

Embracing Change:

Towards More Sustainable Packaging

ESG REPORT
2023

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AS A GLOBAL COMPANY, WE ARE CONSCIOUS OF OUR ECONOMIC, SOCIAL AND ENVIRONMENTAL RESPONSIBILITY. OUR MISSION IS TO **RETHINK PACKAGING EVERY DAY** TO MAKE A POSITIVE, SUSTAINABLE AND MEANINGFUL CONTRIBUTION TO OUR CUSTOMERS AND THE ENVIRONMENT.

Words of the CEO

Dear stakeholders,

I am pleased to present our Environmental, Social, and Governance (ESG) Report. At Constantia Flexibles, we envision a world where packaging benefits people and minimizes environmental impact. We understand our responsibility as a global company and strive to integrate sustainability into every aspect of our business.

Our mission is to continuously innovate in packaging to positively impact both our customers, consumers and the environment.

This report outlines our strategies and achievements on our path towards more sustainable packaging.

You will find:

- > **Environment:** We are dedicated to reducing our environmental impact. Our goals include lowering greenhouse gas emissions and ensuring our packaging is recyclable to avoid landfill waste.
- > **Social:** We believe in safety and sustainability in our operations. Safety (HSSE), quality and legal compliance are our priorities, alongside promoting diversity and equal opportunities within our workforce.
- > **Governance:** Our board oversees our ESG efforts, ensuring we adhere to ethical and sustainable practices in every aspect of our business.

We are committed to making a difference and invite you to join us on this journey.

Kind regards,

A handwritten signature in black ink, reading 'Pim Vervaat'. The signature is stylized, with a large 'P' and 'V'.

Pim Vervaat

CEO of Constantia Flexibles



1. WHO WE ARE



Constantia Flexibles at a Glance

Constantia Flexibles is one of the world's leading manufacturers of flexible packaging:

General information	
Company activity	Development and manufacturing of flexible packaging
Turnover (in m€)	2 bn€
Turnover breakdown by location (%)	71% in Europe 19% in North America (US/Mexico) 4% in Asia-Pacific 6% in Middle East, Africa & Australia
Turnover breakdown by market (%)	71% Consumer 29% Pharma
Employee	
Number of employees	7,205* employees *HC Dec. 2023, excluding JV India
Employee breakdown by location (%)	77% in Europe 3% in Asia 13% in North America (US/Mexico) 7% in Middle East, Africa & Australia
Supply chain	
Number of sites	30 Production sites and 4 research centers in 16 countries
Main items purchases, if applicable	Aluminum Plastic Paper Chemicals (inks & solvents)
Outsourced activity, if applicable	Distribution
Other information	
ESG Rating	CDP Climate Change Score 2023: A EcoVadis 2023 rating: Gold

About us

At Constantia Flexibles, headquartered in Vienna, Austria, we specialize in designing and producing flexible packaging solutions, primarily for the consumer and pharmaceutical industries. As the third-largest player globally, our family comprises approximately 7,205* dedicated employees (*HC December 2023, excluding JV India). Guided by our principle “People, Passion, Packaging,” we operate across 30 plants in 16 countries, spanning Europe, North America, Africa, and Asia. Our customers are diverse, encompassing multinational corporations and leading local businesses in sectors like food, pet food, pharmaceuticals, and beverages. With over 10 years of history in packaging, our expertise is deep-rooted and constantly evolving.

In July 2023, One Rock Capital Partners, a New York-based investment firm, acquired Constantia Flexibles from its previous shareholders, which included Wendel Group, Arepo Foundation, and Maxburg Capital Partners. The acquisition was finalized in January 2024.

In 2023, our sales reached approximately €2 billion, with a significant presence across various regions: 71% in Europe, 19% in the Americas, and the rest distributed between the Middle East, Africa, Australia, and Asia. Our operations are streamlined into three divisions addressing two end-markets: Consumer & Pharma. In the Consumer sector, accounting for 71% of our sales, we lead in producing die-cut lids for dairy, flexible packaging for confectionery, deep-drawn aluminum containers for food and pet food, and leveraging technologies like alu technology, easy open & reclose, and high-end graphics. The Pharma Division, contributing 29% of our sales, is renowned for packaging health products with features like anti-counterfeiting and child-resistance, using materials such as aluminum foil, PP, and PET.

2018 marked a milestone with the launch of our Eolutions line, reflecting our commitment to more sustainable packaging. Sustainability is not just a buzzword for us but a core principle integrated into every aspect of our product development. This commitment is evidenced by our Climate Change Leadership (A) rating by CDP and Gold by EcoVadis in 2023. We are continuously improving our consumption of raw materials—aluminum, plastics, paper, inks, and solvents—and hold several patents in this area. Our transformative goal for 2025 is to ensure that 100% of our packaging solutions are designed for recycling, accompanied by a set target for absolute Greenhouse Gas (GHG) emission reduction. Moreover, we conduct life cycle assessments to monitor the environmental impact of our products closely. In line with this, we committed to net zero, aligning with the Science Based Targets Initiative (SBTi) standards.

At the heart of our operations is the health and safety of everyone associated with Constantia Flexibles. We proactively strive towards our vision of “Zero Loss – No Harm,” underpinned by our responsibility to create and maintain a safe and sustainable work environment.

Constantia Flexibles in a Nutshell

OUR VISION

We envision a world in which packaging provides people with the highest benefit at the lowest impact on the environment.

OUR MISSION

We rethink packaging every day to make a positive, sustainable and meaningful contribution to our customers and the environment.

We are driven by passion and our aspiration for know-how and competence to make people's lives healthier, better and safer.

SHAREHOLDER GOVERNANCE

Shareholders:	Supervisory board:
One Rock Capital Partners	9 members
	22% of independent



Environmental performance

TARGETS

100%
of packaging designed for recycling by 2025

Science Based Target:
GHG emissions reduction
(scope 1, 2, 3)
-24% by 2030
49% by 2050
(reference year 2015)

2023 PERFORMANCE

66%
of packaging sold is designed for recycling
(of sold volume in square meters)

-14%
reduction of GHG emissions
(scope 1, 2, 3)



CDP Climate Score: **A**



EcoVadis Sustainability Rating: **Gold Level**

RESOURCES

Production

30 Production sites **IN** **16** Countries

Human capital

7205 * employees
*HC Dec 2023, excl. JV India
77% Europe
3% Asia
13% North America (US/Mexico)
7% Middle East, Africa & Australia

Intellectual capital

52 active patent families

R&D

4 Research centers **90** Experts

Certifications / Management systems

100% of production sites hold a Quality Management certificate (e.g. ISO 9001)
5 production plants certified on ISO 45001
10 production plants certified on ISO 14001
Additional certificates like British Retail Standard (BRC) or ISO 15378 as appropriate

use of resources

Procurement

Main raw materials	Aluminum	Plastic	Chemicals	Paper
Shares in supplies (per volume purchased)	~35%	~35%	~25%	~5%

Integrated production



OUTPUT

Products

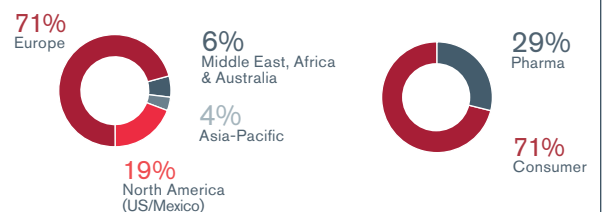
Consumer market

- Confectionery foil
- Die-cut lidding
- Alu-container systems

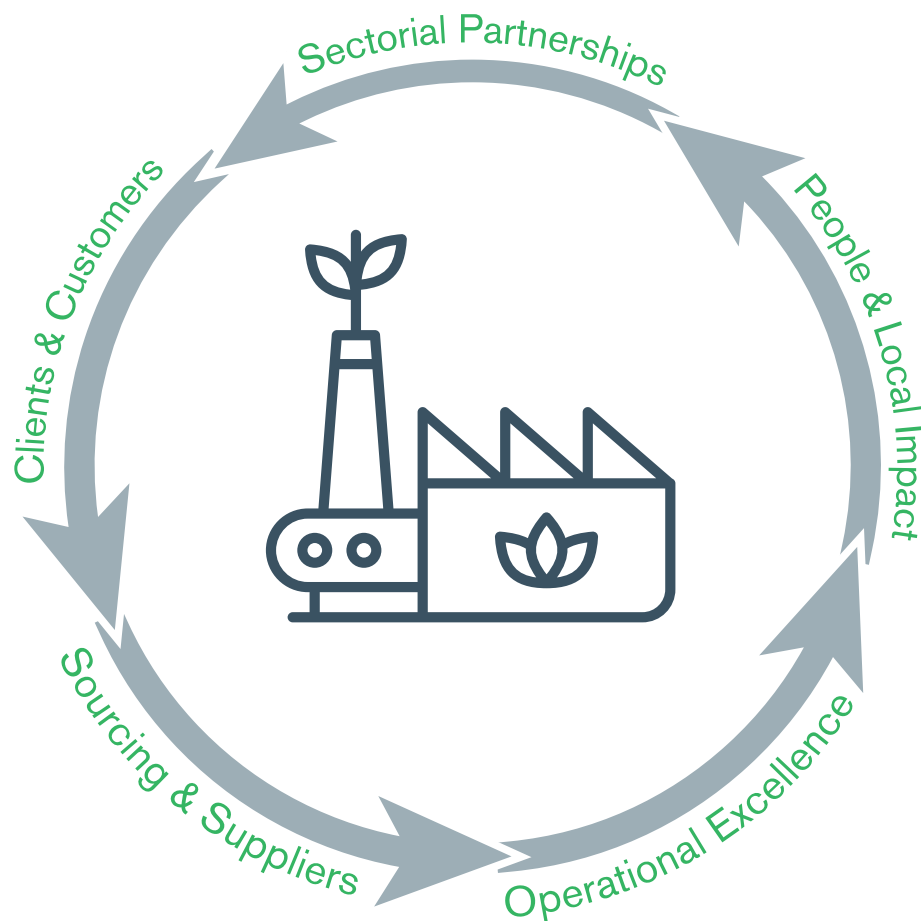
Pharma market

- Blister lidding foils
- Coldform foils

Revenue breakdown



Value Creation for External Stakeholders



CLIENTS & CONSUMERS

Innovative and safe products with minimal impact on the environment

SECTORIAL PARTNERSHIPS

A Circular Economy for Flexible Packaging (CEFLEX)
Recyclclass (plastic-based packaging)
4evergreen (fibre-based packaging)

PEOPLE & LOCAL IMPACT

Local initiatives towards communities: START Austria, cooking at VinziRast, and Other Donations

SOURCING & SUPPLIERS

Code of Conduct for Suppliers and Subcontractors
Supplier Engagement and GHG reduction target
Aluminium Stewardship Initiative (ASI)
Forest Stewardship Council (FSC)

OPERATIONAL EXCELLENCE

Vision and goal for Health & Safety:
ZERO LOSS – NO HARM
Evolution of Lost Time Injury Frequency Rate: -80% in the last 10 years

Highlights 2023

JANUARY



Achieving an AA+ rating from Brand Reputation through Compliance Global Standard (BRCGS), Constantia Afripack and Constantia Nusser have demonstrated their excellence.

Signing a joint venture agreement for our Indian business.

Introducing the newest member of the Ecolutions family, WashOffBanderole.

FEBRUARY



Signing an agreement to acquire the Polish company Drukpol Flexo.

Hosting the public affairs event "Let's Talk PPWR" (Packaging and Packaging Waste Regulation) in Brussels.

Earning a Climate Leadership Level rating for CLIMATE CHANGE 2022, we were certified by CDP. This rating is higher than both the European regional average of B and the Light manufacturing sector average of B.

Winning gold and silver at the DOW 2022 Packaging Innovation Awards.

MARCH



Receiving an AA rating from BRCGS, Constantia Ebert demonstrated exceptional compliance and quality standards.

Recognizing us as Supplier Engagement Leader 2022, CDP acknowledged our outstanding efforts and leadership.

Joining the 4evergreen initiative, we further advanced our plans with paper.

APRIL



Conducting our annual customer survey, we achieved an exceptional satisfaction rating of 8.11 out of 10.

Receiving ISO 17025 certification, the Ecoflex plant in India demonstrated a commitment to excellence and strict adherence to the highest testing standards.

Acquiring the Hungarian company Lászlópack, we expanded our portfolio and market reach.

MAY



Celebrating 500 days without a Lost-Time Injury (LTI), Constantia Louvain marked a significant milestone in workplace safety.

Joining the Sustainable Development Goals (SDG) challenge, the Pharma team focused on the practicality of recycling.

Participating in the 4GAMECHANGERS festival in Vienna, we discussed "Packaging in Discourse: From Waste to Valuable Material."

MAY



Demonstrating the performance of our materials at the INTERPACK trade fair, we showcased the runnability of our Ecolutions product range. Collaborating with 30 machine suppliers, we ran our materials on their exhibition stand machines.

Receiving the International Sustainability & Carbon Certification (ISCC) Plus certification, Constantia Asas reflected excellent safety and sustainability performance.

Achieving the EcoVadis gold medal for the seventh consecutive time, we were recognized for our Corporate Social Responsibility (CSR) achievements.

Securing approval from the Competition Commission of India, we established the joint venture (JV) SB-Constantia Flexibles, involving Premji Invest, Amit Banga, founder of SB Packagings, and us.

JUNE



Hosting "FFP Sustainability Day: The Complete Journey!", Constantia FFP led a comprehensive discussion on sustainability.

Achieving AA+ certification, Constantia Aloform and Constantia Asas were added to the prestigious list by BRCGS.

Optimizing metallization and slitting processes, Constantia Tobepal successfully achieved an 84% reduction in specific electrical energy consumption, advancing towards our sustainability goals.

Launching EcoAluLam, a fully recyclable alternative to non-recyclable aluminum/paper chocolate packaging, in partnership with a key customer at a leading European discount retailer.

Receiving the Foundation of Innovative Packaging and Sustainability (FIPS) Award, we were honored for our Pharma solution, PERPETUA ALTA.

Completing the acquisition, we successfully brought Drukpol Flexo into our family.

JULY



Signing an agreement, Wendel arranged the sale of Constantia Flexibles to One Rock Capital Partners.

Celebrating an impressive milestone, Constantia Copenhagen marked 1,500 days without LTI.

Receiving the ISCC Plus certification, Constantia Propak showcased its sustainability commitment.

Celebrating 100 years of packaging excellence, Constantia Nusser achieved a remarkable milestone.

Introducing the latest generation of cold-forming technology, the Pharma business launched REGULA CIRC, a PVC-free solution with reduced polymer content that enhances material recovery.

AUGUST



Hosting a content session at the European Forum Alpbach in Tyrol, we exchanged ideas with stakeholders on improving packaging circularity through feasible, informed legislation.

SEPTEMBER

Receiving the Green Star Packaging Award from Kompack magazine, our product EcoLamHighPlus was recognized for its excellence.

Awarding us the supplier prize, Nestlé ranked us among their top 20 suppliers.

Celebrating its 100th anniversary, Constantia Tobepal marked a century of excellence.

Receiving AA+ certification from BRCGS, Constantia Tobepal and Constantia Propak demonstrated their commitment to top-tier standards.

OCTOBER

Attracting over 1,000 participants, the Pharma webinar was a significant success.

Providing valuable insights, our experts participated in the Packaging Europe panel discussion "Net Zero in Packaging."

Officially opening the headquarters of the joint venture SB-Constantia Flexibles in India.

Launching the second group-wide Health and Safety Week (HSSE), we reinforced our commitment to workplace safety.

Hosting its first Packaging University, Constantia Afripack launched an innovative educational initiative.

Announcing our commitment to net zero emissions, we aligned with the Science Based Targets Initiative (SBTi) standards.

NOVEMBER

Welcoming new students from the START Scholarship Association Austria, we also bid farewell to graduates.

Registering an impressive 1,100 participants, our aluminum webinar was a notable success.

Successfully completing the unannounced AIB inspection, Constantia Propak demonstrated its commitment to high standards.

Installing a new photovoltaic system, Constantia Teich has enhanced its renewable energy capabilities.

Recognized for successful participation in the ÖKO PROFIT NRW program, Constantia Ebert demonstrated its commitment to environmental and climate protection.

Participating in the "Gemeinsam.Kreislauf.Wirtschaften" conference by the Federal Association of Austrian Industry, our experts contributed their insights.

DECEMBER

Scoring multiple times, Constantia Afripack in South Africa won several Goldpack Packaging Awards.

Marking the start of construction for a new rolling mill at Constantia Teich, a ceremonial groundbreaking was held.

Celebrating one year without LTI, Constantia Colorcap reached an important safety milestone.



EXCELLENCE IN ACTION: PRODUCT SAFETY, BUSINESS ETHICS, PACKAGING INNOVATION, AND WORKPLACE HEALTH & SAFETY

We Are Actively Working on a More Sustainable Future



An interview with Daniel Winkler,
Executive Vice President
Aluminum and Group Sustainability
of Constantia Flexibles



Sustainability is a core focus for your organization. Can you share how you have engaged with customers and stakeholders in 2023 to advance this agenda?

Daniel Winkler: Absolutely. In 2023, we made great progress in working with our customers on sustainability. For years, we have done customer surveys - **last year with outstanding 8.4 out of 10** - to understand what they want and make sure our goals match their needs. This direct feedback helps us tailor our strategies and initiatives more effectively.

Collaboration is a key theme. How are you working with other partners in the value chain?

Daniel Winkler: Collaboration is indeed vital. This past year, we not only worked closely with our customers but also challenged our suppliers to join us in our decarbonization efforts. To address Scope 3 emissions, it is crucial that we collaborate across the entire value chain. We have made intensive efforts to reduce the carbon footprint of our raw materials, and this will continue into 2024.

Speaking of the future, important deadlines are approaching in 2025 and 2030. Could you elaborate on these targets?

Daniel Winkler: Certainly. These deadlines are part of our short-term and long-term sustainability strategies. By 2025, we aim to achieve several intermediate goals that will pave the way for mandatory sustainability practices by 2030, like the Packaging and Packaging Waste Regulation (PPWR) in the European Union, which we see as a great chance for improved circularity of packaging on the European market. Our goals include significant milestones in recyclability and the reduction of our carbon footprint, ensuring we stay on track and well prepared to meet our commitment towards net-zero.

Talking about the PPWR, how is your company preparing for this major shift in Europe?

Daniel Winkler: The PPWR is still in the process of being finally adopted, but the outlook is promising as harmonized rules will help to increase circularity of packaging in Europe. We are working closely with our customers to ensure a smooth transition, as change does not happen overnight. Recognizing that recyclability will become increasingly important, we are confident we are on the right track.

**WE ARE WORKING CLOSELY WITH OUR CUSTOMERS
TO ENSURE A SMOOTH TRANSITION, AS CHANGE
DOES NOT HAPPEN OVERNIGHT.**

Can you explain the company's commitment to net zero emissions?

Daniel Winkler: In 2023, we officially committed to net zero emissions according to the standards set by the Science Based Targets Initiative (SBTi). Especially in these times of climate change, setting science-based targets and driving R&D to innovate even more sustainable solutions to reduce greenhouse gas (GHG) emissions and accelerate the transition to a low-carbon economy must be a key objective of any manufacturing company.

Recyclability and decarbonization seem to be significant focus areas. How is your R&D contributing to these efforts?

Daniel Winkler: R&D is crucial. We are constantly exploring, for example, which aluminium alloys can be used for specific applications while enhancing their circularity. We emphasize not only the use of low carbon aluminum but also the innovation needed to push boundaries in recyclable materials. In our Film Division we are making significant progress as we transform towards mono-materials based on polyethylene (PE), polypropylene (PP) or paper. Our R&D team is integral to our journey, discovering new methods and technologies that drive us towards greater sustainability. It needs innovations and therefore our people are our biggest asset. I am looking forward to continuing this path in 2024.

With a new owner recently stepping in, how has this impacted your sustainability journey?

Daniel Winkler: The transition has been very positive. One Rock fully supports our sustainability journey, bringing fresh perspectives that enable us to accelerate our initiatives. This support is essential as we look forward to continuing our progress in 2024 towards our strategy, Vision 2030.

Finally, as we look towards 2024, what are you most excited about in your sustainability agenda?

Daniel Winkler: I am particularly excited about continuing to advance our collaborative efforts. Seeing the tangible impacts of our work with customers and suppliers is incredibly rewarding. Also seeing our teams working hard to improve and invent packaging for our customers. We truly live our mission: We rethink packaging every day.

2. OUR APPROACH



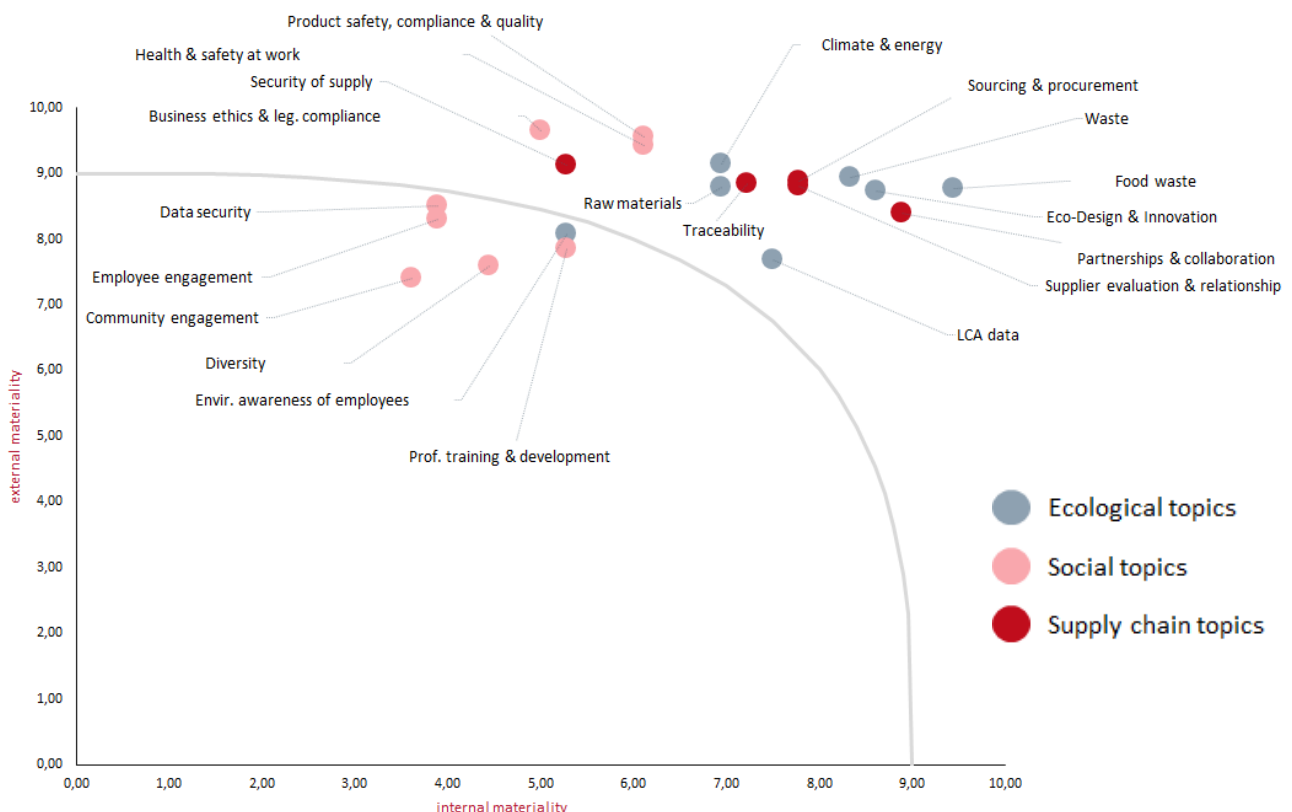
Identifying and Prioritizing Sustainability: Our Materiality Matrix

In our Environmental, Social, and Governance (ESG) report, we utilized the Global Reporting Initiative (GRI) framework to evaluate the significance of our ESG concerns. This involved merging an internal evaluation of impacts with an extensive analysis of stakeholder perspectives, conducted in accordance with the AA1000 Stakeholder Engagement Standard. We invited our stakeholders to express their opinions (external significance) on our sustainability subjects (internal significance) and evaluate our involvement in these areas through a digital survey designed with the help of external consultants.

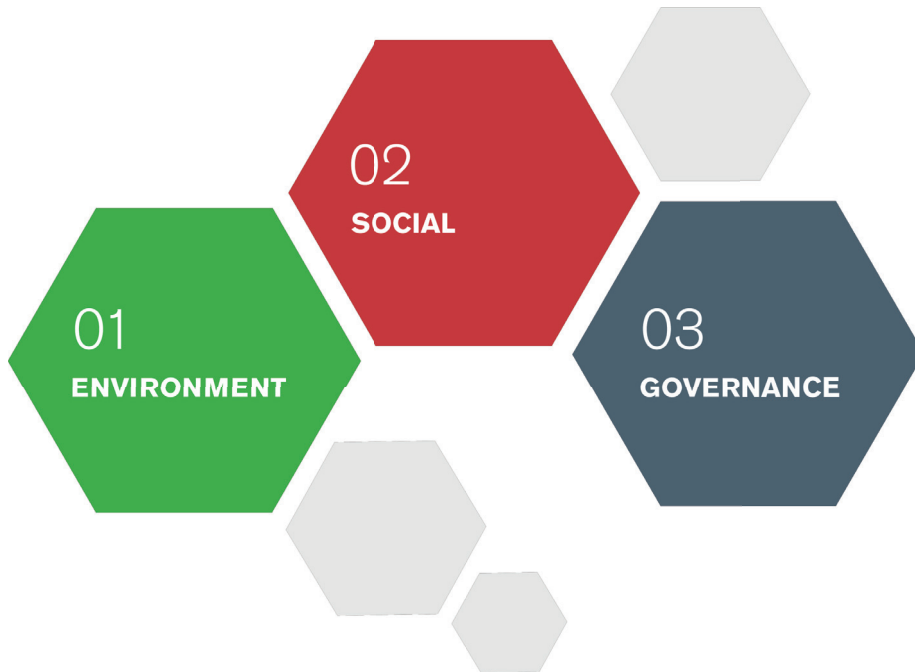
The findings of this assessment show that our internal view on the materiality of our company's sustainability topics aligns closely with the view of our stakeholders. Feedback and expectations from stakeholders highlighted areas such as eco-design, recyclability, barrier function, environmental impact of packaging materials, and the communication of features to the broad public. In terms of our engagement, topics like product safety and compliance, business ethics, packaging and design, traceability, as well as health and safety at work, were rated as high, demonstrating our strength in these domains.

We are actively addressing the topics deemed most significant and will maintain our focus on these areas. Additionally, we are committed to continuing robust engagement with our stakeholders to enhance our ESG efforts. In 2023 we have relaunched our materiality assessment in compliance with the ESRS requirements for "Double materiality". The results of this assessment will be further refined in 2024 and guide our reporting and engagement efforts in the upcoming years.

Constantia Flexibles Materiality Matrix



Towards a More Sustainable Tomorrow: Our Comprehensive ESG Strategy and Roadmap



Every day, we focus on improving our packaging to be more beneficial and sustainable for our customers, with minimal impact on the environment and a strong commitment to the health and safety of our team. Below, our ESG roadmap highlights the main goals of Constantia Flexibles Group and how we measure success in these areas. The next chapters will go into more detail about each topic. The 2023 results of our ESG Roadmap commitments have been externally verified for the purpose of this report.

Constantia Flexibles

ESG roadmap

Theme		Targets	KPIs	Unit	2022	2023	VAR
ENVIRONMENT	Climate Change: GHG	We commit to reduce absolute scope 1, 2 and 3 greenhouse gas emissions 24% by 2030 and 49% by 2050 from a 2015 base-year (approved by the Science Based Targets initiative).	GHG emissions Scope 1, 2 (market based), 3	kt CO2e	1530	1526 (1)	↓
	Circular Economy: Recyclability of products	We pledge that 100% of our packaging will be designed for recycling by 2025.	Recyclability of product portfolio	%	59	66	↑
	Sustainability and collaboration along the value chain	We strive to continuously increase the number of suppliers audited, covering ESG topics.	Number of supplier audits		51	31	↓
		We commit to train our procurement personnel on sustainable procurement issues.	% of strategic buyers across all locations who have received training on sustainable procurement	%	90	100	↑

Theme		Targets	KPIs	Unit	2022	2023	VAR
SOCIAL	Health & Safety at work	We strive for achieving our goal of "ZERO LOSS – NO HARM"	Lost Time Injury Frequency Rate (LTIFR)		2,20	1,90	↘
			Unsafe Condition / Behaviour Reporting Ratio		1,7:1	2,3:1	↗
	Health & Safety of consumers: safe products	We strive for all production sites to hold at least one relevant product safety or quality certification.	% of production sites with at least one certification in relation to product safety and quality	%	100	100	→
	Diversity & equal opportunity	We are committed to empowering women in leadership. We actively support the career advancement of female employees at all managerial levels, and strive to increase the representation of women in leadership positions through a special focus on hiring female candidates during recruitment initiatives..	% of female managers in top management (Constantia Grade 1-6)	%	10,5	11,8	↗
	Talent attraction, development and retention	Aiming for high participation, we strive to ensure at least one day of training annually for a broad range of employees	% of employees trained for min 1 day	%	70	65	→

Theme		Targets	KPIs	Unit	2022	2023	VAR
GOVERNANCE	Business ethics	We commit to continuously audit our plants on business ethics compliance.	Internal corruption risk assessment conducted	yes / no	yes	yes	→
		We require annual Code-of-Conduct (including Anti-Bribery and Competition Law) training for our employees, aiming for at least 80% completion each year.	% of employees trained at least once per year	%	83,6	89	↗
		We commit to continuously perform compliance checks on our business partners.	Business partner compliance check conducted	yes/no	yes	yes	→

(1) Scope 3 verified figure from 2022. 2023 value available in Q3.

Our organization is committed to supporting the realization of the UN Sustainable Development goals (SDGs), aiming for our business operations to significantly contribute towards meeting these objectives. Our materiality analysis has evaluated our impact on the SDGs across our entire value chain. This assessment highlighted our particularly notable contributions to seven goals: SDGs 3, 4, 5, 8, 12, 13, and 16, which have been assigned to each commitment in our ESG Roadmap. While we also contribute, directly or indirectly, to other SDGs, this report will concentrate on those goals where our impact is most profound.



FLEXIBLE PACKAGING PLAYS A MINOR PART IN A PRODUCT'S TOTAL ENVIRONMENTAL FOOTPRINT OVER ITS LIFE CYCLE BUT A MAJOR ROLE IN ITS PRESERVATION.

3. ENVIRONMENT



Driving Innovation: The Circular Economy's Role in Sustainable Development

As a global company, we at Constantia Flexibles are very conscious of our economic, social, and environmental responsibility. Our core mission is to rethink packaging every day, aiming for positive, sustainable impacts for our customers, the environment, and society. Therefore, sustainability is an integral part of our business.

Packaging plays an essential role as it protects valuable content throughout the supply chain and enables a proper and safe delivery to the end consumer. Flexible packaging is designed to minimize the use of packaging materials; thus, it is generally more resource efficient and has a smaller carbon footprint than alternative packaging types. It plays a minor part in a product's total environmental footprint over its life cycle but a major role in its preservation.

Aware of the growing concerns about packaging's environmental impact, we are actively engaged in advancing a circular economy for flexible packaging with the entire value chain, reducing our dependence on virgin materials. In this context, we ensure our products are fully compatible with existing collection, sorting, and recycling infrastructures and processes in order to increase the circularity of packaging. This is why we are focused on enhancing the recyclability of our packaging solutions.

Our efforts are well aligned with the European Union's push for reduced resource use, increased recycling rates as well as the adoption of recycled materials as outlined in the framework of the European Circular Economy Package. Consequently, most of our future product innovations will focus on applying Design for Recycling Guidelines to develop recyclable specifications in practice and on a commercial scale.

Our Transformation Target

100% of our packaging solutions are designed for recycling by 2025.

We continuously evaluate the recyclability status of our product portfolio and track progress towards this goal. In 2023, 66% of packaging materials sold were designed for recycling (a significant increase from 59% in 2022), demonstrating our commitment to sustainable practices. Furthermore, to pave the way for full recyclability, 91% of our product offerings are either designed for recycling or have a recyclable alternative.

Constantia Flexibles Product Recyclability	2022	2023	Variation [%]
Design for recycling of product portfolio (%)	59	66	+12%
Products designed for recycling or with a recyclable alternative (%)	85	91	+7%



TODAY, 91% OF OUR PRODUCT OFFERING IS EITHER
DESIGNED FOR RECYCLING OR HAS A RECYCLABLE
ALTERNATIVE.

Action Plan for More Sustainable Packaging

To manage and achieve this target, we have designed the following action plan:

1. To monitor and Improve Product Sustainability through LCA studies
2. To create a More Sustainable Product Range: the Ecolutions portfolio
3. To participate in Initiatives in the Value Chain

Monitoring and improving Product Sustainability through Life Cycle Assessments

We are acutely aware of our responsibilities within the value chain and continuously work to enhance our processes and products in terms of sustainability. Supporting both internal teams, such as sales and product management as well as external stakeholders is a vital part of our strategy.

To empower internal stakeholders with necessary insights for discussing product options and achieving our recyclability goals, we developed a detailed recyclability guidance document already in 2019. This document, regularly updated to reflect current regulations and guidelines, provides insights into flexible packaging recycling, regulatory frameworks, recycling markets, sorting technologies, and design criteria for recyclable packaging.

Since 2015, we have been conducting life cycle assessments (LCA) using a semi-automated approach to efficiently address customer inquiries and life cycle design challenges. Our innovative LCA-meta-model, peer-reviewed for accuracy, enables us to inform customers and stakeholders about the environmental footprint of our products, covering various production processes, raw material input, waste handling possibilities, and country-specific settings.

Our LCA tool allows us to flexibly evaluate different production scenarios, identify critical areas, and showcase to customers the environmental performance of their products. The LCA capabilities support our comprehensive approach to sustainability, focusing not just on carbon footprint but also other environmental impacts. Additionally, it opens doors to competitive advantages and potential cost savings through product optimization.

In 2023, we actively participated in the working group to develop life cycle assessment guidelines for the flexible packaging industry led by our industry association and have further developed and updated our internal tool for product environmental footprint evaluations.

In-house LCA studies also guide our product development strategy. Over the past decade, we have invested significantly in research & development, with annual expenses of around €12 million. In our four R&D centers in Austria, Germany and Spain we employ about 90 R&D experts. We hold several patents and patent applications in 52 active patent families across foil, film, and paper applications. Our experts in raw materials and process technologies stay abreast of the latest trends alongside suppliers and external partners, including leading universities.

As part of the “Green Strategy”, development activities of the last years have been focusing on building fully recyclable products based on either aluminum, mono PE, or PP as well as paper. We also take an active interest in legislation within Europe, driving circular economy and sustainable product design. We continue to aim for our packaging solutions to combine the highest benefit for our customers and society with the lowest impact on the environment.



OUR OFFERINGS, LIKE ECOLAM, ECOALU, ECOVER, AND PERPETUA ALTA, MARK A NEW ERA OF PACKAGING, FORMING RECYCLABLE PRODUCT FAMILIES THAT ALIGN WITH EXISTING RECYCLING PROCESSES FOR VARIOUS SUBSTRATES AND FORMATS.

Creating an Eco-product Range: The Ecolutions Portfolio

Sustainability considerations are a fundamental component and a key driving force behind our innovation strategy. Leveraging our worldwide presence, we initiated the development of mono-material packaging in 2014, when this idea was just emerging in Europe.

To embrace the challenge of a circular economy without compromising on functional requirements, we launched the more sustainable packaging product range “Ecolutions” in 2018. It meets the sustainability requests of customers as well as regulatory requirements with a clear focus on recyclability and carbon-footprint reduction while maintaining all the properties required to protect the packaged products. Within the Ecolutions family, we promote mono-material solutions providing high barriers to replace traditional non-recyclable multi-material structures. Our comprehensive 360-degree approach covers all common substrates, such as paper, plastic and aluminium packaging. Ecolutions are available in certified chain of custody materials, e.g., ASI, FSC.

In pursuit of our Circular Economy target, we extensively invested in state-of-the-art technology for designing recyclable structures and we strive to transform all non-recyclable products. Our offerings, like EcoLam, EcoAlu, EcoVer, EcoPaper and PERPETUA ALTA, mark a new era of packaging, forming recyclable product families that align with existing recycling processes for various substrates and formats. We have received technology approvals from RecyClass for our plastic-based recyclable packaging solutions PERPETUA ALTA, EcoLam SR Tube, and EcoLamHighPlus, positioning us as a leader in developing structures designed for recycling. The product family demonstrates our commitment to providing alternatives designed for recycling by 2025.



KEY FIGURES:

91% of Cflex product offering is either already designed for recycling or has a recyclable alternative (objective of 100% by 2025)

Participating and Steering Initiatives throughout the Value Chain

We are convinced that by collaborating closely, businesses and governments can address the root causes of sustainability challenges. As a result, we actively participate in partnerships across the entire value chain as members of various international initiatives and organizations.

In addition to being a permanent member and chair of Flexible Packaging Europe's Sustainability Committee, we are also involved in the European Aluminium Foil Association's Foil Sustainability Action Group, where we constantly advocate for relevant issues, initiate projects, and promote cooperation to achieve shared sustainability goals.

As a founding member of the CEFLEX project (A Circular Economy for Flexible Packaging), we are intensively working on further enhancing the performance of flexible packaging in the circular economy by advancing better system design solutions via collaboration. CEFLEX is the collaborative project of a European consortium of companies and associations representing the entire packaging value chain, covering material suppliers, manufacturers/ converters, brand owners, and recyclers. CEFLEX stakeholders work together in various workstreams to identify and develop the best solutions. Within CEFLEX, Constantia Flexibles further supports, as a founding member, the development of a collection, sorting and recycling infrastructure for flexible packaging, e.g., through robust "Designing for a Circular Economy" guidelines and the mapping of sustainable end-markets for the secondary material recycled from flexible packaging. Our membership in the Sustainable Packaging Coalition (SPC) strengthens our connections with major key accounts and fosters a common understanding the packaging industry's sustainability challenges. As dedicated participants in the initiative for the recovery of multi-material flexible packaging, we recognize the growing need to devise methods for the collecting, sorting, and recovering such materials. By collaborating globally to develop recycling strategies, we contribute to a broader knowledge base and the establishment of best practices. This collaborative approach is key to developing sustainable methods for handling multi-material flexible packaging at the end of its lifecycle.

The company further drives transformation towards the circular economy through many collaborations with leading institutions like AIMPLAS, VEOLIA and technical universities, who have significant expertise in industrial sorting and recycling processes. In such joint efforts Constantia Flexibles proves the recyclability of its newly developed solutions and creates data necessary for certifications according to global standards. Furthermore, Constantia Flexibles supports and investigates new technologies and their potential contribution to improving packaging circularity. Within the HolyGrail 2.0 project, together with its key global customers, Constantia Flexibles works towards solving sustainability through new technologies in packaging design and sorting. The HolyGrail 2.0 project aims at applying digital watermarks on packaging design, which are non-visible by the end-consumer, but can be detected at sorting facilities, opening up new possibilities for sorting fractions, e.g., a separation between food and non-food packaging.

We prioritize more sustainable packaging, starting with responsibly sourced materials. That's why we are a founding member of the Aluminium Stewardship Initiative (ASI). This global, multi-stakeholder organization sets standards and certifies responsible aluminum production, sourcing, and stewardship across the supply chain. In 2018, Constantia Teich in Austria, our largest plant, led the way as the first aluminum foil roller and packaging converter – and the first European company – to be certified under the ASI Performance Standard for environmental, social, and governance performance. Furthering our commitment, Constantia Teich also obtained ASI Chain of Custody certification in early 2020. Through ASI, we enhance transparency and traceability, enabling us to monitor and report on our progress towards sustainability and responsible sourcing goals.

To complete our 360-degree material approach, we are also part of 4evergreen, a cross-industry alliance of over 100 members representing the entire lifecycle of fiber-based packaging – from forests to designers, producers, brand owners, and recyclers. The goal is to reach a 90% recycling rate for fiber-based packaging by 2030. We collaborate in the technical workstreams of the alliance to develop tools and guidelines for the different aspects of sustainability and circularity of fiber-based packaging.

From Awareness to Action: Our Climate Change Strategy

Carbon footprint (Scopes 1, 2 and 3)

Direct and indirect Greenhouse Gas (GHG) emissions are generated by our plants through production processes as well as by purchased goods and services. Since 2005, we have measure and reported GHG emissions on an annual base according to the internationally recognized Corporate Greenhouse Gas Protocol. The results are verified annually by external audits of our Scope 1, Scope 2, and Scope 3 calculation methodology.

The table below shows the overall Scope 1, 2 and 3 GHG emissions of our company for 2022 and 2023. Figures for both years have been recalculated to reflect the exclusion 2022 operations in India (JV India)

Constantia Flexibles Group Carbon Footprint	2022	2023	Variation [%]
Scope 1 (kt CO2 eq)	115.1	114.3	-0.7%
Scope 2 (kt CO2 eq) market-based	50.7	47.4	-6.5%
Scope 2 (kt CO2 eq) location-based	120.4	112.3	-6.7%
Total Scope 1, 2, 3 (kt CO2 eq)	1,530	1,526 ⁽²⁾	-0.3%

(2) Scope 3 n is not available at the date of publication of the report. Scope 3 for 2023 corresponds to Scope 3 of 2022. Details on the methodology used are explained in the Methodology Notes.

Carbon Intensity

Scope	2022 ⁽³⁾ kt CO2eq/Mio m2	2023 kt CO2eq/Mio m2	Variation (%)
Scope 1	0.022	0.026	+15.7%
Scope 2 (market-based)	0.015	0.011	-28.1%
GHG intensity (Scope 1+2)	0.037	0.036	-2.2%

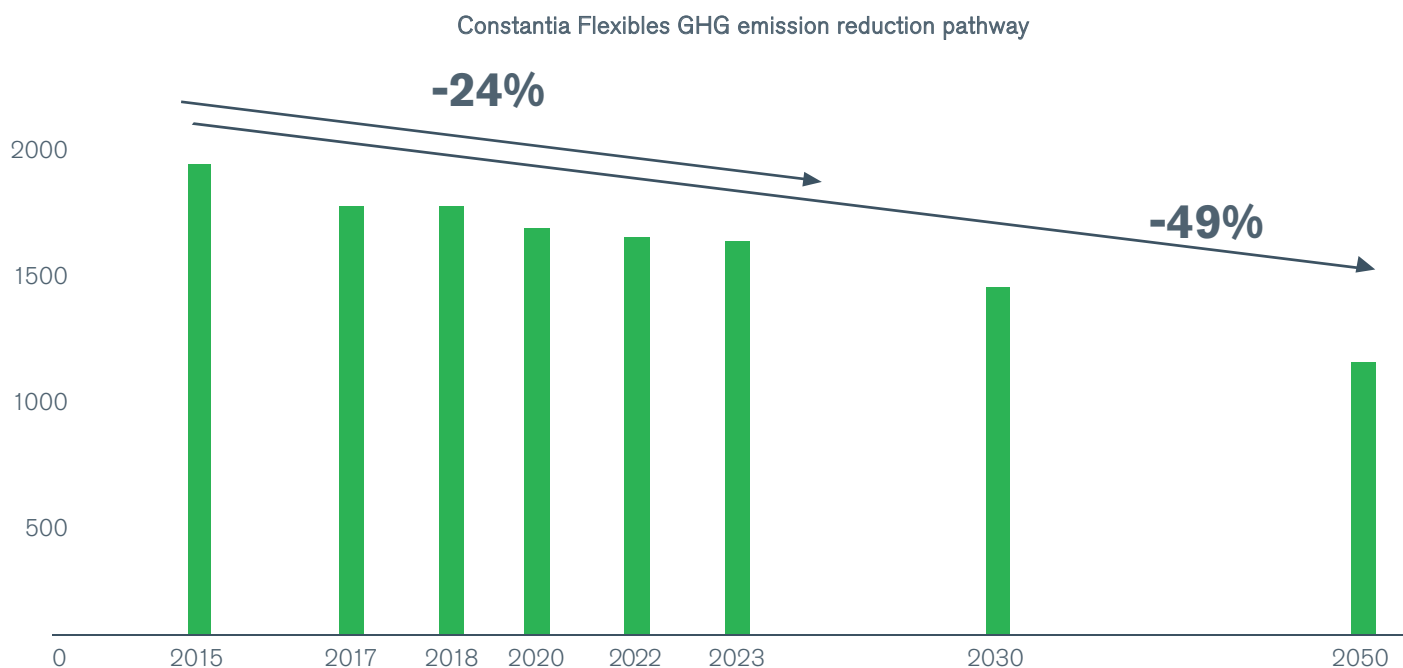
(3) 2022 reporting scope figures

Energy

In 2023 Constantia Flexibles had a total energy consumption of 573.182 MWh, which is a 1% decrease compared to 2022. 49% of the total consumption derived from fossil fuels, with natural gas as main source, comprising 44% of the total energy consumption. Other fossil fuels (4% of total consumption) included mainly LPG (liquified petroleum gas), petrol and diesel. Electricity contributed 46% of total energy consumed, of which 73% was electricity from renewable sources. Furthermore, in 2023 4 locations had installations (hydro-power and/or photovoltaic systems) to generate renewable electricity on-site.

Mitigation: Pathway to Reducing Greenhouse Gas Emissions

CO2 eq Emissions (Scope 1, 2 and 3) and Steps to reduce them



Identified Leverage to Reach the Trajectory Above and our Action Plan

SCOPE 1:

Most of our Scope 1 emissions occur due to the consumption of solvents and natural gas. We are reducing emissions from solvent consumption by using more solvent-free inks and water-based lacquers. In order to reduce our natural gas consumption, we are considering the possibility of running the machines on electricity instead of gas for new investments and regularly re-evaluating existing machinery. Energy use reduction is also achieved through energy efficiency projects that are performed on an ongoing basis. Seven of our plants are ISO 50001 certified, reflecting our focus on effective energy management. As part of the evaluation of new investments, the impact of energy reduction projects on the group's GHG reduction target is given visibility alongside all financial KPIs. Furthermore, 10 of our plants have earned ISO 14001 certification, recognizing their environmental management practices.

SCOPE 2:

A very large majority of the Scope 2 company's emissions occur as a result of electricity consumption. To address these emissions, we increase the purchase of electricity coming from renewable resources. Since 2016 we took the step to switch to green electricity in several plants, today already covering 73% of the total electricity consumption in 2023, which supports us in reaching our absolute greenhouse gas emission reduction target. Especially for European sites, we have made significant progress towards reaching 100% renewable electricity. We are continuously expanding our own production of green electricity, investing in additional photovoltaic installations across multiple plants in 2023. Concretely, solar panels were successfully put into operation at our largest facility in Austria.

SCOPE 3:

Besides evaluating the direct and indirect emissions resulting from the operations of our Constantia Flexibles Group (Scope 1 and Scope 2 emissions), we also assess the indirect emissions that occur both before and after our supply chain processes (known as Scope 3 emissions). After analyzing Scope 3 emission sources across our Group, we identified that the purchased goods used in manufacturing our products are the most significant contributors to the company's Scope 3 emissions. Aluminum and plastic raw material purchases represent almost 80% of the company's Scope 3 emissions.

Material Scope 3 emissions have been tracked for each plant since 2015. In our efforts to reduce Scope 3 emissions, we have focused on identifying and analyzing hotspots, particularly those arising from key raw materials such as aluminum, plastics, paper, and chemicals, including inks and solvents. We have made significant strides by proactively engaging with our main suppliers about carbon emissions. Notably, we have substantially reduced emissions through a supplier project within the aluminum value chain and have engaged suppliers for material specific primary data on carbon footprint. We continued to drive forward this engagement in 2023.

Knowledge of site-specific challenges on corporate, product, and raw material levels help us to tackle similar issues throughout the Group. By conducting thorough investigations, such as life cycle assessments, we quantify the potential environmental impacts at the product level.

VALIDATION OF THE GHG EMISSION REDUCTION TRAJECTORY BY THE SBTi

In 2017, we developed a group-wide Greenhouse Gas (GHG) emissions reduction target, which was approved by the Science Based Targets initiative (SBTi) in 2018. The targets include 100% of the Group's Scope 1, 2 and 3 GHG emissions with no significant exclusions.

Absolute targets
recognized by
the SBTi

Constantia Flexibles commits to reduce absolute Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions
24% by 2030 from a 2015 base-year.

Constantia Flexibles commits to reduce absolute Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions
49% by 2050 from a 2015 base-year.

Targets adopted by companies to reduce GHG emissions are considered "science-based" if they are in line with the level of decarbonization required to keep global temperature increase below 2 degrees Celsius compared to pre-industrial temperatures. By setting this ambitious goal in line with climate science, we demonstrate our commitment to global efforts in limiting global warming and consistently improving sustainability throughout our value chain, making this clear to our customers and stakeholders. In 2023, we also have made a commitment to Net Zero under the SBTi and have made significant progress in developing our GHG emissions reduction roadmap.

KEY FIGURES:

SBTi 2°C approved: -24% by 2030 and -49% by 2050 (scope 1, 2, 3)

CDP Climate Change Score 2023: A

SBTi Net Zero commitment signed in 2023

>70% of electricity consumption from renewable sources in 2023

Adaptation – Climate Risks and Opportunities Assessment

Our Risk & Opportunity Management process is aligned with international standards such as COSO ERM and ISO 31000 and provides a systematic approach to managing risks & opportunities on all levels of our company (Group, Divisional, and Local). At Constantia Flexibles, we define risk as an effect of uncertainty on the company's strategic objectives. The effect may be positive (opportunity), negative (threat), or a deviation from expected. The process of risk mapping is aimed at capturing risks that may have a negative impact on the achievement of our strategic objectives. Risks are re-assessed twice per year.

The process of managing climate-related opportunities is the same as for risks. Under the TCFD framework, climate-related risks and opportunities are classified as transition risks and opportunities (market and technology shifts, policy and legal, reputation) and physical risks and opportunities.

The transition risk assessment considers market and technology shifts as well as the development of new policies and regulations, which are to be expected in a political environment trying to achieve a low carbon economy.

The physical risk assessment considers typical vulnerabilities to the various physical climate threats (e.g., cyclone, storm surge, sea level rise, flood, drought, temperature, permafrost melt) in the short term and long term and how these threats could impact the company's assets.

OUR TRANSITION RISKS

Risk/ Opportunity	Description	Actions Implemented
Political/ legal risks	European sustainability-based regulations could result in lower demand for non-recyclable packaging. Stricter legal and environmental requirements increase the risk of non-compliance.	<ul style="list-style-type: none">> Constantia Flexibles' portfolio includes recyclable structures as well as a dedicated, more sustainable product range, the Ecolutions family. By designing flexible packaging to be recyclable, Constantia Flexibles supports the circular economy by decreasing the use of virgin materials and contributes to reducing carbon emissions.> Furthermore, several sites have ISO-certified environmental and energy management systems in place.> Constantia Flexibles also fosters the development of the packaging industry towards greater sustainability through active engagement and collaboration with the entire value chain.

Reputational risks	<p>Misunderstandings of the key functions of (flexible) packaging, perception of packaging as waste only, and subsequent regulations could preclude flexible packaging from being considered a relevant and acceptable packaging solution by a biased consumer base, leading to decreased business opportunities.</p>	<ul style="list-style-type: none"> > Constantia Flexibles meets this challenge through close coordination with international research institutes, constant evaluation of the latest scientific findings, and continuous analysis of consumer initiatives and requirements at national and international levels. > The company also invests heavily in continuous R&D efforts to develop sustainable product alternatives (designed for recycling and ready for customer homologation) for its entire product portfolio: the Ecolutions product family. > Constantia Flexibles' sustainability communication aims to inform and educate the target audience about the function of packaging in general, including insights on material choices and their environmental impacts. > Furthermore, Constantia Flexibles is part of multiple working groups, industry associations, and consumer platforms. Through these combined efforts, the company ensures an aligned representation of the benefits of (flexible) packaging as well as provides a stage where all stakeholders' views can be heard.
Technology risks	<p>Changing requirements, standards, or emission limits of some countries or customers might require plants to switch to different technologies to stay below these prescribed limits or match customer and market demands.</p>	<ul style="list-style-type: none"> > Constantia Flexibles works closely with suppliers and customers and continuously evaluates market trends and new technologies. > The Group invests in new technologies and partnerships and focuses on automation/digitalization. New machines are assessed against energy consumption/efficiency criteria, set-up times, and waste.

Our Physical Risks

Climate change-induced natural disasters, including floods, storms, cyclones, and extreme heat, present a risk of service interruptions, leading to potential production delays and challenges in maintaining business continuity. Our global presence, with plants in various geographic areas, increases our exposure to these risks. Overall, we address physical risks through the following measures:

- > We maintain a comprehensive global all-risk insurance policy, covering damage and business interruptions caused by events like fires and floods, as well as other natural disasters.
- > We consistently implement and develop structural, technical, and organizational preventive measures, such as flood and fire protection, and industrial accident prevention, tailored to the specific needs of each plant.
- > Our emergency and crisis management systems are continuously upgraded and expanded to enhance resilience and response capabilities.

Implementing preventive safety measures in our plants is continuously being reviewed and updated. Furthermore, the business continuity risk is also addressed through our global production network of hubs and satellites. In the event of a disruption at a production site, the ability to ensure timely supply is maintained through the utilization of alternate manufacturing locations within the Group. In 2022, we prepared a detailed Climate Risk Resilience Plan (CRRP). While Climate Risks were already part of our detailed Risk Management Concept before, this CRRP focuses exclusively on Climate Risks and highlights, how we address these

risks and counteract any potential vulnerabilities.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goals:



Air Pollution

In our Environmental, Social, and Governance (ESG) framework, we recognize the environmental risks associated with air pollution, particularly concerning the emissions of Volatile Organic Compounds (VOCs), which primarily arise from using solvents in our plants. Adhering to existing legal standards about VOC emissions, this issue is principally addressed through compliance measures. Nevertheless, our overarching Sustainability Policy encompasses broader aspects, including adopting cleaner technologies and reducing emissions across all company operations. This policy reflects our commitment to environmental stewardship and sustainable practices.

We work for a continuous improvement related to VOC emissions. Some of the approaches are:

- > Solvent recovery;
- > Regenerative Thermal Oxidizers (RTO);
- > Organic solvent-free technologies.

In this context, we have installed RTO facilities in several plants, consequently reducing VOC emissions. In 2023, 16 plants had technologies for the recovery of solvents and/or for the avoidance of solvent emissions in place. Total VOC emissions per output have remained constant in 2023 amounting to 2.8 tons per Mio. square meter output. 14 plants were operating RTOs, while 12 plants had the possibility to recover and reuse solvents at their facilities.

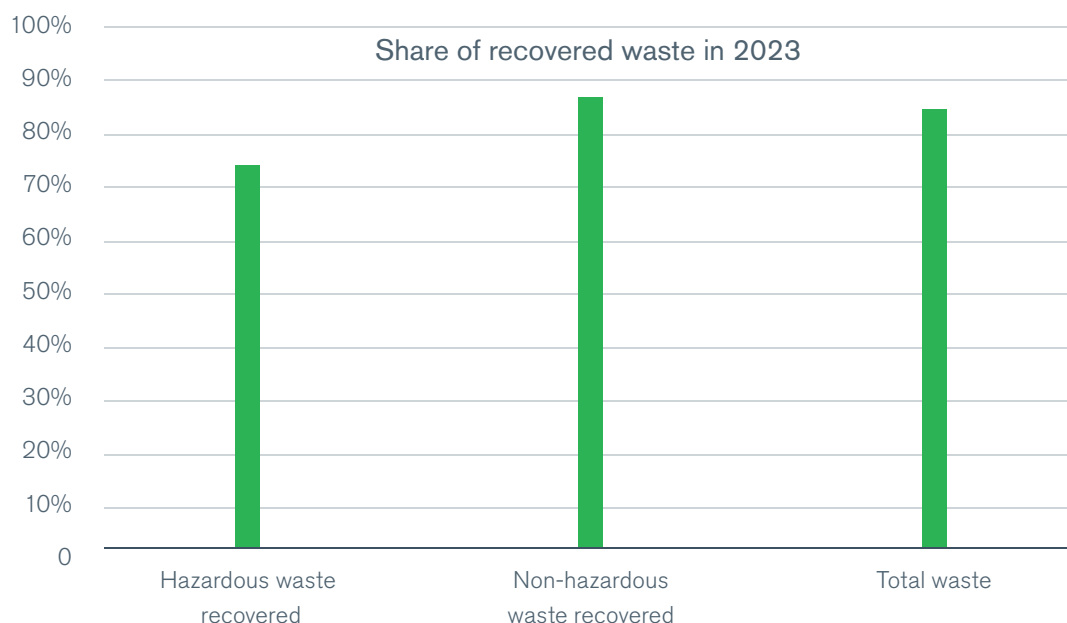
Our objective includes substantially decreasing both the overall usage of solvents and the emissions they generate. We are actively pursuing this goal by adopting advanced solvent-free printing technologies across several facilities. Consequently, certain plants have effectively eradicated the need for solvents altogether. Furthermore, we are focusing on increasing the utilization of water-based inks and are investing in research and development to enhance water-based printing technologies. This is part of our broader commitment to sustainable practices and reducing our environmental impact.

Waste Management

We strive for circularity and reducing resource consumption for our products, but also in our factories. We regularly evaluate waste management plans for each plant and track waste production across our Group. In 2023, we produced 68,127 t of waste, which is a decrease of 2.6% from previous reporting year (adjusted for comparison). The chart below shows the share of waste sent to recovery (recycling, composting and incineration with energy recovery) which was hence successfully diverted from landfill in 2023, separated by the category of hazardous and non-hazardous waste. In waste management – waste prevention is the key to success, therefore several waste reduction initiatives have been launched in 2023. A waste reduction program was launched in 2023 within our Aluminium Division, focusing on initiatives and projects that reduce the amount of output

waste. By establishing a unified approach and a cross-functional team, participating plants worked together constantly and exchanged knowledge. The highest proportion of waste across plants is geometrical waste, followed by process waste and quality waste. Consequently, more than 35 waste initiatives were launched in the first year of the program, aiming to tackle the single waste baskets.

WASTE SENT TO RECOVERY 2023 [%]



Sustainability along the Value Chain

Risk description	Policies and actions	KPIs	2022	2023
Risks in relation with Constantia Flexibles' raw material sourcing (aluminum, plastics, paper and chemicals)	Supplier Code of Conduct in place Responsible Sourcing Local Policy in place	Number of supplier audits carried out	51	31
	Aluminium Stewardship Initiative certification of C. Teich Supplier audits and CSR evaluation	CSR evaluation coverage of suppliers	56	59
		% of strategic buyers across all locations who have received training on sustainable procurement	90	100

We view ongoing cooperation across the value chain, such as implementing responsible sourcing certifications, as a crucial element of our holistic strategy for sustainability. We are a founding member of the Aluminium Stewardship Initiative (ASI), which was established to promote sustainability performance and transparency across the entire aluminum value chain. Introduced by several businesses, ASI, as a non-profit initiative, aims to mobilize a broad base of players in the value chain toward implementing responsible business ethics and environmental and social performance practices and toward establishing corresponding standards. In 2018, our largest plant, Constantia Teich, became the first aluminum foil roller and packaging converter and the first European company to be certified according to ASI's Performance Standard for environmental, social, and governance performance. This certificate was successfully renewed in 2021, with the next certification audit scheduled for 2024. In 2020, Constantia Teich received the official certification for ASI's Chain of Custody Standard, which complements the ASI Performance Standard and sets out requirements for the creation of a Chain of Custody for CoC material, including ASI aluminum. The ASI certification of the Teich facility signifies that our practices meet the industry's highest standards. Aluminum makes up approximately a third (35%) of our raw materials and we source over 90% of it in Europe. In 2023, the further roll-out of ASI certification to other Constantia Flexibles plants was initiated.

The "Code of Conduct for Suppliers and Subcontractors" published on our website, defines the basic requirements that we place on our suppliers of goods and services and subcontractors concerning their responsibility towards their stakeholders and the environment. The principles described in this Code of Conduct are based, to a large extent, on the principles of the Universal Declaration of Human Rights of the United Nations, on the Conventions of the International Labour Organization (ILO), and on the UN Conventions on the Elimination of all Forms of Discrimination against Women and on the Rights of the Child. Of course, fair trade practices, integrity vis-à-vis all stakeholders and environmental protection are also part of the Code of Conduct for suppliers. Based on the values described in it, we strive for a close partnership with our suppliers and subcontractors with the aim of jointly creating added value for all stakeholders (e.g., through business-to-business R&D projects in particular). The Code of Conduct for suppliers is part of the purchasing conditions set by us. In 2020, we introduced a Responsible Sourcing Policy on our website, aligning with the UN Global Compact and Sustainable Development Goals.

Our Group Procurement department is monitoring the supplier portfolio based on ESG risk factors driven by country and industry. Mitigating activities are focused on high-risk suppliers first. The main self-evaluation questionnaire was updated in 2023 including standardized scoring to allow better insights in a suppliers ESG performance. The questionnaire is an integral part of the supplier audit process.

Next to our continued engagement with aluminum suppliers on product carbon footprint and relevant reduction levers - such as primary production from renewable sources and increased recycled content - , in 2023 we also started supplier innovation workshops for chemical raw materials.

In January 2023, we launched a multi-year transformational program, future x, aimed at elevating our procurement excellence. This initiative, supported by external experts, goes beyond traditional activities by emphasizing comprehensive value creation, integrating ESG and sustainability considerations into each campaign and initiative. We have established clear measurements and Key Performance Indicators (KPIs) and have begun compiling reports.

To support this shift, we have started training our procurement staff through a series of meetings and written materials, leading to the launch of the Procurement Academy. This educational effort will continue into 2024.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goals:



4. SOCIAL



Health & Safety at Work

Risk description	Mitigation policies and actions	KPIs	2022	2023
Several manufacturing processes (technology, machinery) and hazardous substances (e.g., solvents, inks) used to produce flexible packaging can potentially harm people's health & safety.	Group Policy for HSSE plus annex stating our vision of ZERO LOSS-NO HARM	Lost Time Injuries Frequency Rate (LTIFR)	2.2	1.9
	Other underlying group standards for Health & Safety HSSE-related aspects are to be considered in continuous improvement process-schemes (CIP) at the plant level.	Unsafe condition / Behaviour reporting ratio	1.7:1	2.3:1

The health and safety of our employees is our top priority. For this reason, every management meeting at Constantia Flexibles starts with a health and safety review. 2023 has seen over 90% of sites complete the Global HSSE audit program (Blue Willis) with 3 new acquisition sites planned in 2024. The second stage of the Blue Willis programme brings a higher level of focus on HSSE Leadership and Employee Engagement. Second level audits will commence Q2 2024.

Unsafe condition / behavior reporting is a key proactive measure implemented to ensure we have the possibility to take corrective actions prior to incidents occurring. In 2023, we set a targeted reporting ratio of 2 reports per headcount, over-achieving with a result of 2.3 : 1 in 2023. In 2024, we aim to increase this ratio to 3:1.

The Lost Time Injury Frequency Rate (LTIFR), a vital key performance indicator, is consistently monitored monthly within the Group. We view it as our duty to create and maintain a safe and sustainable work environment for everybody who works with and for this international company, as stated in the Group HSSE Policy, which is signed by the CEO. This benchmark metric operates independently of specific sectors, facilitating comparisons with major customers and competitors. Despite the challenges posed by the pandemic on human resources, we have maintained a robust HSSE position while concurrently mitigating the severity of overall incidents. These proactive measures bolster our reputation both within the sector and locally, establishing us as the preferred employer known for prioritizing the health & safety of our personnel. For 2024 we aim to continue the significant reductions in LTIFR achieved over the past years and have set the target to achieve ≤ 1.9 in this performance indicator.

Our Vision for HSSE

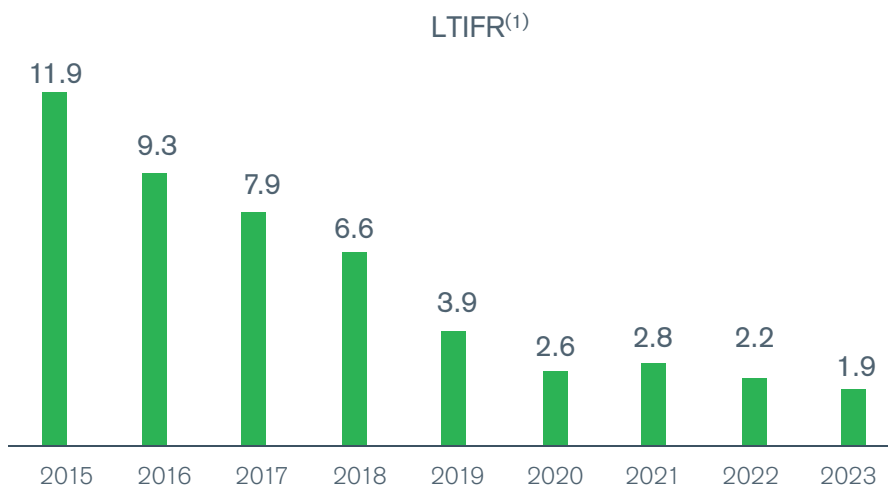


We believe in our vision of

ZERO LOSS - NO HARM

as key priority!

Lost Time Injury Frequency Rate (per 1 million hours worked)



We implement best practices and stringent security measures for our operations, including machinery and other production equipment. However, we recognize and effectively manage inherent operational risks related to all individuals' occupational health and safety. For instance, substances like solvents and inks used in printing on film and foils pose flammability hazards, or risk of spills and leakages, potentially endangering people and the environment. Across the Group, we ensure the successful and sustainable implementation of measures to address these risks, supported by well-educated safety, engineering, and operations personnel.

Despite our efforts, certain factors can still jeopardize workplace safety. We mitigate the risk of non-compliance with procedures or failure to follow trained instructions through thorough instruction training and Safety Walks conducted by top and local management. These efforts, aimed at raising awareness and transferring knowledge to employees and temporary workers exposed to risks, have contributed to improvements in recent years. We also address workplace risks related to distraction, psychological stress, and physical strain by extending a range of countermeasures and tools, particularly for shop-floor operations personnel, through behavioral-based training and awareness campaigns.

Our Corporate Risk & Opportunity Management tool aligns with the Group's Health, Safety, Security and Environment (HSSE) Policy, which was established and rolled out over the past three years. It encompasses

risks such as adverse weather conditions, like floods for manufacturing premises close to rivers, and outlines various countermeasures based on the principle of eliminating rather than just minimizing risks.

To ensure ongoing safety improvements, we have increased investments in new machinery, additional equipment for material handling, and ergonomic improvements to reduce risks related to workplace conditions such as solvent exposure, noise (>80 dB(A)), and repetitive motion. Cases of occupational diseases authorized by local authorities are reported to the relevant Group function, serving as indicators of the effectiveness of implemented measures.

We gather data from all global production sites for in-depth analysis of correlations between accidents and their circumstances. This data informs our Global HSSE reporting, which has been fully digitalized since 2023, allowing immediate access to trends and areas for improvement. Reports reflect safety performance per Division and are shared monthly, along with key learnings from certain Lost Time Injuries (LTI) or so-called high-potential incidents that occurred incidents to prevent re-occurrences.

Local plant management teams play a vital role in driving engagement and contribution by implementing on-site measures and demonstrating leadership through safety meetings, safety walks at the shopfloor, and incident discussions.

We track health and safety initiatives annually through a digital system, ensuring initiatives go beyond legal requirements and contribute to personnel safety and health improvement. Employees can suggest ideas and participate in the existing continuous improvement process (CIP), which is evaluated by management for implementation feasibility.

Resources are allocated for initiatives such as training, workplace introductions, and equipment upgrades to improve safety performance sustainably.

The continued reduction in Lost Time Injury Frequency Rate (LTIFR) underscores the importance and commitment to ongoing investments for safety improvement across the Group.

Key focus areas include:

- > Create a supportive culture that requires visible leadership with clear accountability where everyone is empowered to contribute to changes for improvement.
- > Train our employees, partners, and contractors to understand and adhere to our HSSE requirements, as success depends on full cooperation besides everybody's responsibility at all organizational levels.
- > Actively establish specific goals and measure our progress to meet our commitment to improve our HSSE performance continuously.
- > Comply with all relevant legislation, standards, and internal regulations wherever we perform business activity.
- > Share and learn from each other by communicating our performance openly; we appreciate this opportunity to implement continuous improvement and identify best practices.
- > Identify, mitigate, or eliminate risks, as it is our accountability to ensure the implementation of appropriate measures to avert any potential adverse effects already in a preventive manner. In this process, we are obliged to consult and involve our employees and their representatives.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goals:



Fight against shortage of Skilled Labor Workers

Risk description	Mitigation policies and actions	KPIs	2022	2023
Motivated and well-trained employees are key to success for Constantia Flexibles. However, finding skilled labor workers, especially on shopfloor level, becomes more and more difficult and, in some areas, is even a major issue.	Group Policy in place that provides a framework for harmonized personnel management activities in order to avoid/overcome the situation of talent shortage. The use of social media to attract talent, combined with an attractive employer branding has been intensified.	Hire rate	22.8	19.8
Thus, Constantia Flexibles is facing the risk of non-availability of qualified employees and consequently the risk of non-filling of crucial positions, regardless of whether this may occur for blue-collar, specialist, or management-level.		Turn-over rate	20.5	19.9

Our global presence is greatly influenced by the strength of our workforce, which in turn drives our commitment to social responsibility. Aligned with our Vision 2030 Group Strategy, our Group HR strategy focuses on several key elements. This includes fostering a sense of purpose through meaningful activities, particularly those centered on environmental, social, and governance (ESG) concerns, while also promoting agility to cultivate expert capabilities. Our leadership is empowered and held accountable, ensuring a focused approach to performance delivery.

Digitalization plays a significant role in our HR strategy, aiming to enhance both processes and tools to manage our workforce better and increase efficiency and agility to meet evolving business demands. While motivated and well-trained employees are essential to our success, we encounter challenges in sourcing skilled labor, particularly at the shop floor level.

This poses a risk of talent shortages and the potential inability to fill critical positions across various organizational levels, including blue-collar, specialist, and managerial roles. To address this, we have implemented Group Policies to harmonize personnel management activities to mitigate the risk of talent shortages and ensure continuity in our operations. Furthermore, we intensified our activities in social media – such as the increased presence on Instagram – combined with an attractive employer brand and selected initiatives – like the Wellbeing initiative – targeting to further increase hiring probabilities as well as retention of existing employees.

The number of employees (HC) at the end of the fiscal year 2023 was 7,205 with the majority (71.59%) of employees working in our Consumer Division. Overall, the total number of employees remained relatively stable compared to the preceding year of 2022.

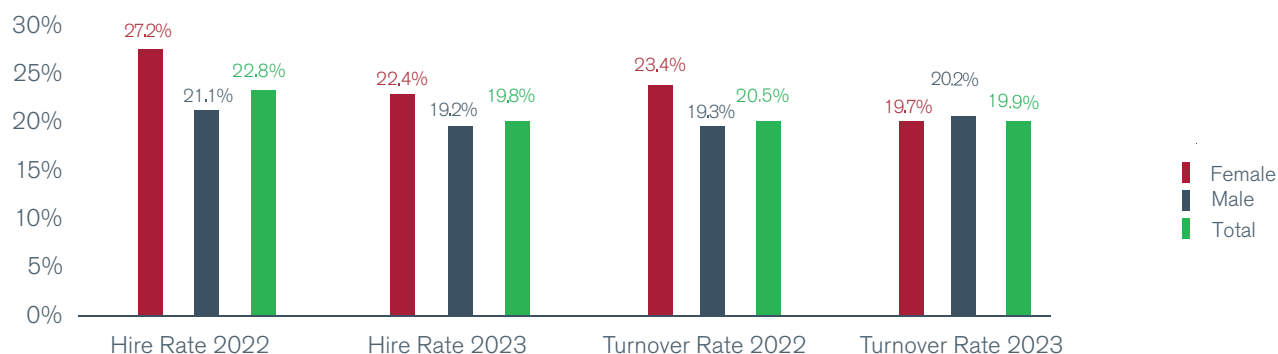
Headcount Split per Division in 2022 and 2023 (YE)

Division	2022		2023	
	Headcount	Headcount in %	Headcount	Headcount in %
Consumer	4,910	70.18%	5,158	71.59%
Pharma	1,695	24.23%	1,634	22.68%
HQ	391	5.59%	413	5.73%
TOTAL	6,996	100%	7205	100%

The risk of a lack of skilled labor workers is actively monitored through monthly tracking of hiring and turnover rates within our company. In 2023, our entities hired a total of 403 female and 1,037 male employees, amounting to 1,440 hires. This figure represents a decrease from the previous year's total hires of 1,580. During the reporting period, 1,444 employees left the company, compared to 1,418 departures in the previous reporting period.

In total, our hire rate in 2023 stands at 19.80%, with a turnover rate of 19.86%. In 2022, the hire rate was 22.83%, while the turnover rate was 20.49%.

Hire and Turnover Rate by Gender



We committed to formalizing a policy aimed at mitigating the risk of skilled labor shortages at the Group level, which was released in 2021. Given the present circumstances, this risk appears to be diminishing. To maintain a cohesive global strategy, internal workshops were conducted to gather insights from Group HR specialists and local HR managers during the finalization of the policy. We have identified and put into action both local and global initiatives (refer below and others, such as succession management plans for key positions) to tackle this risk.

At the Group level, we are encouraging employee exchange among different entities and supporting employee development. Additionally, job openings are posted on the intranet and circulated within the company's HR community. To enhance the recruitment process for both Constantia Flexibles HR personnel and external candidates, a new recruiter program was initiated on December 4, 2023 – it is a SAP Module integrated with Success Factors and linked to Employee Central. Local HR colleagues have undergone training, and the platform is fully operational, along with the career site on our webpage. We have successfully translated the career site into five languages – English, Spanish, German, Polish, Vietnamese, and Turkish. Our next steps for 2024 include continuing training for local HR and hiring managers and implementing further optimizations.

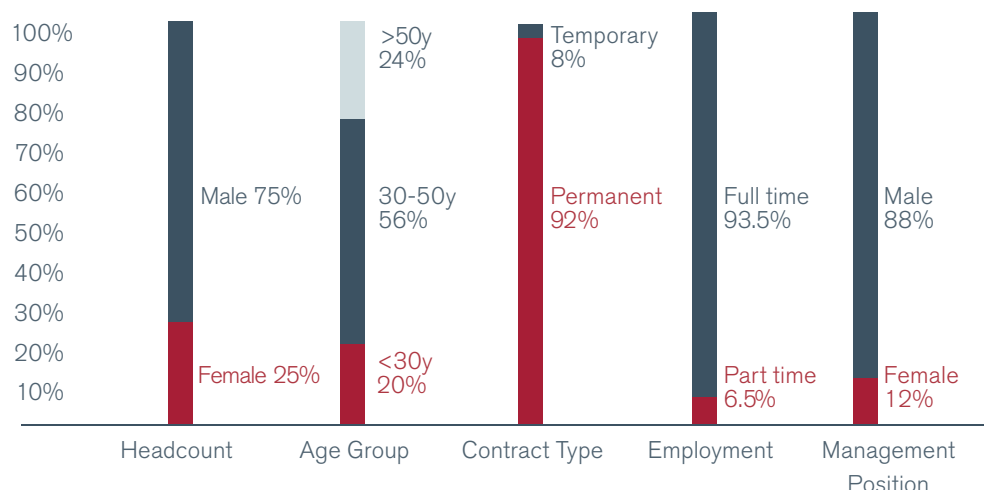
This tool facilitates the online publication of all vacant positions and the establishment of a global talent pool. The training of the company's current and future talent at the local level has a strong emphasis on apprenticeships and traineeships, particularly in our Austrian and German plants. As of the end of 2023, a total of 127 apprentices/interns/trainees were employed at our company worldwide.

Promoting Diversity and Equal Opportunities

In our organization, employees represent a key success factor, which is why fostering diversity in the workplace is strongly advocated. Equal opportunities are integral to our HR strategy. Our Group comprises individuals from diverse backgrounds, cultures, religious beliefs, genders, and age groups. This diversity leads to many perspectives, skills, and experiences, all of which enrich the company's long-term competitiveness.

We actively promote the advancement of women in leadership positions across all levels within the Group through an over proportional participation of our female leaders in leadership trainings and making career opportunities available to female talents. We are committed to enhancing the leadership capabilities of our employees and prioritize recruiting female staff members.

Breakdown of Employees by Gender, Age Group, Contract Type, Employment Type, and Management Positions 2023



55.8% of our workforce falls within the age range of 30 to 50 years old. Female employees constitute 25% of our staff, while males make up 75%. The majority, 93.5%, of our employees are employed on a full-time basis, and 92% hold permanent contracts. These proportions show minimal variation compared to 2022, where 56.7% of employees were aged between 30 and 50 years old, 25% were female, and 75% were male. Notably, 9.5% of management positions in our company were held by females.

In 2023, 2.28% of our workforce comprised employees with disabilities. We maintain a commitment to equal opportunity employment, ensuring that all decisions regarding employment are made irrespective of race, color, religion, sex, sexual orientation, gender identity, age, disability, national origin, or citizenship status.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goals:



Talent Attraction, Development and Retention

Risk description	Mitigation policies and actions	KPIs	2022	2023
As Constantia Flexibles is a global player in the packaging market, personnel development is key to sustainable success.	Group Training Policy in place that governs minimum requirements, roles, and responsibilities as well as documentation, evaluation, and reporting requirements on a global level.	Training hours per FTE (Full-time Equivalent)	20	24
Missing training and development activities can lead to a decrease in motivation, resulting in high attrition and low performance, increased recruiting/replacement costs, and loss of competitive advantage.		Share of employees trained for a minimum of one day.	68%	65%



As a global player in the packaging market, nurturing personnel growth is paramount for ensuring sustainable success. Neglecting training and developmental activities can lead to diminished motivation, resulting in high turnover rates, reduced performance, escalated recruitment and replacement costs, and a loss of competitive advantage.

To mitigate this risk, we provide a diverse variety of development opportunities and training programs, all grounded in a customized Constantia Flexibles Competency Model tailored for senior and middle management, as well as professionals. In line with our Vision 2025 strategy and to further enable the continuation of our success story, we introduced a reworked version of the Constantia Flexibles Competency Model in September 2021. This latest iteration, collaboratively developed by the Executive Committee (ExCom), management, and various employee groups to ensure inclusivity, delineates the essential skills we deem necessary for thriving in today's challenging business landscape. The updated model serves as a guiding beacon for all employees, facilitating their developmental journey. Several areas of the Competency Model have been refined, with a notable addition being "Safety and Environmental Awareness" as a new Core Competency, underscoring our steadfast commitment to safety and environmental stewardship.

Leadership occupies a central focus within the Competency Model, underscoring its pivotal role in all facets of our operations. Hence, establishing a shared understanding and providing a clear leadership direction, as outlined in the new model, is deemed imperative. We have defined Leadership Principles along with associated competencies, urging all our leaders to embody the Constantia Flexibles competencies and translate them into action. Training on the new Competency Model is provided to all employees, and our HR processes are being updated accordingly.

Consistent with previous years, our investment in people development programs, particularly targeting senior and middle management, has steadily increased, extending the opportunity for participation to a broader spectrum of employees.

We acknowledge the value of integrating our employees, especially newcomers, into our company culture. Thus, we have maintained a global onboarding process to facilitate their swift integration and familiarization with our operations and departments. In 2023, we successfully enrolled 79 new employees from various regions and backgrounds in the fully online Global Onboarding Conference, spanning four days and featuring participation from all department heads.

We are enhancing our training programs with a focus on communication, workplace efficiency, and leadership skills to bolster employee career development and marketability. These structured annual discussions for all staff and succession planning for senior management are now integral parts of our training plan.

We have updated the Constantia University, an interactive online learning platform with enhanced features to support these endeavors. In 2023, the Group Organizational & People Development (OPD) department organized or supported 30 training sessions, reaching 1,813 participants across 7,724 training hours, blending in-person and online formats. These sessions are integrated into the Constantia University and our Sales, Leadership, and Finance Academies. In 2024, we are introducing the Procurement Academy to optimize our procurement operations. Additionally, we are revamping our Eolutions Program to keep our sales team abreast of our sustainability initiatives. To improve the technical education and knowledge of all our employees, we are also working on a Packaging School that will be developed together with an external institution.

Constantia University is the hub for ongoing development programs like the Annual Global Training Toolbox and Constantia Flexibles Sales Academy. These initiatives aim to familiarize employees with our leadership and sales approaches, as well as internal and external tools. Furthermore, we offer additional development opportunities such as the Finance Academy.

In addition to centrally managed initiatives, local training programs are tailored to meet plant-specific needs. These plans encompass language training, individual development plans, and regular health, safety, hygiene, and technical training for production staff, ensuring a holistic approach to employee development.

The following table shows the most relevant KPIs (Key Performance Indicators) which allow us to track the development of training initiatives on a global level:

	Total number of annual training hours	Average annual training hours per FTE	Number of employees trained for min. 1 day	Share of employees trained for min. 1 day
2022	1,28,717	20	4580	68%
2023	1,64,517	24	4635	65%

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goals:



Fostering Wellbeing in the Workplace: Wellbeing Hub

As an additional ESG initiative, we launched the Wellbeing Hub in 2023 with the aim of cultivating a work environment that prioritizes the health—both physical and, notably, mental—and happiness of our personnel. This initiative fosters increased resilience, enhances employee engagement, minimizes sick leave, and aligns with our overarching HSSE objective of zero loss and no harm.

The Wellbeing Hub nurtures four dimensions of resilience: physical, emotional, social, and mental, emphasizing mental wellbeing. It ensures that all our employees have access to the necessary support and resources to safeguard their health, with a focus on the following core pillars:

- > **Employees:** Empowering our workforce to effectively navigate the challenges of their professional and personal lives while prioritizing their wellbeing.
- > **Leaders:** Equipping our leaders with the skills and knowledge to effectively support their teams' wellbeing and mental health.
- > **Organization:** Cultivating a secure and flourishing environment that actively promotes the wellbeing of our personnel, thereby fostering a culture of wellbeing.

The Wellbeing Hub is endorsed by the Executive Committee (ExCom) and Senior Management, and we have established a dedicated Wellbeing Hub Committee to develop the framework and provide guidance and coordination. Our Wellbeing Ambassadors, who serve as local HR representatives, have implemented tailored well-being plans at each location, adapting them to address specific local needs. Additionally, we have appointed Wellbeing Officers (WBOs), colleagues who volunteer to support our personnel's mental health and happiness. As of 2023, 32 WBOs have been certified.

In 2024, we will focus on refining our local plans and gathering employee feedback. We aim to certify more than 50 additional volunteer employees as Wellbeing Officers, primarily covering Spanish and English-speaking regions. An integral objective for 2024 is to establish the WBO Community to bolster the role of WBOs and enhance the support we provide to our employees.

Health & Safety of Consumers: Safe Products

Risk description	Mitigation policies and actions	KPIs	2022	2023
Delivery of products that may endanger the health of end customers in the market, i.e., foreign body contamination, food law defect in the product, gross quality defects, etc.	Register of regulatory requirements and further internal regulations on Food Safety/Food defense plan (incl. HACCP) and for GMP and hygiene-aspects in production.	% of production sites holding at least one product safety and quality-related certification.	100%	100%
The associated risk of loss of reputation, high financial losses due to the recall of products from the market, loss of customers, as well as legal problems from liabilities such as product liability, etc.	3rd party certified management systems for quality and product safety (i.e., ISO9001, BRC Packaging, etc.) to evidence compliance to GMP regulations in our plants.			

We continuously innovate our packaging solutions to meet end customers' health and safety requirements, particularly those in the food and pharmaceutical industries. Our focus on innovation allows us to anticipate and address long-term trends such as urbanization, health consciousness, premium product demands, and sustainability. We actively identify and implement additional opportunities to enhance our packaging offerings, ensuring they align closely with our customers' evolving needs.

We have implemented the following internal procedures and policies:

- > Register of regulatory requirements and further internal regulations;
- > Group quality & product safety policy;
- > Migration & compliance testing;
- > Product-safety related risk assessment covering all relevant processes of production facilities (HARM or HACCP risk management concept);
- > Certified standards for quality and product safety (e.g., ISO 9001, FSSC 22000, BRC, etc.).

In addition to our efforts to offer customers appealing solutions through innovative products, we prioritize ensuring the legal compliance of our products. This is achieved by vigilantly tracking the evolving legal landscape governing our flexible packaging products. To uphold consumer health and safety, we adhere to all relevant food and pharmaceutical packaging regulations in our operating regions.

Within our Group's two competence centers, cutting-edge analytics and laboratory testing capabilities support analytical Research & Development (R&D) experts. These resources enable thorough investigations into product safety and compliance, allowing us to establish standardized requirements and procedures to ensure regulation adherence. Specifically, our testing protocols focus on chemical analysis related to food contact laws and regulations, such as migration and compliance testing. These tests can be conducted internally or, if required by regulations or our food-processing customers, at accredited laboratories.

Upon obtaining final approval from the customer and completing acceptance tests, our products are manufactured in accordance with industry standards, including Good Manufacturing Practices (GMP), tailored to specific requirements. These standards are certified by accredited agencies and encompass both quality and product safety criteria.

We have implemented comprehensive global policies to enhance our oversight of local and plant-specific internal processes. In addition to holding Quality Management certificates such as ISO 9001 for each manufacturing plant, we have adopted a systematic approach incorporating Hazard Analysis and Critical Control Points (HACCP) assessments.

Through these assessments, we proactively manage food safety aspects, addressing biological, chemical, physical, and, more recently, radiological hazards in our production processes to safeguard the health and safety of end consumers. The findings from these assessments inform the design of quality control activities, ensuring the production of safe and high-quality products.

Our quality control systems are structured around a three-pillar model:

- Sampling and testing in quality control laboratories.
- In-line operational measurement and sorting equipment.
- Worker self-inspections and in-process controls.

This framework enables the identification and sorting of non-conforming products or waste, allowing for the implementation of appropriate countermeasures. Additionally, mandatory preventive programs, including established processes, training initiatives, and equipment maintenance protocols, contribute to maintaining high standards across all operations.

These internal obligations have been uniformly implemented across all plants and are subject to regular monitoring and internal audits to assess their effectiveness. This evaluation is based on an annual internal quality audit plan, ensuring ongoing compliance and continual improvement.

Health and safety of end-consumers are also addressed through public campaigns and collaboration with our partners in the pharmaceutical industry. In 2019, we launched our new pharmaceutical brand campaign titled "Let's Save Lives Today," which introduced an online brand book and a company video offering valuable first aid tips. In 2023, we updated the campaign with a new slogan: "Let's Save Lives Together."

Our collaboration with customers in the pharmaceutical industry involves significant investments in developing products to safeguard the health and wellbeing of consumers. Acting as partners, we ensure that product quality remains uncompromised throughout the journey to the patient, thereby preserving the integrity of life-saving medications. Recognizing the global challenge of counterfeit drugs, we address this issue directly through our "Stop Fake Drugs" public awareness campaign and anti-counterfeiting packaging solutions. Incorporating anti-fraud features such as security graphics, holograms, and advanced special effects like security pigments and inks, our packaging solutions create intricate optical markers that are exceedingly difficult to replicate. When implemented effectively, these measures safeguard both individuals and brands from irreparable harm.

In our commitment to balancing child safety with accessibility for seniors, we have developed Constantia Child Resistant blister lidding foil. Available in four variations—Peel & Push, Peelable, Bend & Tear, and Push Through—these options offer comprehensive protection against moisture, oxygen, and light while meeting country-specific regulations.

Beyond fulfilling rigorous regulatory and preventive obligations, we maintain a substantial portfolio of patents and patent applications, underscoring our robust competitive technological position and dedication to ensuring and safeguarding consumer health and safety.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goal:

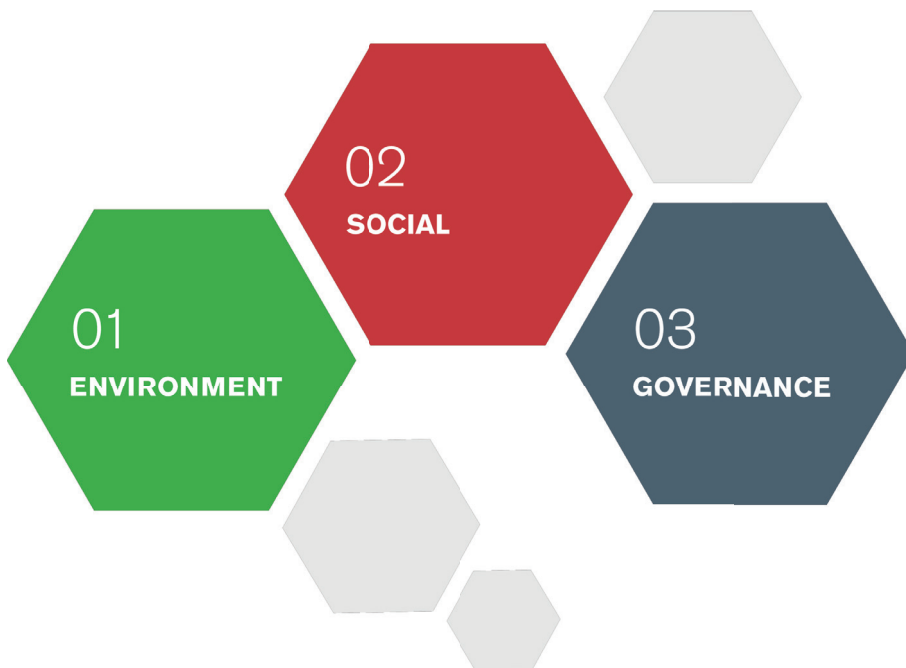


5. GOVERNANCE



ESG Governance

As a leading company of flexible packaging, the ability to transform towards more sustainable products is fundamental to Constantia Flexibles' business success. From the very beginning, Constantia Flexibles has also been strongly committed to environmental and social responsibility issues. In its daily work, the company differentiates between the actions that are possible on corporate level (such as improving the energy efficiency of its plants or waste reduction measures), product level (reducing the environmental impact of its products or using novel materials), or within our value chain (collaborating with suppliers to reduce the impact of the raw material used). In order to ensure the highest possible attention, the Group Sustainability team reports directly to the Executive Committee and leads the development and implementation of the ESG Roadmap and associated activities at group level and its team structure reflects the pillars of corporate sustainability, product sustainability and value chain collaboration. The dedication to executing the strategy is shared by all employees within the organization and lies at the heart of all activities, particularly in our product management as well as R&D teams. Moreover, the Executive Committee has a significant role in supervising and governing ESG-related issues. Constantia Flexibles' sustainability focus is embedded in a wider, well established ESG program outlining the main focus areas in the fields of environment, society and governance:



Anti-Corruption and Compliance Program Implemented

In 2013, a Compliance team comprising a Compliance Officer and a Deputy of the Compliance Officer was established at our headquarters in Vienna. This team was further expanded in 2021 with the addition of a Junior Compliance Expert. Together, they hold responsibility for overseeing all compliance matters within the Group.

Given our decentralized structure, specific administrative personnel at each production site have been delegated certain responsibilities to aid in the implementation and effectiveness of our compliance program. As per our internal organizational structure, the Head of Finance assumes responsibility for all local affairs under the purview of our compliance policies. Additionally, they serve as the primary contact person for inquiries or the granting of approvals unless explicitly stated otherwise. CFLEX has faced no material fines or sanctions for failure to comply with applicable law in 2023.

Our compliance framework consists of the following key elements:

CODE OF CONDUCT (AND SUPPLIER CODE OF CONDUCT)

Our Code of Conduct serves as a guiding document intended to underscore our commitment, as well as that of our employees and suppliers, to uphold principles of social responsibility, fairness, ethics, and sustainability in all actions and behaviors. It provides a comprehensive framework applicable to both employees and suppliers, complementing our existing compliance regulations. The Code of Conduct is available on the Group's website.

According to the Code of Conduct, every employee is responsible for ensuring that their conduct in a business context aligns with its principles. Violations of the Code of Conduct may result in employment or contractual consequences and, depending on the circumstances, could lead to criminal or civil liabilities.

These principles serve as fundamental standards to prevent situations that may compromise our Group and employees' integrity and sense of responsibility.

ANTI-CORRUPTION AND COMPLIANCE POLICY AND THIRD-PARTY DUE DILIGENCE PROCEDURE

At Constantia Flexibles, we maintain a zero-tolerance stance towards bribery and corruption, strictly prohibiting any involvement in or tolerance of such activities. Our Compliance team has developed and implemented an Anti-Corruption and Compliance Policy to reinforce this commitment. This policy defines what constitutes corruption and outlines our standards for compliance with relevant anti-corruption laws across all our operations. It also identifies designated legal and compliance personnel who must be consulted for certain approvals and queries regarding this policy.

The Anti-Corruption and Compliance Policy is a foundational document for all our business relationships. It includes a mandatory due diligence procedure concerning our consultants, sales agents, business partners (suppliers, customers, vendors, and joint venture partners), and parties involved in mergers and acquisitions. Additionally, the policy addresses the avoidance of conflicts of interest and outlines an approval procedure regarding the giving or accepting of gifts or other benefits by our employees, as well as sponsorship activities.

We have introduced a Third-Party Due Diligence Procedure as part of our commitment to mitigating corruption and compliance risks. This procedure mandates that all business partners, including customers, suppliers, agents, consultants, and M&A targets, undergo a third-party due diligence process. This measure aims to safeguard against potential corruption and compliance vulnerabilities throughout our business dealings.

ANTITRUST POLICY

We fully acknowledge the importance of free and fair competition and are committed to abiding by all relevant antitrust regulations in the jurisdictions where we operate. This commitment is also expected from our busi-

ness partners. We pursue a zero-tolerance policy with respect to anti-competitive practices. Therefore, our Compliance team developed an Antitrust Policy, which ensures compliance with the relevant competition law provisions. The policy sets out the rules of conduct applicable to the first and second pillars of competition law, i.e., prohibition of cartels and abuse of dominant position, as well as the legal consequences if said rules are broken. The policy also provides guidance for our employees in cases of “Dawn Raids” by competition authorities.

DETERRENT SANCTION POLICY

We maintain a zero-tolerance approach towards any breaches of our policies and procedures, notably our Code of Conduct, Anti-Corruption and Compliance Policy, and Antitrust Policy. Furthermore, our employees are expected to adhere to relevant laws, commonly accepted practices, and our internal policies and procedures. Fair treatment of our business partners and adherence to contractual obligations are paramount.

Our policy outlines a framework for sanctions applicable to all employees, irrespective of their position or title, in case of policy violations.

Consequently, non-compliance with the standards mentioned above may result in disciplinary actions for the offending employee, including:

- Additional mandatory compliance training;
- Formal warning;
- Four-eye meetings/personal discussions with the CEO;
- Termination of employment/in severe cases immediate dismissal;
- Bonus payments may be revoked.

SANCTIONS AND TRADE CONTROLS COMPLIANCE POLICY

This policy establishes the principle that we will not engage in the sale of goods or services, either directly or indirectly through sales agents, distributors, or other third parties, to individuals, entities, or countries subject to sanctions, whether imposed by the UN, the European Union, the United Kingdom, the United States, or any other relevant government or authority. It is our firm commitment to terminate any business relationship that would contravene applicable sanctions regulations.

Moreover, this policy emphasizes that it is the duty of each of our employees to comprehend and adhere to the principles outlined herein. Additionally, it provides specific details regarding the screening procedure to be followed in order to ensure compliance with these regulations.

WHISTLEBLOWING POLICY AND WHISTLEBLOWING HOTLINE

The Compliance team took proactive measures by establishing an external whistleblower hotline, known as the Compliance Hotline, which was outsourced to a Vienna-based law firm. Additionally, they instituted a speak-up process and designated compliance contacts to facilitate the direct reporting of concerns.

In 2023, the Compliance team completed developing and rolling out a software-based whistleblowing solution called the Constantia Flexibles Integrity Line. This whistleblowing solution is available to all of our business partners (customers, suppliers, etc.). Alongside this, they implemented the Whistleblowing Policy, which outlines the procedures for reporting unlawful, unethical, or improper breaches or violations. This policy also delineates the internal and external investigation processes to be followed.

GIFTS AND BENEFITS REGISTER PROCEDURE

This procedure outlines the standardized process applicable to all our operations for registering and approving

all gifts and hospitalities, offered or received by our employees, management personnel, representatives, or other associated individuals. The procedure is designed to uphold transparency and ensure that any gifts, donations, and hospitality exchanged are reasonable and do not exert improper influence on business outcomes or confer an undue advantage. This ensures compliance with the stipulations outlined in our Code of Conduct and Anti-Corruption and Compliance Policy.

ONLINE TRAININGS

To provide comprehensive ethics and compliance training for our employees, we have opted for online training sessions facilitated by an external compliance training provider. Additionally, we conduct several in-person training sessions tailored to address specific topics and customized to meet the evolving needs of our business, with a particular focus on teams such as sales and procurement. These in-person sessions cover various areas, including for example sanction and trade compliance, ensuring our employees receive targeted training relevant to their roles and responsibilities.

Our current training schedule provides the following trainings:

- Code of Conduct online training for all employees with e-mail addresses once a year (content of the trainings changes, focus of the training varies each time);
- Special Anti-bribery online training once a year for all employees in exposed positions such as Sales, Procurement, M&A and General Management (content of the trainings changes, focus of the training varies each time);
- Special Anti-trust online training once a year for all employees in exposed positions such as Sales, Procurement, M&A and General Management (content of the trainings changes, focus of the training varies each time);
- Special Trade Compliance training once a year for all employees with e-mail addresses (introduced in 2023; content of the trainings changes, focus of the training varies each time);
- Face to face trainings for Management Personnel once a year;
- In cooperation with the HR department, general compliance trainings (face to face) in the course of our Global Onboarding conference once a year;
- Face to face trainings at the plants via our Heads of Finance and HR, where online training is not possible due to lack of computer/internet access;
- Our new joining employees are trained in accordance with their position, within only a few months after their employment start.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goal:



6. Methodology Notes



Reporting period

The reporting period for the 2023 annual reporting is the calendar year from 01.01.2023 to 31.12.2023.

Reporting Perimeter

Our reporting scope encompasses all legal entities within Constantia Flexibles December 2023, comprising 30 production sites spread across 16 countries, along with various office-based locations such as Headquarters, Sales offices, and Holding locations worldwide, which were part of our Group in 2023. Divestments concluded by early 2024 (2 operations in Russia) are included in the reporting scope of this report. Additionally, in 2023, we acquired two new plants: "Drukpol" in Poland and "Laszlopack" in Hungary. The joint venture SB-Constantia Flexibles (JV India) is excluded from the reporting scope.

In our Human Resources-related data and information, we considered all legal entities and office locations of our Group across 16 countries, including those acquired in 2023 (Drukpol and Laszlopack).

Regarding Health and Safety (H&S) reporting, besides all production sites, we fully considered major office locations like our headquarters and all three offices of "Constantia Business Services" located in Austria, Germany, and Poland.

For environmental Key Performance Indicators (KPIs), only plants that were part of the environmental reporting for the entire year are considered. This comprises 28 production facilities in 15 countries, while office locations are excluded.

The KPIs in the ESG Roadmap have been externally verified (at limited assurance level) by Deloitte Austria.

Reporting Standards and Choice of Indicators

To monitor the progress of its environmental, social, and societal performance, we are tracking key performance indicators in connection with the ESG commitments at Group level.

EMPLOYMENT

The employee hire rate is calculated by counting the number of hires (Headcount) during the reporting period, divided by the number of employees (Headcount) at the end of the reporting period, multiplied by 100.

The employee turnover rate is calculated by counting employees (Headcount) who left the Group during the year in reference to the number of employees (Headcount) employed at the end of the year, multiplied by 100. Apprentices are now included in both Hires and Turnover calculations.

HEALTH AND SAFETY

LTIFR is measured by calculating the number of Lost Time Injuries (LTI), resulting in at least one full day lost per 1 million hours worked (combined for Group employees and leased personnel/temporary workers).

The reporting of performance in terms of Lost Time Injuries (LTI) includes all people exposed to the hazards attached to operations employees or external contributors. Therefore, the Lost Time Injury Frequency Rate quantifies the incidents leading to at least one day off-work owing to sustained injuries per 1 million work hours, encompassing both staff and contracted/temporary personnel.

GHG EMISSIONS SCOPES 1, 2 AND 3

The CO₂ emissions calculation is based on Scope 1, Scope 2 and Scope 3 as defined by the Greenhouse Gas Protocol Initiative (Corporate Value Chain Accounting and Reporting Standard). The standard provides requirements and guidance for companies and other organizations to prepare and publicly report a Greenhouse Gas (GHG) emissions inventory.

Scope 1 emissions include direct emissions by the company's facilities and the company's vehicles.

Scope 2 emissions include all indirect emissions due to purchased electricity, steam, heating, and cooling for the company's own use.

Our Scope 3 emissions include indirect emissions due to upstream purchased goods and services as well as fuel and energy related activities. Purchased goods include all raw materials, the main materials are aluminum and plastic. It is calculated with a one-year lag. Scope 3 is based on activity data, evaluated using both primary (supplier) data as well as secondary data from established databases (raw materials, fuels and energy-related activities).

GHG emissions for Scope 1, 2 2023 have been externally audited in 2024. Scope 3 data from 2022 was also subject to a voluntary external audit as part of the processes set up on an annual basis.

WASTE GENERATION AND DISPOSAL METHODS

The data on waste generation were defined according to GRI (Global Reporting Initiative) and collected in a mass unit:

- > Hazardous waste: hazardous waste as defined by national legislation at the point of generation;
- > Non-hazardous waste: all other forms of solid or liquid waste that are not considered as hazardous waste by national legislation at the point of generation. Wastewater discharged into sewers is not included;
- > Waste sent to recovery: waste that was handed over to an external contractor who has ensured that the waste was recycled, composted, or incinerated with energy recovery.

RECYCLABILITY OF PRODUCT PORTFOLIO

Recyclability of product portfolio is calculated using the following formula: Recyclability of product portfolio (%) = Output designed for recycling [m²]/sold output [m²].