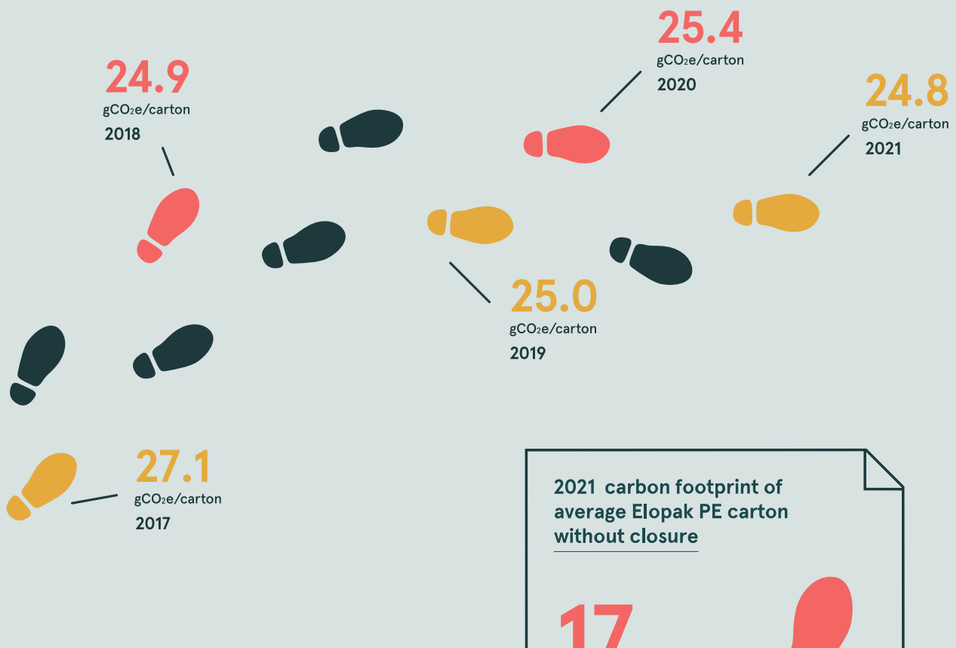
0% *

* Compared to a 2020 baseline.



Carbon footprint of average Elopak PE carton with closure

* Based on internal cradle-to-gate calculations in Elopak's DEEP tool, version 12. The numbers represent an average 1 liter PE coated carton with closure sold in Europe, for fresh dairy products.



2021 carbon footprint of average Elopak PE carton without closure

17

gCO2e/carton

Raw materials

The main source of our scope 3 emissions lies in the raw materials of our products. Emissions from this category slightly decreased from 2020 to 2021, mainly due to a decrease in volume. The carbon footprint of our cartons have gradually decreased over the past years.

−1% *

In 2021 , Elopak's emissions from purchased goods and services were 375 536 tonnes CO_2e

* Compared to a 2020 baseline.

UBA approval of German LCA

The German Federal Environment Agency (UBA) has confirmed the ecological advantages of the beverage carton.
After reviewing the updated life cycle assessment by the Institute for Energy and Environmental Research Heidelberg (IFEU), the UBA has confirmed Elopak's long-standing conviction: that the beverage carton performs just as well as the returnable glass bottle for fruit juices, and even better for milk.

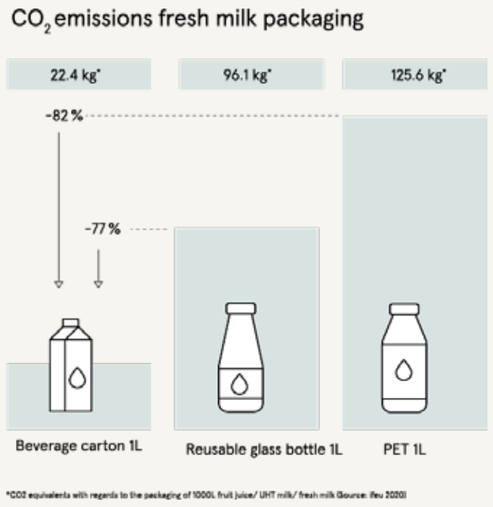
We are convinced that this latest life cycle assessment contributes significantly to greater objectivity and transparency, as it's the first to meet the minimum assessment requirements defined by the UBA for beverage packaging. This means the door is wide open for genuine ecological comparability of different packaging systems beyond ideological debates.

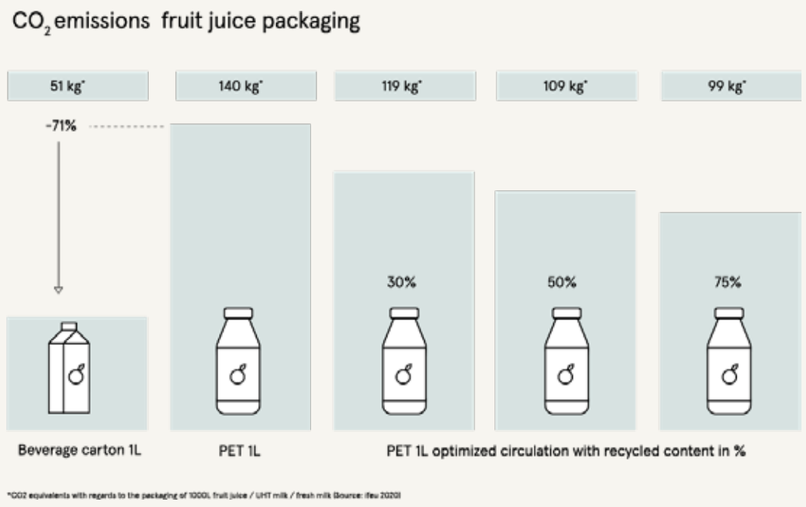
Key findings of the final report "Life cycle assessment of composite beverage cartons in Germany in the beverage segments juices and nectars, as well as UHT milk and fresh milk (IFEU, October 2020)":

- The beverage carton performs very well in the 2020 FKN life cycle assessment. The beverage carton shows significant advantages over the PET disposable bottle in all segments examined.
- In the beverage segment for juices and nectars, no overall ecological advantage or disadvantage to the 1-liter returnable glass bottles can be determined.
- In the fresh milk beverage segment, the beverage carton has advantages over the 1-liter returnable glass bottle.
- The beverage carton is a highly optimized package. It performs well in terms of filling processes, distribution, and disposal.
- The average returnable systems in the milk sector, and for juices and nectars, have a high potential for optimization.
- Recycling alone does not make for ecologically advantageous packaging.

These quality features distinguish the FKN life cycle assessment:

- It is the first to have been conducted in accordance with the "Minimum Requirements for Future Life Cycle Assessments" (UBA Texts 19/2016).
- The Federal Environment Agency developed these minimum requirements to make the results of different life cycle assessment studies comparable.
- The life cycle assessment follows the relevant assessment standards ISO 14040 and 14044.





The Federal Environment Agency welcomes the fact that the manufacturers of beverage cartons, through the FKN as an association, have taken their responsibility seriously and had their own packaging systems compared to the usual alternatives in a life cycle assessment.
UBA assessment of the "FKN Life Cycle Assessment 2020, August 2021

LCA study in Americas

A Life Cycle Assessment (LCA) carried out by Anthesis Ltd. demonstrated that the average Pure-Pak® carton presents a lower carbon footprint than a typical HDPE bottle or PET bottle in the North American market.

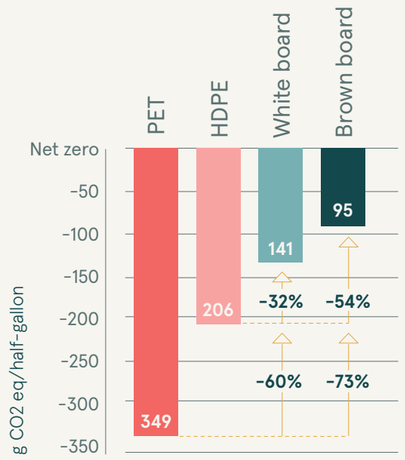
In 2021, Elopak commissioned a comparative LCA of different primary packaging solutions for fresh milk and juice sold in North America (Canada and the USA). This study confirms the results of other LCA studies from other regions, showing favorable results for beverage cartons as the most environmentally friendly packaging format. Pure-Pak® cartons have a better LCA profile than disposable PET and HDPE bottles in both juice and fresh milk sectors. Results also showed that cartons produced with brown board from Europe has lower impact than cartons from white board produced in North America.

A key focus for the study was the Global Warming impact category, measured in carbon dioxide equivalents.

A Life Cycle Assessment (LCA) is a tool to quantify the environmental impacts of a product throughout its lifecycle. The system boundary for each product system in this LCA was "cradle-to-grave", including the extraction/cultivation and processing of raw materials, manufacturing, forming and filling processes, end-of-life, and all transportation and waste stages.

An independent panel of experts carried out a critical review of the study to ensure compliance with the ISO standards for LCA (ISO14040 and 14044).

This LCA assumed that plastic bottles contained post-consumer recycled content, 15% for HDPE bottles and 7,5% for PET bottles, taking a conservative approach.



The LCA carried out by Anthesis in 2021 for the North American market has proven to be a very interesting tool to start discussions with our customers. It confirmed that Elopak cartons, in Americas, have a much lower carbon footprint than competitive packaging formats. The study is fact based, peer-reviewed and produced by a recognized and reputable company.

Soizic Paris, Marketing Director

Impact categories included in the study were

Global Warming Potential	Cartons significantly better than bottles
Fine Particulate Matter Formation	Cartons significantly better than bottles
Fossil Resource Scarcity	Cartons significantly better than bottles
Fresh Water Eutrophication	Cartons significantly better than bottles
Marine Eutrophication	Cartons significantly better than bottles
Mineral Resource Scarcity	Cartons significantly better than bottles
Terrestrial Acidification	Cartons significantly better than bottles
Stratospheric Ozone Depletion	Cartons better than bottles
Ozone Formation, Human Health Impact	Brown cartons significantly better than bottles
Ozone Formation, Terrestrial Ecosystems	Brown cartons significantly better than bottles
Land Use	Brown cartons significantly better than bottles
Ionizing Radiation	White cartons better than bottles
Water Consumption	Cartons not better than bottle

-6%*

In 2021 , Elopak's emissions from business travel were 1 583 tonnes CO_2e

* Compared to a 2020 baseline.

Business travel

The Covid-19 pandemic has led to global travel restrictions, affecting both 2020 and 2021. In Elopak, most work has been done through online meetings, meaning less business travel. Working online has several benefits, such as saving time, costs, and emissions. Elopak encourages employees to choose online meetings when possible, even when travel restrictions are lifted.

Elopak saw a 6 % decrease in emissions from business travel from 2020 to 2021.

-9%*

In 2021 , Elopak's emissions from third party transport were 40 087 tonnes CO_2e

* Compared to a 2020 baseline.

Transport and distribution

One of our priorities the last two years has been to focus on improving the fill rate of our transports.

With improved KPI reporting tools, we can pinpoint and monitor improvement potentials. The graph above shows the average fill rate of trucks from our production plants in the Netherlands (TRN) and Denmark (AAR), both with significant improvements through 2019-2021. This success results from dedicated cooperation between several parties, particularly the focus of order handlers to ensure customer deliveries fill the size of the transport equipment. Fill rate is measured by calculating how much of the floor space of the transport equipment we fill.

Our plant in Montreal, Canada, has implemented some successful logistics initiatives impacting sustainability, including acquiring a pool of reusable pallets, replacing the need for four new pallets a day to handle parts of their internal logistics processes, and replacing 720 single-use waste containers per year with reusable containers.

Emissions from transport were reduced by 9% from 2020 to 2021, mainly due to less material transported. Per tonne material transported, the emissions were reduced by 5%. Use of rail and sea transport was slightly increased in 2021 compared to 2020.

Optimizing transport packaging

Through a specific customer-focused project, we have been looking at ways to reduce transport costs and packaging material. One of the topics was how to fit more cartons on a pallet when shipping to our customers. We found that in some cases, we could increase the pallet height with up to two layers without any negative effects on the products, thus increasing the amount of products per pallet.

In the plant in Aarhus, a new pallet pattern has been made to increase the packs per layer from 10 to 12. Combined with the extra layers, this will give up to 40% more products per pallet. In the plant in Terneuzen, an extra layer has been added for specific products. In combination with an increasing number of cartons per box and optimizing pallets, this has led to a 43% improvement.

During this process, we learned that we could improve our current foil wrapping of finished pallets. By optimizing the stretching of the foil during wrapping, we managed to reduce the amount of stretch foil used by 60%. This was not in the scope of the original project but turned out to be a very positive side effect, reducing costs, emissions, transport and operator involvement.

The new foil wrapping system is now used for all pallets leaving the plant in Aarhus. As part of this project, the foil type used was evaluated. The factory standardized into one foil type for all products rather than two different ones, optimizing the procurement process and flexibility.

This project has led to optimized and simplified processes, reduced costs, reduced use of plastic and improved fill-rate in transport. We are looking into making similar improvements in other plants as well.

This has been a very exciting and inspiring project to work with, allowing us to be the change we want to see. Through the pallet optimization, we managed to reduce the first shipment from 4 to 3 full containers with the same number of cartons, while at the same time reducing plastic use! A good start, and there is great potential for more optimizing projects, being encouraged to think outside the box.

Steffen Brun Jensen, Packing Technology Manager

In 2021 , Elopak's emissions from filling machines in operation were 81 819 tonnes CO_2e

* Compared to a 2020 baseline.

Filling machines in operation

Elopak provides filling machines to many of the world's leading beverage manufacturers. Our filling machine portfolio offers a wide range of efficient and reliable solutions for Ambient, Extended Shelf Life, and Fresh distribution.

The machines feature a space-saving, compact design with a capacity of up to 14,000 cartons per hour in different formats and hygiene classes. They require minimal manpower and include the option of fully automatic material loading, offer exceptional flexibility, and have low utility consumption and operating costs. With the fastest possible change-over of format, design and volume, in addition to specially designed and proven filler valve models, the machines enable an extended product line ranging from non-carbonated soft drinks and liquid dairy products to medium and high viscous products.

Our development efforts recently also extended towards the option of filling both the aseptic and ESL products on the same filling line. With the E-PS120A hybrid filling machine, this exceptional level of operational flexibility can bring even more value to our customers.

Enhancements to both new and existing filling machines address the energy consumption of the individual steps in the carton filling and sealing process. An example is a conversion kit released in 2021, which concerns the efficiency of electrical components powering the top sealers on our aseptic machines. With newly designed power cables, the dissipation rate could be reduced by 50%, reducing the total energy used.

We offer our customers research and development support during the entire project lifecycle, including the new package and product development, comprehensive after-sales services, technical training, and maintenance support. In 2021, this capability was further strengthened by investments in the infrastructure of our Test Centers.

In 2021, emissions from filling machines in operation increased by 10%. This is due to more machines being sold/leased in 2021 compared to 2020.

Aseptic alu-free machine

2021 marked further expansion of Elopak's filling machine portfolio in the fresh and aseptic segments. The development and introduction of Pure-Pak eSense, a more environmentally sustainable aseptic carton without an aluminum layer, has been accompanied by optimizing our aseptic filling platform E-PS120A.

Its unprecedented operational performance and flexibility have been further enhanced by introducing a hybrid sealing system for carton top sealing, enabling processing the entire portfolio of aseptic boards in one filling line. Meeting both the current and future sustainability demands on the same filling line represents a key advantage to our customers.

The hybrid system utilizes ultrasonic sealing technology and will be available as a configurable feature for new aseptic lines and as a conversion kit for existing machines. Characterized by low energy input and short achievable cycle times, the technology is implemented for flexibility and performance.

This development project has been a joint cross-functional effort in which different disciplines contributed to overcome technical challenges and finding solutions by using innovative approaches and methods. The new hybrid sealing system is a foundation that opens up for further sustainable packaging developments in the future and the team is proud to bring this solution to the market.

Andrea Augustat, Development Engineer

Moving forward

To meet our ambitious emission reduction targets, we have built a roadmap to 2030.

The new near-term targets set stricter requirements for our value chain emissions, and we had to strengthen our focus on joint initiatives with our value chain partners.

The roadmap is a cross-functional effort with responsible colleagues from production, supply chain, innovation and engineering, procurement, and marketing/sales and is a part of our sustainability program

Scope 1

Within Scope 1, we aim to reduce emissions from the consumption of natural gas, propane, heating oil, waste incineration, and the use of fossil fuels. The roadmap includes identified activities currently being evaluated, such as:

- Replacing fossil-fired processes with electric alternatives
- Transfer energy use of production equipment and processes from gas to electricity
- Reducing waste through operational excellence
- Change gas-fired forklifts to electric

Calculating the potential impact of these initiatives showed potential emission reductions beyond the required reduction in our scope 1 target (and residual scope 2). However, all projects are subject to financial and technological feasibility studies over the next coming years.

We have identified several key projects to help us reach our targets, first and foremost aiming to phase out non-renewable energy sources.

Thor Erik Jægersborg, Director Operations

Scope 2

Elopak already sources 100% renewable electricity, and part of the target is to continue this practice in the future. However, our emission reduction targets do include scope 1 and 2, which means that we also need to aim to reduce the overall use of electricity. Therefore, we have identified some projects to be followed up over the next few years. Encouraging employees to contribute ideas, such as through the operational excellence program, will be essential to reach these targets.

- Mapping and increasing energy efficiency at all plants
- Energy-saving projects at all plants

Scope 3

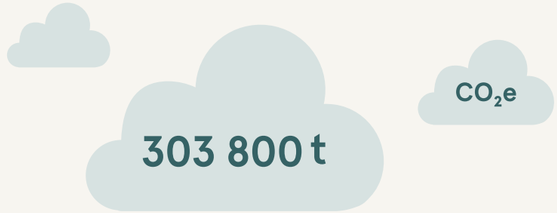
Although they account for the vast majority of our emissions, the most challenging ones to reduce are those outside of our own premises. We have identified some key strategic initiatives to help us reach the target. However, we will need to further optimize this part by setting up and evaluating various future scenarios, finding where Elopak can make the greatest impact. Some already identified initiatives include:

- Minimizing transport through end-to-end supply chain planning efficiencies
- Evaluating and optimizing mode of transport where possible
- Changing gas-driven trucks to electric, or evaluate other types of fuel
- Optimizing design and set-up of filling machines to reduce emissions per filled carton
- Evaluating new technologies to minimize downtime, waste, and energy consumption of filling machines
- Working systematically with key raw material suppliers to bring material use and emissions related to their production down
- Driving more sales of cartons with the lowest possible carbon footprint
- Continuing to hold virtual and digital meetings when possible to keep emissions from travel low

Our roadmap to 2030 will be continuously evaluated and updated to ensure that we reach the targeted CO_2e manufacturing footprint.

Carbon Neutral

Since 2016, Elopak has offset all emissions from our operations and offered carbon-neutral cartons to our customers. The carbon-neutral approach is stepwise: First, we measure, quantify, and publicly report our emissions, then set emission reduction goals and work continuously to reach them, before lastly offsetting the remaining emissions by supporting projects outside our value chain.



More than 303 800 tonnes of CO_2e have been avoided since the start of Elopak's carbon neutral program

In the past six years, Elopak has offset all emissions from our manufacturing processes, transport, and business travels. By expanding the scope to include raw materials, waste and distribution, we are offering carbon-neutral packaging to our customers. Elopak was the first to offer CarbonNeutral® Packaging for beverages and liquid foods.

The term net-zero could previously be used to describe carbon neutrality through offsetting outside the value chain. The Net Zero standard from Science Based Targets initiative (SBTi) redefines this term, and Elopak follows this development. Still, we recognize the urgent need to help mitigate climate change through beyond value chain mitigation. Such investments should, however, be made in addition to emission reductions, not instead of them.

Elopak supports several projects outside the value chain that provide third-party verified carbon emission reductions. We choose projects with multiple benefits, not only contributing to reduced greenhouse gas emissions but also improved livelihoods and health and societal benefits.

When engaging in voluntary carbon credits, compliance is of utmost importance.

Measure
For any organization to reduce its GHG emissions, it must first quantify them

Reduce
Identify and act on the potential for reducing GHG emissions

Offset
Support projects with verifiable emission reductions outside of own operations

Emissions are offset by supporting projects outside our value chain

Company emissions for 2021:

Climate-adapted agriculture project, Kenya

This project is building the long-term resilience of small-scale farms in Western Kenya. By equipping local farmers with the tools and knowledge to use sustainable techniques, they are able to reverse poor soil quality that is affecting their crop yields and have a better chance at withstanding ever more unpredictable weather in the region. The project employs a team of local field officers to introduce practices such as planting crops between a variety of trees to offer shade from strong sun, shelter from wind and to stabilise the soil and increase water retention. These techniques build resilient food systems and at the same time sequester carbon, allowing the farmers to receive carbon finance through a transparent distribution scheme. The project also establishes village savings and loan associations, ensuring better financial security for communities in the project area.

Landfill gas to energy in Monterrey, Mexico

We need to tackle the amount of waste that is produced and we also need to scale existing solutions that make waste disposal more sustainable today. Waste from landfill sites emits large amounts of greenhouse gases, in particular methane, which over 20 years is many times more potent than carbon dioxide. The purpose of the project is to capture this gas and prevent it from being released freely into the atmosphere. Once captured, gas is used as a fuel for electricity generation and hence displaces fossil fuel-based electricity. Looking to the future,

the project also contributes to improving solid waste management practices through a remediation program to close landfills – and increasing recycling in Mexico. The project contributes to a range of Mexico's sustainable development goals, specifically by:

- expanding clean and efficient technologies;
- generating clean renewable energy;
- creating employment opportunities;
- improving waste management practices and preventing environmental pollution.

Isangi REDD+ Project

The Isangi project in the Congo Basin protects over 187,000 hectares of one of Earth's most biodiverse rainforests from deforestation. As carbon sinks, forests play an important role in climate change mitigation. This project helps to alleviate local poverty by promoting sustainable economic opportunities and developing educational initiatives to bring a brighter future to remote communities.

Packaging emissions for 2021:

Water boreholes, Kenya

This Gold Standard certified project in the coastal region of Kenya, provides clean drinking water to small rural communities through the repair and installation of boreholes.

Using a vertical pipe casing and well screen, the boreholes can extract clean water from the ground and communities no longer have to purify water by boiling it. This project is based around Kilifi County which is on the coast, north of Mombasa. So far more than 60 boreholes have been rehabilitated, benefiting about 37,000 people. With easy access to clean water, families no longer have to collect firewood for boiling, saving time and reducing deforestation.

Without a functioning borehole, women spent an average of 2 hours 50 minutes per day collecting water, which reduced to 47 minutes per day after the borehole in the region was rehabilitated.

Mangroves planting, Kenya

As an add-on to the water project, Elopak supports the planting of mangroves in the same region. As it takes time for trees to grow and capture carbon, these are not calculated into the actual carbon emission offsetting. Mangroves are estimated to store up to four times more carbon than rainforests, making them a highly effective natural climate solution. The project is also creating local jobs and new opportunities for the locals.

Over 80% of Kenya's mangrove forests have disappeared. On Mtwapa Creek, near Mombasa, the mangrove forests have been destroyed to provide fuel and income for local communities. The deforestation has been so severe there is space for at least 100,000 trees. A local conservation group based in the area is raising seedlings to restore the coastal mangroves.
In order to present a new alternative to local communities, beehives are installed in the trees – providing a new income source from the sale of honey. Medicinal honey is in high demand and particularly valuable in the markets.

Efficient Cookstoves, Kenya

An efficient, easy-to-use stove, reduces fuel use by 50%, reducing the health impacts of indoor air pollution and saving money.

Many countries rely on biomass or charcoal for cooking, which is a root cause of poverty, poor health, gender inequality, and environmental degradation. The stove used by this project is popular for its ease of use and robust design, being durable yet portable. By reducing charcoal fuel consumption by over 50 percent compared to traditional stoves, households throughout Ghana are able to realise significant financial benefits, leaving more to spend on essential items like family health and education. Investment in the project has established a local production facility based near Accra, with over 20 local technicians and artisans trained at stove manufacturing, and a distribution network generating income for more than 200 retailers.

Recyclability and recycling

Elopak's products have been recyclable for decades, but we know that is not enough. Knowing that recycling needs an efficient infrastructure, we continue to drive the recycling agenda forward year by year.

It is important to highlight that recyclability and recycling are not interchangeable terms. Recyclability precedes recycling: Elopak cartons are recyclable with existing technology. In fact, our cartons are currently recycled in about 20 paper mills across Europe. Our cartons' recycling, however, depends not only on the materials used to make the cartons, but on the correct disposal of the cartons once they have been fulfilled their purpose, and on the existence of a functioning waste collection and sorting structure.

Recycling is fundamental to the circularity of Elopak cartons. Elopak supports requirements for recyclability and circularity, which are evident in regulatory developments all over the world and particularly in Europe.

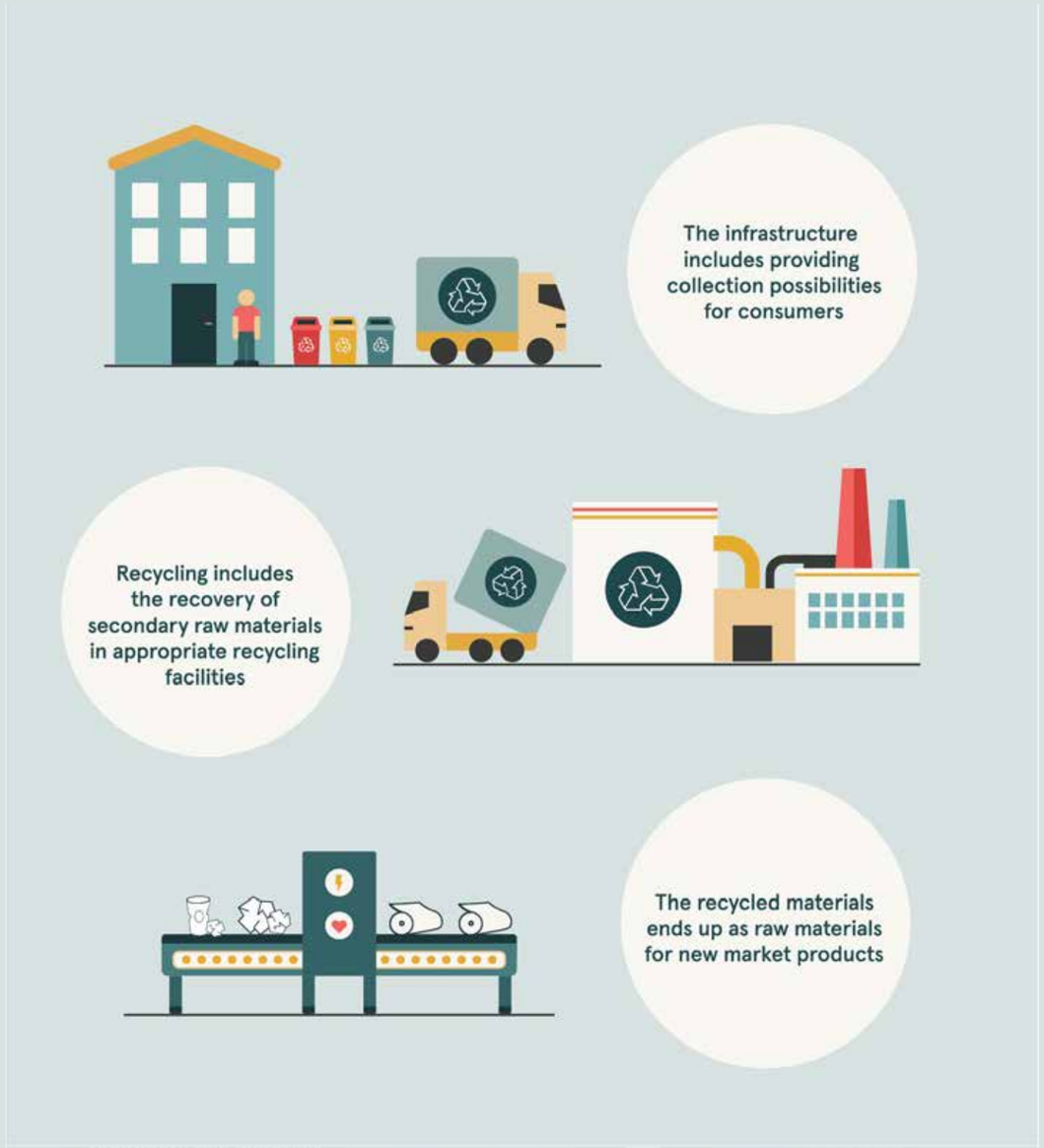
Approach

Elopak believes responsible sourcing and increased recycling of all packaging is fundamental for a just transition to a low carbon circular economy.

We see recyclability and recycling as two parallel streams: In addition to securing the use of highly recyclable materials in our products, we need a well-functioning infrastructure to ensure the materials are actually being recycled.

Recycling rates are inherently a result of well-functioning collection and sorting systems.

Consumer awareness and collaboration are fundamental to improve collection and



increase recycling. It must be convenient for consumers to dispose of their packaging, which is why our industry supports broad and frequent waste collection, and harmonised sorting through labels and pictograms.

Collaboration between different stakeholders is key to tackle the waste issue and to ensure that recycling rates significantly increase. Municipalities, waste management companies, sorting centres, industry and recyclers need to work together. We are confident that the recycling rate of paper based packaging can and will continue to increase thanks to both the new legal requirements under EU waste legislation to separately collect all packaging materials for recycling and the efforts of the industry's pan-European recycling platform, EXTR:ACT

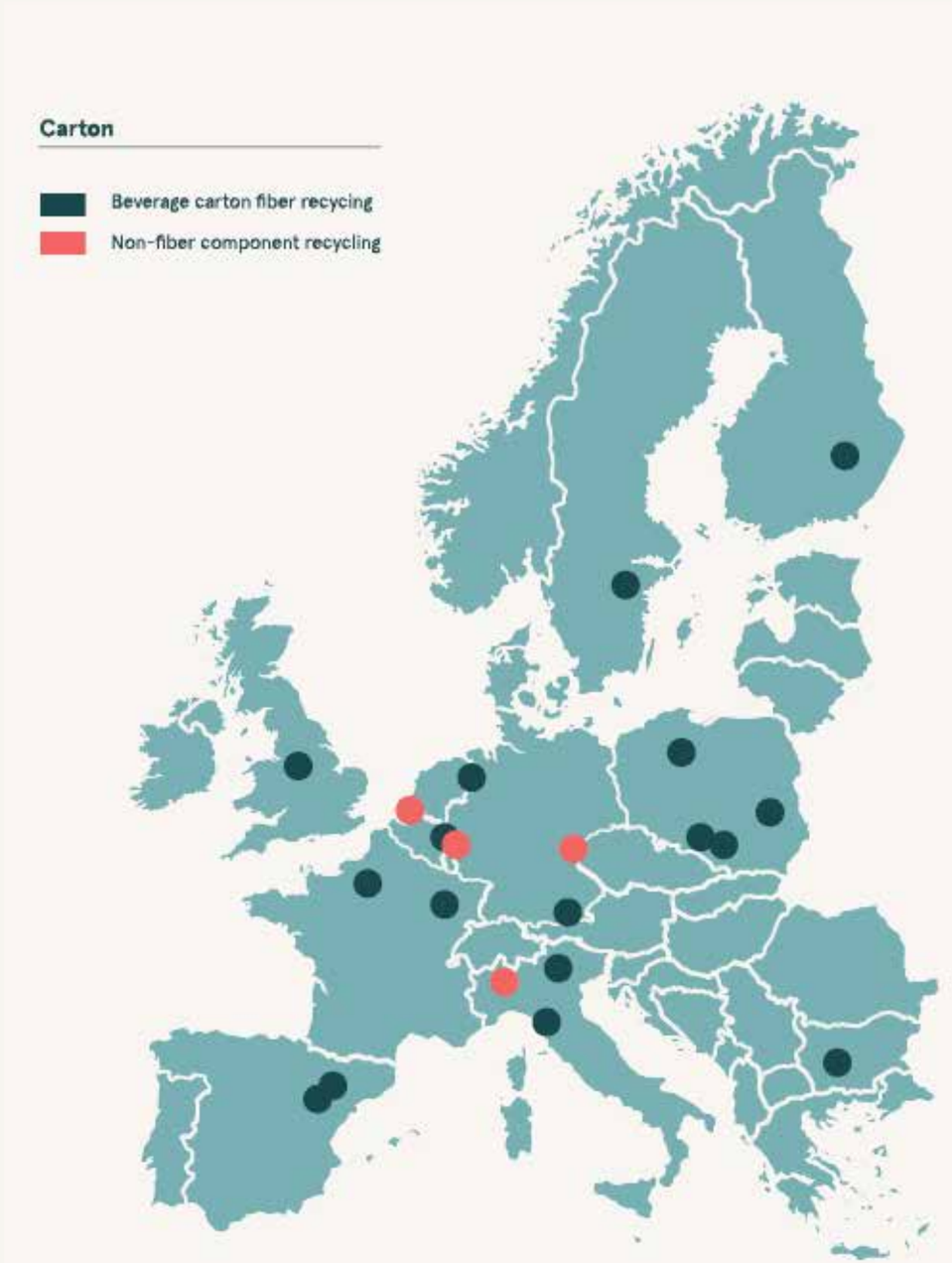
Elopak participates in multiple associations and industry partnerships to support the continued improvement of the collection, sorting and recycling infrastructure for our paper-based cartons. We commit to increase recycling rates in the countries where we operate.

I appreciate the possibility of being a part of a company that sees environmental responsibility as a part of daily business life and always looks for opportunities to improve environmental performance.

Rainer Hartmann, Senior Program Manager Circular Economy

Performance

About 20 paper mills across Europe currently recycle collected beverage cartons. Recycling beverage cartons is a simple process. The first step is to separate the fibres from the packaging through different special dissolving technology in a paper mill. The long fibres used to produce beverage cartons are highly appreciated by recyclers. Once recycled, the fibres are used to produce new paper products, while the remaining non-paper fraction can be used for a variety of other applications.



Performance

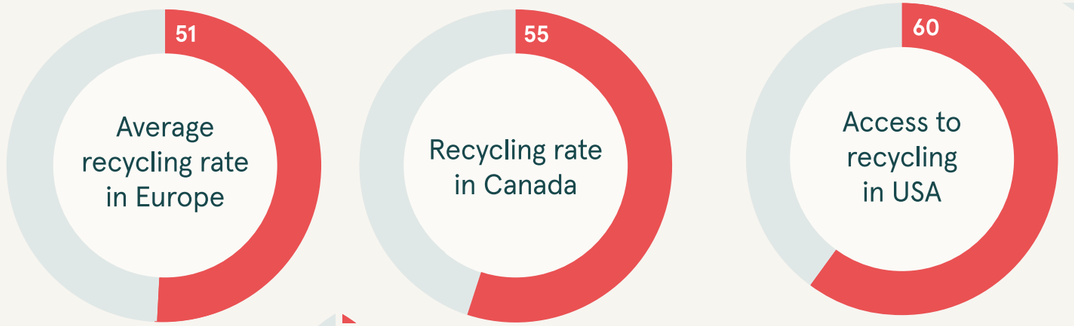
Targets

100% recyclable beverage cartons in all markets by 2025

70% of all beverage cartons are recycled in EU and Canada by 2030

KPIs	KPI reference
a) % cartons recycled EU	Self-defined
b) % cartons recycled Canada	Self-defined
c) % households with access to recycling in USA	Self-defined
Status 2021	
	a) 51% (2019)
	b) 55%
	c) 60%

Recycled (percent)



Both the private sector (e.g. in Italy, the Netherlands and the Czech Republic) and the beverage carton industry have invested in recycling of the non-paper fraction of beverage cartons. The industry initiative Palurec GmbH is now operational in Cologne.

The map below shows the current facilities recycling beverage cartons. There are 4 initiatives recycling the non-paper fraction, and through these, roughly 30% of the European volume can be recycled. The recovered materials can be used in different applications as a substitute for virgin material.

Further expansion of these processing options is expected in the near future.

The beverage carton recycling rate in Europe has steadily increased over the past two decades. In 2019, the carton recycling rate in the EU was 51%*. Some European countries reach recycling rates above 70%, while there is still room for increased recycling participation in other countries.

While Elopak has recycling as one of its KPIs, it is not possible to report on 2020 recycling rates for beverage cartons in the European market, as Member States need more time to adapt to the new reporting method on recycling rates. This uncertainty related to the implementation of the calculation also means delays on official data release as compared to previous years.

We recognize measuring actions to tackle waste management is challenging, particularly when it comes to finding an agreement on the measurement of waste which gets recycled. We will report on the recycling rates as soon as the updated and verified information is available.

In Canada, recycling rates were calculated to 55% in 2021, a decrease of 1% from last year. In USA, access to recycling remains at a steady 60%.

Moving forward

Recycling remains an important priority area for Elopak, and during 2022, we aim to continue our relentless work with both our own product development to ensure we produce cartons that are recyclable in all markets where we operate, and towards regional and local legislators to ensure beverage cartons are collected, sorted and recycled in our markets.

*Based on the then calculation method.

HolyGrail

Intelligent sorting with digital watermarks

Elopak is one of the 160+ members of the Digital Watermarks Initiative HolyGrail 2.0, driven by AIM – European Brands Association and powered by the Alliance to End Plastic Waste. Elopak participated in the HolyGrail 2.0 pilot project to prove the technical viability of digital watermarks for accurate sorting of beverage cartons and the economic viability of the business case at a large scale. This technology has been identified by the New Plastics Economy programme of the Ellen MacArthur Foundation as one of the most promising to improve recycling, and can be key to further improve sorting and higher-quality recycling rates for packaging in the EU.

Digital watermarks are imperceptible codes, each the size of a postage stamp. They cover the surface of consumer goods packaging and carry a wide range of attributes, such as packaging type, material, and usage. The aim is that once the packaging has entered a waste sorting facility, the digital watermark can be detected and decoded by a high-resolution camera on the sorting line. The packaging is then sorted into corresponding streams based on specified attributes, including food, non-food, or material types. This leads to more accurate sorting streams and higher quality recyclates, benefiting the complete packaging value chain.

The prototype was developed by the machine vendor Pellenc ST and the digital watermarks technology provider Digimarc. It combined the digital watermarks technology and NIR/VIS infrared for sorting packaging waste and achieved a >95% ejection rate. This sorter was installed in September 2021 at the Amager Resource Centre (ARC) in Copenhagen to start the semi-industrial test phase. Trials and demonstrations with around 125,000 pieces of packaging representing up to 260 different stock-keeping units (SKUs), all prepared by HolyGrail 2.0 members, were held in Copenhagen. Engineers were testing several parameters, including the speed and accuracy of the system, to ensure its ability to withstand the pressures of full-scale industrial operations.

Case

Palurec

The member companies of Fachverband Kartonverpackungen für flüssige Nahrungsmittel e.V. (FKN, the German association for the beverage carton industry), have together invested around 8 million Euros in the construction of the Palurec recycling plant on the site of the chemical park in Hürth near Cologne. The plant began operating in Spring 2021.

After the paper fibers have been detached, a mix of various plastics and aluminum residues are left in the paper mills.

These materials have so far been used mainly in cement factories as a low-emission fuel. It primarily consists of thin films made of polyethylene (PE) or PE-aluminum, with which the cardboard is coated, and polyethylene (HDPE), which comes from the caps.

Palurec produces secondary raw materials from this mixture that can be used in several new products. Palurec will have capacity to treat app. 18.000 tons of the non-fiber fraction in the future.

The process flow for Palurec:

In a purely physical-mechanical process and with the help of water as a the separating agent, Palurec produces recyclates of LDPE, HDPE and aluminium, using standard aggregates from plastics processing and combining them in a new way. This recycling plant increases the recyclability of the beverage carton to well over 90%.

Shredding

The mixture is crushed and subjected to an intensive washing process. Several “friction washers” remove fiber residues, aluminum, and other remnants from the films. Foreign substances and impurities are removed.

Washing

Aluminum, which is bound in the process water, is separated in a hydrocylone by the interaction of centrifugal and flow forces.

Drying

For the subsequent process, it is essential that the imported material is as dry as possible.

Sifting

The dried plastic components are placed in a so-called z-zag sifter, where the different sinking speeds of LDPE and HDPE in an airstream separate both materials.

Extruding

During extrusion, the LDPE is heated and formed into a mass, which is then pushed through a round opening under pressure.

Granulating

After cooling, the plastic strand is formed into small grains.

Our Profit

Packaging by nature®

Elopak is a leading global supplier of carton packaging and filling equipment. The company's iconic Pure-Pak® cartons are made using renewable, recyclable, and sustainably sourced materials, providing a natural and convenient alternative to plastic bottles that fits within a low carbon circular economy.

We call it **Packaging by Nature®,** scoping our potential customer pool broadly. A detailed description of our growth strategy can be found in Elopak's Annual Report.

Next-generation demand

Pure-Pak® cartons have stood the test of time. Continuously anticipating the drivers of consumers' markets, the value offered today already equates to the expectations of the next generation consumers through to 2030.

Pure-Pak® cartons are considered best-in-use – an essential brand asset, which we safeguard carefully.

We strongly believe that increasing sustainability awareness will drive the value of Elopak in the right direction, as customer preferences will have a positive impact on our addressable market.

Trond T. Dybvik, Director Corporate Finance & Tax

By using the already established and inherent value of Pure-Pak® cartons as a starting point, and by leveraging Elopak's market-leading technology, we focus on bringing new solutions to the market that address broader issues and secure a healthy planet for future generations.

Pure-Pak® is the original, and we need to keep recognizing that within the core liquid carton market, the carbon footprint varies between the solutions offered. Our strategy accounts for the expectations of the next generation of consumers, and we aim to continue anticipating future and more demanding expectations. Leading the market increases our potential customer pool in the fresh and the larger aseptic beverage carton markets.

Moreover, we are expanding our market's boundaries, creating new growth opportunities. Driving a low-carbon circular solution leads to a new perspective – from considering Elopak's share in the core beverage carton markets to our opportunities in the world of rigid (plastic) packaging.

With our business model, built on sustainability, social equality, and responsibility, we are well placed to continue delivering innovative, low-carbon fiber-based packaging that reflects quality and authenticity.

Accelerating with a 2030 horizon

Increased environmental awareness entails various legislation across the globe, with one constant: near-term 2030 targets are inspired by the Paris Agreement. There is a sense of urgency embedded in the Agreement, which should not be ignored.

Considering the typical lifetime of a filling line in our core markets and forecasting the technology adoption lifecycle, we see it as our role to expand and maximize our markets,

Our cartons are increasingly becoming a norm on the shop floor, with brands and retailers changing the way they package their products. They're making the change to reduce their impact on the environment by using less plastic while providing shoppers with the choice to make a difference. Elopak's low carbon, circular approach to packaging is also a very attractive proposition as it actively supports them in reaching their own sustainability goals and reducing their carbon footprint, which has become much more of a focus.

Martin Shaw, Market Unit Manager, UK

facilitating the introduction of low-carbon circular solutions earlier rather than later.

In order to further accelerate bringing innovations to market, investments have been made into the internal infrastructure in both areas of material and filling equipment development. First, through a new pilot converting line in our Technology Center located at Spikkestad, Norway, the significantly increased capacity of the in-house testing enables us to accelerate the entire packaging innovation process from development and screening to validation and commercial launch, also reducing the need for testing at the commercial plants. Second, as an enabler for a more efficient, faster, and flexible product development, the process of additive manufacturing of machine components has been introduced. The composite and metal printers enable significant time and cost savings through rapid prototyping and testing and, hereby, reduce the total time to market for the new products. Next to the product development, the technology is being introduced into the commercial production of spare parts, enabling the cost, lead time, and inventory level reduction to Elopak and its customers.

Over the course of 2021, Elopak has also increased the focus on Intellectual Property Rights (IPR) in order to safeguard legal rights, competitive edge, and the possibility of expanding and seeking new growth. Innovation and development are carefully monitored, and adequate IPR portfolios in terms of patents, industrial designs, and trademarks have been established in the relevant territories, aligned with the increased activity within the different development and innovation projects. Monitoring the IPR landscape within the relevant technical areas and ensuring legal protection of the R&D activities within Elopak are prerequisites on our journey to further contribute to a sustainable future for humankind. The annual number of our intellectual property filings, which is a strong indicator of innovation, showed remarkable resilience during the two years of the pandemic, having increased by more than 50% due to the progress in our development activities.

Despite the continued restriction in mobility during 2021, Elopak continued transferring the product innovations out of its R&D hubs in Germany and Norway to support our growth strategy in the respective geographical markets. The introduction and roll-out of the successful Natural Brown Board into the North American market have, among others, been enabled by close cooperation between the project teams working in our Technology Center in Norway and the teams working in our converting plant in Montreal and at customer's operations. To facilitate across-the-ocean teamwork in periods of banned travel between continents, a dedicated reference "American" filling machine was installed in our European Test Centre to complement field testing on US customers. This approach, further facilitated by remote support tools and services both to our customers and our service engineers, allowed us to successfully complete the validation process and introduce the new board to the market during 2021.

Case

Pure-TwistFlip™

The new tethered cap solution for Pure-Pak® cartons
The tethered closure remains attached to the carton throughout its entire lifetime, helping tackle marine littering by ensuring the cap is kept in place. The Pure-TwistFlip™ is Elopak's lightest screw cap to date, with 46% less plastic than comparable cap types, and can help our customers stay ahead and prepare to adhere to the upcoming tethering requirements of the Single Use Plastics Directive.

We have a strong sustainability culture and invest heavily to continuously improve the environmental credentials of our products without compromising on user-friendliness. We keep the same high standards our customers are used to while offering them a way to package their products in a manner that fits a low-carbon circular economy.

The Pure-Twist tethered closure is developed through rigorous internal testing and consumer studies and by utilizing our trusted supplier base. The design is based on years of experience and qualitative test methods to secure the utmost quality and benefits that a full-system supplier like Elopak provides. In consumer studies, the Elopak solution is referred to as reliable, safe, easy to open, and good to re-close.
Johan Gudmundsson, Global Product Director Fresh

Case

Pure-Pak® eSense Aseptic

The 'e' stands for eco-friendly

The Pure-Pak® eSense Aseptic has been developed using technology from Elopak's fresh portfolio, meaning the carton can preserve product integrity, safety, and lifespan without requiring an aluminum layer, which is commonly used in aseptic packaging. The replacement of aluminum by polymers results in a reduction of the carbon footprint of the carton by 30% while facilitating full recyclability. Pure-Pak® eSense Aseptic is a new milestone, providing customers in aseptic markets with an even more sustainable packaging solution.

Showcased on the Juice Summit in October 2021, Pure-Pak® eSense Aseptic offers brands and consumers new ways to further reduce their environmental footprint without compromising on functionality. We are excited to add this latest innovation to our offering and provide our customers in the aseptic segment with an even more sustainable packaging solution.

About the report

This report presents Elopak's sustainability performance during 2021. The report is in accordance with the Global Reporting Initiative (GRI) framework for reporting on sustainable development.

Elopak issues annual sustainability reports, and this report (approved by the Board of Directors 31st March 2022, issued 1st April 2022) covers the full year of 2021. The previous report (for 2020) was issued in May, 2021. In the approach and strategy parts of this report, the contents, boundaries and material topics are listed. Most of the issues remain the same as in 2020. However, some minor changes were done in this year's report, following input from various stakeholders. These changes were:

- Change in material topic "Renewability and recycled content" to be in line with our shared industry roadmap and targets
- Adding the material topic "Human and labor rights"
- Change in targets:
  - New target on human rights in supply chain
  - Modified target for responsible supply chain to be in line with actual assessment practices
  - Modified target for renewable and recycled content in cartons to be in line with joint industry targets
  - Updated approved Science Based Targets to be in line with near-term target criteria in the Net Zero standard from SBTi
  - Modified target for recycling to be in line with joint industry targets
- Change in reporting/KPIs:
  - Added a management level in diversity and Code of Conduct training
  - Splitting reported incidents/breaches into categories (including historical data)
  - Added KPI under human and labor rights, including in supply chain
  - New KPI added for combined renewable and recycled content in products on EU market
  - FSC™ certified cartons sold excluding Joint Ventures, to be in line with the scope of the rest of the report. Data including JVs, as comparable to previous years, is available in the data table
  - Data on waste and water has been excluded from this report due to inconsistent data quality. This data will be included from 2022 onwards.

Any questions regarding this report can be directed to Elopak's Sustainability Director: marianne.groven@elopak.com.

Methodology – People and planet

In this chapter we provide background information, sources and assumptions for the various KPIs.

Our employee data is provided by corporate HR on an aggregated level.The majority of Elopak's employees are employed in the Netherlands (475), Denmark (285), Canada (298), Germany (268), Russia (181), and Norway (170). Data is presented per continent (Europe incl. Russia), Americas and MENA (Middle East and North Africa).

There are two types of temporary workers in Elopak. Some are hired on a temporary contract, others are hired through agencies. At the end of 2021 there were 99 temporary workers from agencies registered (these are not listed in the data tables). Elopak does not have any major seasonal variations in its workforce.

Health and Safety

Elopak has historically used the industry norm Lost Time Injury (LTI) rate as the high-level safety KPI. To bring more attention to all safety incidents, the focused high-level KPI has been changed to Total Recordable Injury rate, TRI.

The TRI Rate refers to the number of recordable injuries occurred per 1 million hours worked. A recordable injury is a separate, identifiable, unintended incident, which occurs as a direct result of work, causes physical injury, and for which corrective action can normally be identified. This includes deaths, permanent disabilities, Lost Time Injuries, Restricted Work Case injuries, and Medical Treatment Case injuries, where treatment from a medical professional is required.

Employability

The number of employees who have completed performance dialogues are registered as per March 1st 2022, due to the current cycle of this process.

Diversity and inclusion

Elopak considers the following levels of management in the organization:

- Top management – The group leadership team
- Level 2 management – anyone reporting to a member of the group leadership team
- Other line management – anyone with responsibility for one or more employees at various levels in the organization (e.g. plant managers)

Responsible supply chain

Elopak defines key suppliers as suppliers of our main raw materials (paperboard, polymers and aluminium). When we refer to "% of suppliers by spend" in the KPIs, this means suppliers accounting for a certain % of the total spend for the reporting year (in this case 2021).

We use the Ecovadis assessment program to quantify suppliers being assessed for social and environmental impacts.

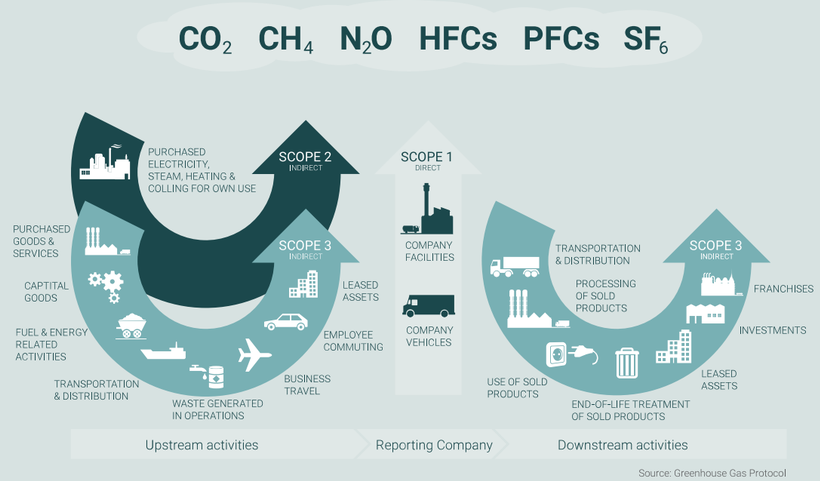
Planet

Our environmental data shows the development of Elopak's environmental impact each year. Some of the indicators have been reported annually since 2008.

In this report, we have only included some of the years, but previous data can be found in the previous years' reports, available on our website: www.elopak.com/publications

Renewability and recycled content

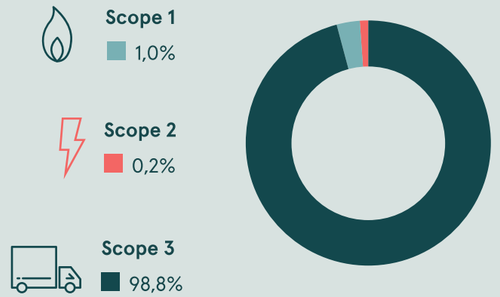
For calculations of % renewability, we consider the paperboard to be 100% renewable, although it may contain other minor non-renewable components. We base this assumption on ISO 14021 (allowing de minimus amounts). Further, we consider renewable PE sourced through a mass balance system to be 100% renewable. The calculations are based on Elopak's DEEP (Dynamic Elopak Environmental Performance) tool, further described below.



Source: Greenhouse Gas Protocol

Scope 3 is largest contributor to to greenhouse gases in Elopak´s value chain

Our baseline emissions for SBT 2017:



Net zero

Emission-related data are reported according to the Greenhouse Gas (GHG) Protocol, including the updated revisions of the GHG Protocol Scope 2 Guidance (2015). Emissions are split in three scopes, 1, 2 and 3, as described in the figure below.

Elopak reports according to the 'operational control' consolidation approach, which covers all Elopak's wholly owned market units and converting, roll-fed, coating and filling machine plants worldwide. Elopak's greenhouse gas data is reported in both CO_2 equivalents (CO_2e) and the separate greenhouse gases.

GHG emission intensity (g CO2e/produced carton) is our total scope 1+ residual scope 2 + scope 3 (business travel) emissions divided by the total number of cartons produced in all plants. Energy intensity (kWh/produced carton) is calculated by dividing the energy consumption in all production plants by the total number of cartons produced in all plants.

All data included in scope 1 and 2 emissions and the parts of scope 3 emissions that are included in our Science Based Targets, are third-party verified. One exception is that only Elopak controlled transport is audited.

Elopak has three joint ventures, one in the Dominican Republic, one in Mexico and one in Kenya. In line with the operational control consolidation approach, the joint ventures are excluded from the Scope 1 and Scope 2 reporting. GHG emissions related to Elopak's joint ventures are reported under Scope 3 category 15 – Investments. The two production plants in the Dominican Republic and Mexico report their data in our online portal, Footprinter. The office in Kenya is not a production unit and emissions are estimated based on the number of employees and location.

As announced in October 2021, Elopak has signed a Share Purchase Agreement to acquire Naturepak Beverage Packaging Co Ltd. The acquisition was not finalized in 2021 and is thus not included in the 2021 report.

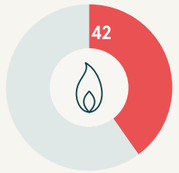
Emission factors

For 2021 reporting, all electricity emission factors (scope 2) were updated according to the latest 2021 International Energy Agency's (IEA) database, known as "CO_2 Emissions from

Fuel Combustion." All site fuels (Scope 1), district heating (Scope 2), and business travel and transportation (Scope 3) emission factors were also updated according to the latest 2021 DEFRA (UK Department for Environment, Food & Rural Affairs) emission factors. By updating all emission factors annually, we are more in line with market realities and emission factor developments since we first began reporting in 2008. The emission factor used for the renewable electricity (market-based approach) is based on a Life Cycle Assessment study of the power plant and is 0,00219 (kg CO_2e/kWh). For other Energy Attribution Certificates (EAC), an emission factor of zero is applied.

Elopak's Science Based Targets

Elopak has committed to cut greenhouse gas emissions in line with the strictest criteria set by the Science Based Targets (SBT) initiative. In 2021, Elopak set near-term science-based targets for each emission scope, in line with the new Net zero standard from SBTi. Compared to last year's reporting, the baseline year has changed. The previous targets had a timeframe of 13 years (2017-2030), while the near-term targets have a timeframe of 10 years (2020-2030).



Scope 1
Natural gas, propane, heating, oil, waste incineration, wood

42% reduction by 2030

Scope 2
Electricity, district heating

Continue to purchase **100%** renewable elecitricity

Scope 3
Business travel, transport, raw materials and filling machines

25% reduction across the value chain by 2030

Elopak has committed to cut Scope 1 (and residual scope 2) emissions by 42% by 2030 from a 2020 baseline, to continue to purchase renewable electricity for the entire consumption at all Elopak wholly owned sites, and to cut Scope 3 emissions by 25% by 2030 from a 2020 baseline. Scope 1+2 targets are in line with the 1,5°C pathway while the scope 3 targets are in line with the "Well below 2°C" pathway as defined by SBTi.

The new baseline for 2020 was calculated in 2021 for submission to the SBTi. Evaluations showed similar results to the previous evaluations from 2017. The calculations showed that scope 3 is the biggest contributor to GHG emissions in Elopak, accounting for almost 99% of the total GHG emissions.

When setting internal emission targets for scope 3 in line with the SBTi guidance, we calculated and evaluated the emissions related to each of the Scope 3 categories. The criteria in the SBTi guidance for selecting categories in scope 3 to be included in the target are that the chosen categories must cover at least two-thirds of the total Scope 3 emissions and that there must be an appropriate level of ambition.

Elopak's criteria to evaluate the significance of the scope 3 categories:

1. They are significant in terms of contribution to emissions. No specific threshold was established, but this was considered in conjunction with the other criteria below.
2. They are Integral to the function of the business.
3. The data quality allowed for developing meaningful reduction initiatives.
4. The potential was identified for developing a target to galvanize internal engagement in decarbonization (Ex: Category 6: Business Travel).

These criteria are regularly revised.

Category 3, 7, 8, 10, and 14 are excluded from the scope 3 near-term target, as these categories contribute to less than 0,5% of the total scope 3 emissions, hence not fulfilling criteria 1 above.

The emissions in scope 3 category 1, purchased goods and services, included in Elopak's SBT, are related to the raw materials used to produce cartons, closures, and coated boards sold to external customers, and production waste. The remaining emissions in category 1 that are excluded from the near-term target are related to business goods and services. These emissions account for 10% of the total scope 3 emissions and are excluded based on evaluations of criteria 2 and 3 above. Emissions in category 2, purchased capital items, account for 4% of the total scope 3 emissions. These emissions are excluded from the near-term target based on evaluations of criteria 2 and 3 above. Emissions in category 12, End-of-life treatment of sold products, account for 13% of the total

scope 3 emissions. This category accounts for a significant part of the total scope 3 emissions but based on evaluation of criteria 3 above and the 67% threshold set by the SBTi guidance, it was decided to exclude this category from the near-term target. Emissions in category 15, investments, are related to Elopak's joint ventures and account for 1% of the total scope 3 emissions. This category is excluded from the scope 3 near-term target based on evaluation of criteria 1 above.

Some categories in scope 3 account for less than 0,5% of the total scope 3 emissions but are still included in the scope 3 near-term target. An example is category 6 business travel. This category is included based on the evaluation of criteria 4 above.

Renewable electricity

Elopak utilizes the market-based allocation method for the Scope 2 accounting. In 2021, Elopak utilized Guarantees of Origin (GOs) and I-RECs to cover the electricity consumption of the production and administrative facilities in Europe. For North America (Canada and the USA), Elopak utilized a similar system, Green-e certified Renewable Energy Certificates (RECs). GOs, I-RECs and RECs are systems to trace the source of electricity produced. The purchase is based on actual electricity consumption at various Elopak sites within Europe and North America in 2021.

The European Energy Certificate System (EECS) is the official European system for Renewable Energy Certificates (RECs) created to enable cooperation within the renewable energy market across borders. When the GO is used by a consumer, it is canceled in the system to prevent double counting. More renewable energy demand leads to more investment in renewable energy and less greenhouse gas emissions. Every country participating in the energy certificate system has a central organization that oversees the national markets for GOs. In addition, the European system as a whole is overseen by the Association of Issuing Bodies. This ensures the credibility of the energy certificate system.

Emission reporting

Scope 1

Elopak's scope 1 emissions include all direct emissions in our facilities:

- consumption of natural gas
- consumption of propane
- consumption of diesel
- consumption of wood

Scope 2

Elopak's scope 2 emissions include electricity and district heating

Scope 3

Changes in our scope 3 reporting:

- Previously, Elopak has only reported on the scope 3 categories included in our Science Based Targets. This year, Elopak reports the total scope 3 emissions.
- Emissions in scope 3 category 1, Purchased goods and services related to materials wasted in production, have been included in Elopak's scope 3 Science Based Target.
- Elopak has increased the scope of the external scope 3 verification. For 2021, all scope 3 emissions included in Elopak's near-term target have been externally verified.

Below is a description of the methodology and assumptions made for the different categories

Category 1 – Raw materials

To calculate the carbon footprint of our products, we use internal calculations, verified by a third party. We use an internal tool called "DEEP – Dynamic Elopak Environmental Performance" (version 12.0 for Europe and version 5.0 for Americas), which is a cradle-to-gate calculation that considers all emissions connected to the production of all raw materials, as well as Elopak's own operations, including final conversion and all transportation up to the delivery at Elopak's customers' gate. While all these steps are included in the DEEP tool for carbon footprinting of our products, only raw material emissions are included in scope 3 category 1 calculations since the other elements are included in other categories. The scope covers all Elopak's fully owned operations.

The methodology is in line with the ISO standards for Life Cycle Assessments (ISO 14040 and 14044). The Product Category Rules (PCR) for beverage cartons are followed where relevant for the carbon footprint calculation

methodology (PCR Beverage Cartons 2011:04 Version 1.0), developed in accordance with ISO 14025:2006.

- Primary data is used for Elopak's own operations and the production of some raw materials.
- Internal production data is taken from Elopak's reporting tool, "Footprinter" (2021 data).
- Purchase of renewable energy certificates.
- Internal transport data is calculated based on reporting from Elopak's units (2021 data).
- Suppliers' primary data is used for key raw materials.
- Secondary data is sourced from LCA databases where this is relevant, such as EcoInvent, and studies for some of the raw materials, such as PlasticsEurope and the European Aluminium Association, as specified in the beverage carton PCR.

The emissions reported for 2021 related to scope 3 category 1, purchased goods and services (raw materials), have been calculated by Anthesis Consulting Group and verified by SGS.

Category 1 – Business goods & services

These emissions include upstream impacts associated with goods and services procured by Elopak during the reporting year, not included in other purchased goods calculations or other reporting categories. Emissions are estimated using Environmentally Extended Input-Output factors, based on Elopak's spend across different categories per year (Based on Elopak's spend cube). These are not included in the scope of our SBTs.

Category 2 – Purchased capital items, Capital Goods

These are upstream impacts associated with capital items procured by Elopak during the reporting year, not included in other purchased goods calculations or other reporting categories. Emissions are estimated using Environmentally Extended Input-Output factors, based on Elopak's spend across different categories per year (Based on Elopak's spend cube). These are not included in the scope of our SBTs.

Category 3 – Fuel and Energy-Related Activities

Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2. Calculated based on Elopak's annual energy consumption using Transmission and Distribution and Well-to-Tank factors. These are not included in the scope of our SBTs.

Category 4 & 9 – Transportation and distribution

Elopak reports on emissions related to third-party transport. This reporting includes transporting all goods from suppliers' gates via Elopak to customers' gates. Whether the transportation is purchased and handled by Elopak, our suppliers, or customers, all data is gathered.

In Elopak, third-party transport is split into inbound, internal, and outbound. Inbound and internal transportation includes transportation of purchased raw materials and semi-finished products. Outbound transport includes all shipments of manufactured products to customers. We have used a tonne-kilometer approach in estimating transport emissions, as it is a straightforward and consistent method. Furthermore, the input required for this approach is more readily available than the input required for the vehicle-kilometer approach. With the former, we do not need to have complete control over the loading of goods. This approach will most likely overestimate transport emissions and thus is a valid conservative approach.

The emissions reported for 2021 related to scope 3 (category 4), upstream and downstream transportation and distribution (under Elopak's operational control), have been third-party verified by SGS. Emissions reported in category 9 (upstream and downstream transportation and distribution not under Elopak's operational control) has not been third-party verified.

Emissions related to WTW (Well to wheel) and WTT (Well to tank) has been calculated and are included in the scope of the SBT, but are not included in the data published. We aim to include these in future years' reports.

Category 5 – Waste generated in operations

This category includes downstream processing of waste coming from Elopak's factories and offices. The total tonnage of waste is multiplied by emissions factors for the processing of each waste type. These are not included in the scope of our SBTs.

Category 6 – Business travel

Elopak reports on emissions from business travel, both from flights and cars, by gathering data from all Elopak units through different portals. Due to the implementation of a new business travel management system, Elopak has improved the emission reporting from business travel flights in the past years.

Some Elopak units are still reporting business travel manually in the internal reporting system, Footprinter. All data from the new system and Footprinter is compiled and calculated to get information on the total emissions related to business travel in Elopak. The emissions reported for 2021 related to scope 3 category 6, business travel flights, have been third-party verified by SGS.

Category 7 – Employee commuting

Includes emissions from Elopak employees traveling to and from work. We also calculate the (optional) emissions associated with Elopak employees working at home. For employee commuting, we use estimated travel distances and modes from the UK National Transport Survey and emissions factors per transport type to estimate the impact per commuter-day. For calculating homeworking emissions, Anthesis' methodology is used to estimate the incremental emissions associated with each person-day of working from home.

https://www.anthesisgroup.com/white-paper-estimating-energy-consumption-ghg-emissions-for-remote-workers/

It is assumed that only factory employees traveled to work during periods of quarantine and office closure.

These emissions are not included in the scope of our SBTs.

Category 8 – Upstream leased assets

This is found in Elopak's spend cube. For 2020 and 2021, there were no upstream leased assets for Elopak.

Category 10 – Processing of sold products

Not applicable for Elopak.

Category 11 & 13 – Filling machines in operation

Elopak produces and purchases filling machines and sells and leases these machines to customers. The use of sold and leased filling machines at customer sites is a part of Elopak's scope 3 emissions and is included in the near-term target. Leased machines are considered in Elopak's ownership, and hence consumption and emissions are calculated for one year. For machines sold, the emissions are calculated for the estimated lifetime of the machine, which in this approach is set to 20 years.

To calculate the emissions related to filling machines, Elopak maps all filling machines sold and leased using an internal CRM tool. Emissions are calculated per machine, considering consumption during operation and cleaning and applying relevant emission factors. Estimated operation time for all the filling machines was assumed. Assumptions and calculations are made in Elopak's Total Cost of Ownership (TCO) tool, version 8.1.3 (Dec 2021).

IEA per-country electricity consumption factors are applied according to the customer's country. Factors for chemicals and transport are taken from Ecoinvent 3.4. Another key presumption is that current-year electricity factors are applied to the lifetime electricity consumption. i.e., no provision is made to estimate a future reduction in grid electricity emissions.

The emissions reported for 2021 related to scope 3 category 11 and 13, use of sold products and downstream leased assets (filling machines), have been calculated by Anthesis Consulting Group and verified by SGS.

Category 12 – End-of-life treatment of sold products

Emissions associated with the processing of Elopak products at the end of life. Total sales for the reporting year are used, along with carton recycling statistics, to estimate the total tonnes of different materials (board, caps) going through different treatments every year. These totals are combined with emissions factors for the downstream processing of different materials. These emissions are not included in the scope of our SBTs.

Category 14 – Franchises

Not applicable for Elopak

Category 15 – Investments

Scope 1 & 2 impacts of Joint Ventures, calculated using the operational energy consumption of joint ventures reported in Footprinter, and estimates for the office. These emissions are not included in the scope of our SBTs.

Carbon neutral company and packaging

The carbon-neutral company certification includes offsetting of all emissions related to the manufacturing process, transport, and business travel. This certification is in accordance with the PAS2060 standard. Carbon neutral packaging extends the scope of emissions to include all the emissions associated with the cartons (raw material production, waste, and onward distribution). Carbon neutral packaging is certified according to The CarbonNeutral Protocol. All calculations are verified by an independent third-party, Anthesis Consulting Group. Company emissions are offset via South Pole. Packaging emissions are verified and offset via Natural Capital Partners.

In 2021, Elopak supported three projects for our carbon-neutral company certification. The projects are verified according to international standards used in the voluntary offset market, respectively VCS (Kenya agriculture and Isangi forest conservation project) and CDM (Clean Development Mechanism under the Kyoto Protocol – Landfill gas project Mexico). Certificates are issued by South Pole.

The projects supported for carbon-neutral packaging in 2021 were also verified according to the international standards used in the voluntary offset market, respectively Gold Standard (Water boreholes – Kenya) and CDM (Clean Development Mechanism under the Kyoto Protocol – Efficient cookstoves – Ghana). The mangrove planting project is an additional project not creating carbon offsets. Certificates are issued by Natural Capital Partners.

Other environmental impact disclosures

In Elopak's Footprinter reporting portal, the sites report other environmental impacts, such as waste and consumption of water. We have initiated a project to verify and improve data quality in these areas and disclose the data from 2022 onwards.

Restatements

Here you can find an overview and explanation of changes in data published in our 2020 report.

People section

Employability – Training and development

In the calculation of training hours, Elopak has updated its methodology to include more training. This led to an increase in the average number of hours of training per employee for 2020. It was published as 2,6 hours but was afterward calculated as 2,8 hours.

Planet section

Certifications

Elopak has previously reported on sales of FSC™ certified cartons for our global operations, including joint ventures. In 2021 we changed this to be in line with the scope of the rest of the report, which is based on operational control approach and hence not including joint ventures. For consistency, the data including joint ventures is provided in the data tables. The reported number for 2020 was 54%. However, verifying the data, considering the decimal points, the correct number should be 55%.

The above change also affects the total % of certified materials purchased reported in 2020.

Net-zero – scope 3

During 2021, Elopak did a rebaseline of the SBTs to set near-term targets, choosing to increase the ambition for scope 3 reductions. The new calculated 2020 numbers differ slightly from the 2020 reported data for category 1 due to the inclusion of waste volumes in the raw materials category, as well as a correction of production emissions also included in raw materials (hence a double-counting).

For the transport categories (4 and 9), we have reclassified inbound and outbound transport to be in line with the GHG protocol, whereas we previously classified this from a supply chain point of view.

Within categories 11 and 13, we have improved the methodology for filling machines which lead to some changes.

This means that the scope 3 data is not fully comparable to 2017 data (previous baseline) nor the 2020 reported data.

	2017 published	2017 corrected	2020 published	2020 corrected
Certifications				
% FSC certified cartons sold, incl. JVs			54	55
% purchased from certified sources (by weight)	33	43	48	55
Net zero – Scope 3				
Category 1: Purchased goods and services (tonnes CO_2e)			350 028	380 794
Category 4: Upstream transportation and distribution	21 768	19 798	21 494	23 585
Category 9: Downstream transportation and distributionPlaceholder	19 381	21 350	22 350	20 260
Category 11: Use of sold products	54 585			54 585
Category 13: Downstream leased assets	9 876			10 751
Scope 3 total	460 012			500 500
Recycling				
Recycling rate Canada (%)	61			56

Recycling

The reported recycling rate for Canada in 2020 was 61 %. However, due to a revision in the reporting methodology in one province, this was later corrected to 56 %.

Documentation

Here you can download some documentation related to the content of this report

Elopak documentation:

https://www.elopak.com/app/uploads/2020/02/Code-of-conduct-Anti-corruption_web.pdf

https://www.elopak.com/app/uploads/2019/12/FOR10202-Elopak-Global-SCoC.pdf

https://www.elopak.com/app/uploads/2021/06/2021-05-25-Elopak-Modern-Slavery-Transparency-Statement.pdf

https://sustainabilityreport2021.elopak.com/wp-content/uploads/sites/3/2022/03/DEEP-V12-example.pdf

https://sustainabilityreport2021.elopak.com/wp-content/uploads/sites/3/2022/03/DEEP-Tool-Description-1.pdf

External verification statements:

https://sustainabilityreport2021.elopak.com/wp-content/uploads/sites/3/2022/03/SBT-ELOP-NOR-002-OFF-Certificate.pdf

https://sustainabilityreport2021.elopak.com/wp-content/uploads/sites/3/2022/03/UK.VS_.-GHG-Verification-Statement-Elopak-ASA-v2.pdf

https://sustainabilityreport2021.elopak.com/wp-content/uploads/sites/3/2022/03/Anthesis_Elopak-PAS-2060-Statement-2021.pdf

https://sustainabilityreport2021.elopak.com/wp-content/uploads/sites/3/2022/04/220404_Certificate_Elopak-AS-_EN.pdf

https://sustainabilityreport2021.elopak.com/wp-content/uploads/sites/3/2022/04/ELO006_CN_packaging-certificate-2021.pdf

Certificates:

https://sustainabilityreport2021.elopak.com/wp-content/uploads/sites/3/2022/03/FSC-Certificate-Elopak.pdf

https://certificates.iscc-system.org/cert-pdf/ISCC-PLUS-Cert-DE105-84540806.pdf

UNGC principles

Elopak is a participant member of UN Global Compact, and abides by their ten principles. The below table refers to relevant sections in our sustainability report where our approach to the principles are further described.

Human Rights

Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights
Read our approach on page 33-35

Principle 2:
Make sure that they are not complicit in human rights abuses
Read our approach on page 30-32, 33-35, 36-37

Labour

Principle 3:
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Read our approach on page 33-35

Principle 4:
Elimination of all forms of forced and compulsory labour
Read our approach on page 33-35

Principle 5:
Effective abolition of child labour
Read our approach on page 33-35, 36-37

Principle 6:
Elimination of discrimination in respect of employment and occupation
Read our approach on page 28-29, 30-32, 33-35, 36-37

Environment

Principle 7:
Businesses should support a precautionary approach to environmental challenges
Read our approach on page 38-63

Principle 8:
Undertake initiatives to promote greater environmental responsibility
Read our approach on page 38-63

Principle 9:
Encourage the development and diffusion of environmentally friendly technologies
Read our approach on page 38-63

Anti-Corruption

Principle 10:
Businesses should work against corruption in all its forms, including extortion and bribery
Read our approach on page 30-32

GRI Index

The below table provides links and references to the relevant areas of Elopak's website or sustainability report which addresses the various material topics our report is built on, including reference to relevant GRI standards.

GRI 102

GRI #	GRI Description	Reference
	1. Organizational profile	
GRI 102-1	Name of the organization	www.elopak.com/about
GRI 102-2	Activities, brands, products, and services	www.elopak.com/about
GRI 102-3	Location of headquarters	www.elopak.com/about
GRI 102-4	Location of operations	www.elopak.com/about
GRI 102-5	Ownership and legal form	www.elopak.com/about
GRI 102-6	Markets served	www.elopak.com/about
GRI 102-7	Scale of the organization	Annual report, p. 14-19
GRI 102-8	Information on employees and other workers	This report, page 70 and 84-85
GRI 102-9	Supply chain	www.elopak.com/about
GRI 102-10	Significant changes to the organization and its supply chain	Annual report, p. 81
GRI 102-11	Precautionary Principle or approach	This report, page 5
GRI 102-12	External initiatives	This report, page 13
GRI 102-13	Membership of associations	This report, page 14
	2. Strategy	
GRI 102-14	Statement from senior decision-maker	This report, page 4
	3. Ethics and integrity	
GRI 102-16	Values, principles, standards, and norms of behavior	This report, page 30-31, and our Code of Conduct (lenke: https://www.elopak.com/app/uploads/2022/04/CodeofConduct_English_final.pdf)
GRI 102-17	Mechanisms for advice and concerns about ethics	This report, page 30-32
	4. Governance	
GRI 102-18	Governance structure	Annual report, p.79-83, and Governance and this report, page 7
	5. Stakeholder engagement	
GRI 102-40	List of stakeholder groups	This report, page 10-11
GRI 102-41	Collective bargaining agreements	This report, page 10-11
GRI 102-42	Identifying and selecting stakeholders	This report, page 10
GRI 102-43	Approach to stakeholder engagement	This report, page 10
GRI 102-44	Key topics and concerns raised	This report, page 10-11
	6. Reporting practice	
GRI 102-45	Entities included in the consolidated financial statements	This report, page 87
GRI 102-46	Defining report content and topic Boundaries	This report, page 12 and 70-76
GRI 102-47	List of material topics	This report, page 12
GRI 102-48	Restatements of information	This report, page 77
GRI 102-49	Changes in reporting	This report, page 69
GRI 102-50	Reporting period	This report, page 69
GRI 102-51	Date of most recent report	This report, page 69
GRI 102-52	Reporting cycle	This report, page 69
GRI 102-53	Contact point for questions regarding the report	This report, page 69
GRI 102-54	Claims of reporting in accordance with the GRI Standards	This report, pages 2, 16, 46 and 68
GRI 102-55	GRI content index	This index
GRI 102-56	External assurance	This report, page 74-75

GRI 103

GRI #	GRI Description	Reference
	Health and safety	
GRI 103-1	Material topic and its boundary	This report, page 20-22
GRI 103-2	Management approach	This report, page 20-22
GRI 103-3	Evaluation of management approach	This report, page 20-22
	Employability	
GRI 103-1	Material topic and its boundary	This report, page 24-27
GRI 103-2	Management approach	This report, page 24-27
GRI 103-3	Evaluation of management approach	This report, page 24-27
	Diversity and inclusion	
GRI 103-1	Material topic and its boundary	This report, page 28-29
GRI 103-2	Management approach	This report, page 28-29
GRI 103-3	Evaluation of management approach	This report, page 28-29
	Ethics and compliance	
GRI 103-1	Material topic and its boundary	This report, page 30-32
GRI 103-2	Management approach	This report, page 30-32
GRI 103-3	Evaluation of management approach	This report, page 30-32
	Human and labor rights	
GRI 103-1	Material topic and its boundary	This report, page 33-35
GRI 103-2	Management approach	This report, page 33-35
GRI 103-3	Evaluation of management approach	This report, page 33-35

GRI #	GRI Description	Reference
	Responsible supply chain	
GRI 103-1	Material topic and its boundary	This report, page 36-37
GRI 103-2	Management approach	This report, page 36-37
GRI 103-3	Evaluation of management approach	This report, page 36-37
	Renewability and recycled content	
GRI 103-1	Material topic and its boundary	This report, page 40-41
GRI 103-2	Management approach	This report, page 40-41
GRI 103-3	Evaluation of management approach	This report, page 40-41
	Certification	
GRI 103-1	Material topic and its boundary	This report, page 44-45
GRI 103-2	Management approach	This report, page 44-45
GRI 103-3	Evaluation of management approach	This report, page 44-45
	Net zero	
GRI 103-1	Material topic and its boundary	This report, page 46-47
GRI 103-2	Management approach	This report, page 46-47
GRI 103-3	Evaluation of management approach	This report, page 46-47
	Recyclability and recycling	
GRI 103-1	Material topic and its boundary	This report, page 60-62
GRI 103-2	Management approach	This report, page 60-62
GRI 103-3	Evaluation of management approach	This report, page 60-62

GRI 200

Material topic	GRI #	Description	Reference
Ethics and Compliance	GRI 205-2	Communications and training about anti corruption policies and procedures	This report, page 32
Ethics and Compliance	GRI 205-3	Confirmed incidents of corruption and actions taken	This report, page 32

GRI 300

Material topic	GRI #	Description	Reference
Renewability and recycled content	GRI 301-1	Materials by weight or volume	This report, page 41
Renewability and recycled content	GRI 301-2	Recycled input materials used	This report, page 41
Net Zero	GRI 302-3	Energy intensity	This report, page 47 and 86
Net Zero	GRI 302-4	Reduction of energy consumption	This report, page 47 and 86
Net Zero	GRI 305-1	Direct (Scope 1) GHG emissions	This report, page 47 and 86
Net Zero	GRI 305-2	Energy indirect (Scope 2) GHG emissions	This report, page 47 and 86
Net Zero	GRI 305-3	Other indirect (Scope 3) GHG emissions	This report, page 47 and 86
Net Zero	GRI 305-4	GHG emissions intensity	This report, page 47 and 86
Net Zero	GRI 305-5	Reduction of GHG emissions	This report, page 47 and 86
Recyclability and recycling	GRI 306-2	Waste by type and disposal method	Current data collection system being improved, reporting to continue in 2022
Responsible supply chains	GRI 308-2a	Suppliers assessed for environmental impacts	This report, page 37

GRI 400

Material topic	GRI #	Description	Reference
Health and Safety	GRI 403-1	Occupational health and safety management system	This report, page 21
Health and Safety	GRI 403-2	Hazard identification, risk assessment, and incident investigation	This report, page 21
Health and Safety	GRI 403-3	Occupational health services	This report, page 21
Health and Safety	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	This report, page 21
Health and Safety	GRI 403-5	Worker training and occupational health and safety	This report, page 21
Health and Safety	GRI 403-9	Work-related injuries	This report, page 21 and 85
Employability	GRI 401-1	Employee turnover	This report, page 25 and 84
Employability	GRI 404-1	Average hours of training per year per employee	This report, page 25 and 85
Employability	GRI 404-2	Programs for upgrading employees' skills and transition assistance programs	This report, page 25
Employability	GRI 404-3	Employees using performance and development tool	This report, page 25
Diversity and inclusion	GRI 405-1	Diversity of governance bodies and employees	This report, page 29 and 84
Diversity and inclusion	GRI 405-2	Ratio of basic salary and remuneration of women to men	Data currently not available due to ongoing improvement of calculations. To be implemented in 2022.
Ethics and compliance	GRI 406-1	Confirmed incidents of discrimination and corrective actions taken	This report, page 32
Human and Labor Rights	GRI 402-1	Minimum notice period regarding operational changes	This report, page 34
Human and Labor Rights	GRI 412-2	Training on human rights	Not explicitly measured in 2021
Human and Labor Rights	GRI 409-1b	Operations and suppliers at significant risk of incidents of forced or compulsory labor	This report, page 33-34
Responsible supply chains	GRI 414-2a	Suppliers assessed for social impacts	This report, page 36-37
Responsible supply chains	GRI 414-2c	Significant actual and potential negative social impacts identified in the supply chain	This report, page 33-34 and 36-37

Data tables

Some of our key data is presented throughout the report, the rest can be found in these more detailed data tables.

People

Our employees	Europe	Americas	MENA	Total
Total number of employees	**1763**	**327**	**16**	**2016**
Female	405	47	6	458
Male	1358	280	10	1 648
%Female	23 %	14 %	38 %	22 %
% Male	77 %	86 %	63 %	78 %
Line management, multiple levels	**202**	**19**	**1**	**222**
Female	35	5		40
Male	167	14	1	182
%Female	17,3 %	26,3 %	0,0 %	18,0 %
% Male	82,7 %	73,7 %	100,0 %	82,0 %
2nd level management	**42**	**9**	**1**	**52**
Female	14	4	1	19
Male	28	5		33
%Female	33,3 %	44,4 %	100,0 %	36,5 %
% Male	66,7 %	55,6 %	0,0 %	63,5 %
Top management (GLT)	**8**	**1**	**0**	**9**
Female	1	0	0	1
Male	7	1	0	8
%Female	12,5 %	0,0 %		11,1 %
% Male	87,5 %	100,0 %		88,9 %
Permanent employees	**1 736**	**323**	**16**	**2 075**
Female	392	46	10	448
Male	1 344	277	16	1 637
Temporary employees	27	4	–	31
Female	13	1	–	14
Male	14	3	–	17
Full time employees	1 676	326	8	2 018
Female	347	46	3	396
Male	1329	280	5	1 614

Our employees	Europe	Americas	MENA	Total
Part-time employees	**68**	**1**		**69**
Female	44	1		45
Male	24			24
Female	**19,2 %**	**2,2 %**	**0,3 %**	**21,7 %**
Under 30	1,4 %	0,3 %	0,0 %	1,7 %
Age 30-50	12,6 %	1,3 %	0,2 %	14,1 %
Age Over 50	5,1 %	0,7 %	0,0 %	5,8 %
Male	**64,5 %**	**13,3 %**	**0,5 %**	**78,3 %**
Under 30	3,8 %	0,7 %	0,0 %	4,5 %
Age 30-50	36,6 %	7,5 %	0,3 %	44,4 %
Age Over 50	23,1 %	5,1 %	0,1 %	28,3 %
Number of hires				
Gender				
Number of hires – female	17	5	2	24
Number of hires – male	72	15	1	88
% hires – female	19,1 %	25,0 %	66,7 %	21,4 %
% hires – male	80,9 %	75,0 %	33,3 %	78,6 %
Age				
Below 30	23	3		26
Between 30-50	50	9	3	62
Above 50	16	8		24
Number of terminations	**148**	**16**	**–**	**164**
Number of terminations – female	33	4	0	37
Number of terminations – male	115	12	0	127
% terminations – female	22,3 %	25,0 %	0,0 %	22,6 %
% terminations – male	77,7 %	75,0 %	0,0 %	77,4 %
Turnover	**8,3 %**	**4,9 %**	**0,0 %**	**7,7 %**
Turnover – female employees	8,0 %	8,9 %	0,0 %	8,0 %
Turnover – male employees	8,4 %	4,3 %	0,0 %	7,7 %
Training and development				
Avg training hours total				
Avg training hours – female	2,3	0,5	0,9	2,0
Avg training hours – male	2,1	0,2	1,7	1,7

People

Our employees	Europe	Americas	MENA	Total
Average hours of training, top management				**1,3**
Average hours of training, level 2 managers	2,0	0,5	4,3	1,8
Average hours of training, line managers, several levels	2,9	0,6	3,8	2,7
Average hours of training, all employees	2,1	0,3	1,4	1,8

Training, PureEthics	2020	2021
Total number of employees that have completed PureEthics training	1 198	1 429
Percentage of employees that have completed PureEthics training	56 %	68 %
Development		
% of employees that have completed performance dialogues	22 %	76 %

Health and safety	2017	2020	2021
Fatalities due to work related injuries			
Number	0	0	0
Rate	0	0	0
High-consequence work-related injuries (without fatalities)			
Number	6	11	12
Rate	1,5	3	3,3
Recordable work related injuries			
Number	38	25	27
Rate	9,7	6,9	7,5

Health and safety	2017	2020	2021
Number of hours worked			
Hours	3 926 858	3 645 189	3 585 276
Not employees (contractors)*			
Fatalities due to work related injuries			
Number	0	0	0
High-consequence work-related injuries (without fatalities)			
Number	0	0	0
Recordable work related injuries			
Number	0	0	0
Sickness rate			
Absence due to sickness in the Elopak Group		3,90 %	4 %
Labor Rights			
% of workforce covered by local bargaining agreements		28 %	51 %
Responsible supply chains			
% of raw material suppliers (by spend) that has signed, accepted or demontrated conformance to Elopak Global Supplier Code of Conduct		96 %	100 %
% of total suppliers (by spend) that has signed, accepted or demontrated conformance to Elopak Global Supplier Code of Conduct		80 %	80 %
% of suppliers assessed on CSR performance trhough Ecovadis (by spend)		60 %	73 %

* Rate not available as there is no available data on total hours worked by contractors

Planet

		2017	2020	2021	2021 vs 2020
Scope 1 Total*	**tonne CO_2e**	**8 709**	**7 055**	**6 163**	**-13 %**
Scope 1 GHG Emission Breakdown*	tonne CO_2		6 974	6 143	-12 %
Scope 1 GHGEmission Breakdown*	tonne CH_4		6	6	3 %
Scope 1 GHG Emission Breakdown*	tonne N_2O		6	4	-30 %
Scope 2 Total (market-based approach)**	**tonne CO_2e**	**868**	**1 502**	**1 513**	**1 %**
Scope 2 (location-based approach)*	tonne CO2e	32 081	27 331	24 783	-9 %
Scope 1 + Scope 2 Residual **	**tonne CO_2e**	**9 577**	**8 557**	**7 676**	**-10 %**
Scope 3 Total	**tonne CO_2e**	**640 484**	**682 176**	**679 178**	**0 %**
1. Purchased goods and services	tonne CO_2e	391 158	431 785	425 615	-1 %
2. Capital goods	tonne CO_2e	28 438	2 881	3 780	31 %
3. Fuel and energy related activities	tonne CO_2e	2 317	2 265	2 312	2 %
4. Upstream transportation & distribution	tonne CO_2e	21 808	23 584	21 563	-9 %
5. Waste generated in operations	tonne CO_2e	96	301	196	-35 %
6. Business travel	tonne CO_2e	5 359	1 678	1 583	-6 %
7. Employee commuting	tonne CO_2e	1 279	1 782	1 820	2
8. Upstream leased assets	tonne CO_2e	325	0	0	
9. Downstream transportation & distribution	tonne CO_2e	19 452	20 274	18 537	-9 %
10. Processing of sold products	tonne CO_2e	0	0	0	
11. Use of sold products	tonne CO_2e	68 252	63 432	70 972	12 %
12. End-of-life treatment of sold products	tonne CO_2e	83 282	120 136	119 310	-1 %
13. Downstream leased assets	tonne CO_2e	14 043	10 751	10 847	1 %
14. Franchises	tonne CO_2e	0	0	0	
15. Investments	tonne CO_2e	4 675	3 307	2 643	-20 %
TOTAL Emissions (All scopes)**	**tonne CO_2e**	**650 061**	**690 733**	**686 854**	**-1 %**
Scope 3 part of Science Based Targets	**tonne CO_2e**	**432 889**	**500 500**	**499 024**	**0 %**
Scope 3 -Category 1: Purchased goods and services, raw materials***	tonne CO_2e	304 087	365 687	361 754	-1 %
Scope 3 -Category 1: Purchased goods and services, waste***	tonne CO_2e		15 107	13 782	-9 %
Scope 3 -Category 1: Total***	tonne CO_2e	304 087	380 794	375 536	-1 %
Scope 3 -Category 6: Business Travel, Travel air*	tonne CO_2e	3 856	884	692	-22 %
Scope 3 -Category 6: Business Travel, Travel car*	tonne CO_2e	1 502	794	891	12 %
Scope 3 -Category 6: Total *	tonne CO_2e	5 359	1 678	1 583	-6 %
Scope 3 -Category 4: Upstream transportation and distribution*	tonne CO_2e	19 798	23 585	21 562	-9 %
Scope 3 -Category 9: Downstream transportation and distribution, not under Elopak's control	tonne CO_2e	21 350	20 260	18 524	-9 %
Scope 3 -Category 4 & 9: Total***	tonne CO_2e	41 148	43 845	40 086	-9 %
Scope 3 -Category 11: Use of sold products*	tonne CO_2e	68 252	63 432	70 972	12 %
Scope 3 -Category 13: Downstream leased assets*	tonne CO_2e	14 043	10 751	10 847	1 %
Scope 3 -Category 11 & 13: Total*	tonne CO_2e	82 295	74 183	81 819	10 %
GHG Emission Intensity	**g CO_2e/ produced carton**	**1,32**	**0,84**	**0,76**	**-9 %**
Total energy consumption	**MWh**	**140 924**	**133 629**	**132 577**	**-1 %**
Energy Intensity	**kWh/1000 cartons produced**	**12,00**	**10,50**	**10,30**	**-2 %**
Raw materials purchased (liquid packaging board, aluminium and polymers)	**tonne**	**370 980**	**380 741**	**340 852**	**-10 %**
% from renewable sources (by weight)	%	88 %	87 %	85 %	-2 %
% from recycled sources (by weight)	%	0 %	0 %	0 %	0 %
% renewable or recycled content materials in Elopak cartons in Europe	%		83 %	83 %	0 %
% fully renewable fresh milk cartons in Europe	%		18 %	22 %	22 %
Certified materials					
% certified or controlled (according to FSC standards) fibers used in production	%	100 %	100 %	100 %	0 %
% FSC certified cartons sold, excl. JVs	%	49 %	63 %	64 %	2 %
% FSC certified cartons sold, incl. JVs	%	37 %	55 %	58 %	5 %
% purchased from certified sources (by weight)	%	43 %	55 %	50 %	-9 %

* Data third party verified in accordance with ISO14064-3:2006

** This number includes the effect of renewable electricity for a minor remaining volume (44 tonnes CO_2e), considering purchase of Energy Attribute Certificates (EAC) after the audit was completed

*** Third party verification of parts of the data

Profit

Our company		2020 k EUR	2021 k EUR
Net revenue		**913 994**	**940 253**
Total capitalization		**749 123**	**783 279**
Equity		185 444	269 054
Liabilities		563 678	514 226
Quantity of products and services provided			
Sales of cartons (in bn)		12,2	12
Entities included in the consolidated financial statements			
Elopak AB	Sweden	Trading	Trading
Elopak BV	Netherlands	Manufacturing	Manufacturing
Elopak GmbH	Germany	Trading and manufacturing	Trading and manufacturing
Elopak SpA	Italy	Trading	Trading
Elopak OY	Finland	Trading	Trading
Elopak Systems AG	Switzerland	Trading	Trading
Elopak Inc.	USA	Trading	Trading
Elopak Denmark A/S	Denmark	Trading and manufacturing	Trading and manufacturing
Elopak GesmbH	Austria	Trading	Trading
PrJSC Elopak Fastiv	Ukraine	Trading and manufacturing	Trading and manufacturing

Our company		2020	2021
Elopak S.A.	Poland	Trading	Trading
Elopak Israel AS	Norway	Holding	Holding
ZAO Elopak Russia	Russia	Trading and manufacturing	Trading and manufacturing
Elopak Canada Inc	Canada	Trading and manufacturing	Trading and manufacturing
Elofill GmbH	Germany	Holding	Holding
Elopak s.r.o.	Czechia	Trading	Trading
Elopak UK Ltd	UK	Trading	Trading
Elopak BS d.o.o	Serbia	Trading and manufacturing	Trading and manufacturing
Elopak Kft	Hungary	Trading	Trading
Elopak EOOD	Bulgaria	Trading	Trading
Elopak Tunisie SARL	Tunisia	Trading	Trading
Elopak Egypt LLC	Egypt	Trading	Trading
Elopak Algerie SARL	Algerie	Trading	Trading
List of entities not included in this report			
Lala Elopak S.A. de C.V.	Mexico	Joint Venture	Joint Venture
Impresora Del Yaque	Dominican Republic	Joint Venture	Joint Venture
Elopak Nampak Africa Ltd	Kenya	Joint Venture	Joint Venture

www.elopak.com

ELOPAK

Participant members of UN Global Compact

Platinum rating by Ecovadis

Climate Change rating B, Supplier Assessment rating A by CDP

Updated near-term emission reduction targets approved by SBTi

Sustainability highlights 2021

- **10%** reduction in scope 1 and residual scope 2 emissions from 2020-2021
  - 14% reduction in energy consumption since 2017
- **22%** of fresh milk cartons in Europe fully renewable
- **76%** of employees have completed performance dialogues
  - vs 22% in 2020
- **73%** of suppliers (by spend) assessed for environmental and social impact
- **100%** renewable electricity sourced since 2016
- **100%** of fibers from verified and controlled sources
  - of which 64% FSC™ certified
- More than **300 000** tonnes CO_2 equivalents offset since the start of Elopak's carbon neutral program in 2016
- High-level Human Rights risk assessment and prioritization of our supply chain performed
- Launch of Pure-Pak® eSense – our aluminium free aseptic carton
- Announcement of Pure-TwistFlip™ – our lightest screw cap to date

Our material topics:

People
- Health and safety
- Employability
- Diversity and inclusion
- Ethics and compliance
- Human rights
- Responsible supply chains

Planet
- Renewability and recycled content
- Certification of raw materials
- Net zero
- Recyclability and recycling

Profit
Financial stability and growth

BUSINESS AMBITION FOR 1.5°C

Read our GRI Core compliant sustainability and the full sustainability report:
www.sustainabilityreport2021.elopak.com

Forest Stewardship Council™. FSC™ C081801. Look for FSC certified products – the mark of responsible forestry. www.fsc.org

Material topic	Target	KPI/ Disclosure	2021 result	GRI Reference
Health and Safety	Elopak makes no compromises on safety and aims for zero work-related injuries	TRI rate (Total Recordable Injuries per million hours worked)	7,5	403-9
	<3% sick leave rate in the Elopak Group	Sick leave rate	4%	Self-defined
Employability	85% of employees have individual targets and documented competence development plans	% employees completed performance dialogues	76%	401-1
	Elopak offers a top-quartile motivating workplace within industry by 2025	Employee turnover rate	7,70%	404-3
		Avg training hours per employee	1,8	404-1
Diversity and inclusion	Target the same distribution in gender diversity across all hierarchical levels	% female in organization, and management	22%	405-1
Ethics and compliance	All Elopak employees to understand overall compliance risks and requirements for expected behavior	% completed Code of Conduct training	68%	205-2
		# reported concerns per category	3 reported concerns	205-3 406-1
Human and labor rights		% in collective bargaining agreements	51%	102-41
		% completed human rights training	Not explicitly measured in 2021	412-2
	Strive towards decent working conditions and no gross violations of human rights throughout our supply chain	Significant actual and potential negative social impact identified in the supply chain	1 potential risk discovered	414-2c
Responsible supply chain	Ensure all key suppliers accept our Supplier Code of Conduct and are assessed against social responsibility and environmental criteria by 2025	% of raw material suppliers (by spend) signed, accepted or demontrated conformrance to Elopak Global Supplier Code of Conduct	100%	Self-defined
		% of all suppliers (by spend) signed, accepted or demontrated conformance to Elopak Global Supplier Code of Conduct	80%	Self-defined
		% of suppliers (by spend) assessed for environmental and social impact	73%	GRI 308-2a and 414-2a
Renewability and recycled content	100% renewable or recycled content materials in all beverage cartons on the European market, and available in other markets, by 2030	% Renewable materials used, by weight, global	85%	301-1
		% Recycled materials used, by weight, global	0%	301-2
		% Renewable or recycled content materials used, by weight, European market	83%	Self-defined
	50% of all fresh milk cartons in Europe fully renewable by 2025	% of fresh milk cartons in Europe fully renewable	22%	Self-defined
Certification of raw materials	Ensure sustainable value chains behind all raw materials through product certification according to the most stringent and credible standards available, by 2030	% certified purchased materials	50%	Self-defined
		% sold products FSC™ certified	64%	Self-defined
Net Zero	42% reduction of Elopak's direct emissions (scope 1 and residual scope 2) by 2030	Scope 1 and 2 emissions (tonnes CO_2e)	7 676	305-1 305-2
		Change in scope 1 and 2 emissions (% from 2020 baseline)	-10%	305-5
		GHG emission intensity (grams CO_2e/ produced carton)	0,76	305-4
		Energy intensity reduction (% from 2017)	-14%	302-3
		Change in energy consumption (% from 2017)	-14%	302-4
	25% reduction of value chain's emissions (scope 3) by 2030	Scope 3 emissions (tonnes CO_2e)	679 178	305-5
		Change in scope 3 emissions (% from 2020 baseline)	0%	305-5
		Carbon footprint of cartons (grams CO_2e/fresh carton in EU market)	25	Self-defined
		CO_2e saved due to sales of carbon neutral cartons (tonnes CO_2e)	303 802	Self-defined
Recyclability and recycling	100% recyclable beverage cartons in all markets by 2025	Definition and calculation under development	N/A	Self-defined
	70% of all beverage cartons are recycled in EU and Canada by 2030	% cartons recycled EU	51% (2019)	Self-defined
		% cartons recycled Canada	55%	Self-defined
		% households with access to recycling in USA	60%	Self-defined