

# Sustainability Report 2020



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See the full digital report at <https://sustainabilityreport2020.elopak.com/>

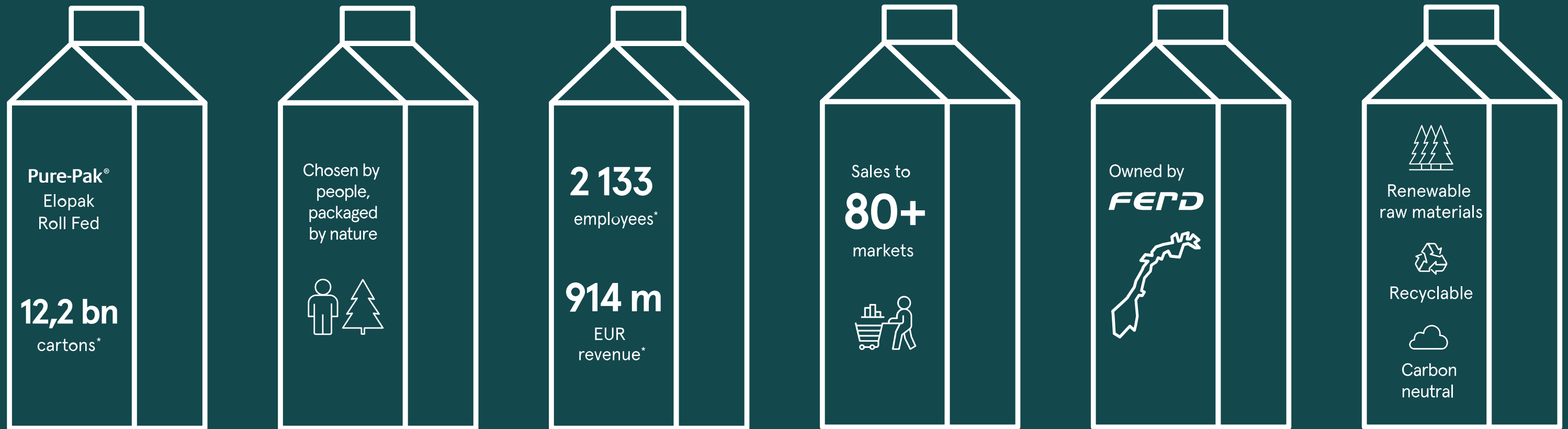
# Introduction



2020 will be remembered as a very different year. With different challenges and different objectives. But to Elopak, our focus on Sustainability remains and has been even further strengthened and embodied throughout the company.

This year we are proud to present our first fully digital sustainability report, conducted in line with the GRI framework, based on Core reporting criteria with disclosures on selected elements.

# About Elopak



\*Excluding Joint Ventures

# Stepping up for the climate decade

2020 marked the beginning of the climate decade. Despite the challenges presented by the Covid-19 pandemic, we remained focused on our vision – chosen by people, packaged by nature.

At Elopak sustainability is not something we do; it is something we are. In our fifth year as a carbon neutral company, we continued our work to embed our commitment to sustainability throughout the company and its operations. In line with this, the 2020 Sustainability Report has been developed in accordance with the Global Reporting Initiative (GRI) framework and has approval from the Board of Directors.

Reflecting on our performance we can be proud of our dual approach that prioritizes both consumers and the planet. By leveraging our innovation-driven legacy, investing in reducing our carbon impact and working to maintain our unique consumer position, we were able to demonstrate the demand for, and the feasibility of, more sustainable packaging solutions.

We sustained a strong response to the pandemic, with a particular focus on the safety

and wellbeing of our staff. At the same time, we continued our drive to make measurable progress in line with the Science Based Targets (SBT) initiative and recorded an 11% reduction in greenhouse gas emissions against a 2017 baseline, marking great progress towards the SBT goal of a 55% reduction by 2030.

In June we launched the Pure-Pak® Imagine carton – helping consumers to make even more environmentally conscious choices. Fully renewable, recyclable, and carbon neutral the carton contains 46% less plastic than a conventional carton with a plastic closure.

Our commitment to sustainability continued to be rewarded, with an increasing number of consumers choosing more sustainable packaging options. Elopak recorded a significant increase in the sale of Pure-Pak® cartons, with one in five cartons made with Natural Brown Board in Europe. These cartons are fully re-



Our CEO, Thomas Körmendi

newable, recyclable and have a lower CO<sub>2</sub> footprint owing to reduced wood consumption and the elimination of the bleaching process.

2020 once again reinforced in our minds the importance of collaboration in helping to foster innovation and sustainability. We continued our work with the 4evergreen alliance, which is working towards a recycling rate of 90% for all fibre-based packaging. In September, we supported the launch of the HolyGrail 2.0 initiative – a cross-value chain effort to improve packaging recycling through the use of pioneering digital watermarks.

As we continue our journey, we remain focused on taking measurable action to improve on past performance and we have recently joined the UN Global Compact as a participant.

All in all, 2020 was a challenging but exciting year for Elopak. As we grow and evolve we are careful to never lose sight of what's important. We are committed to remaining our customers' partner and the consumers' favorite, through relentlessly developing new solutions for an expanding range of content. Applying market-leading technology, skills and natural materials sourcing, we always aim to provide the highest quality products that leave the world unharmed.

# Our approach

As a global corporation, Elopak is committed to work systematically with all aspects of sustainability, from the well-being of our employees, initiatives to mitigate climate change, responsible sourcing of raw materials, to responsible business conduct, upholding the highest ethical standards in all our business operations. This approach is embedded throughout this report and within all business areas in Elopak.

Elopak is committed to applying high ethical standards and compliance throughout our global organization wherever we operate and conduct business on behalf of Elopak. We do not tolerate any form of harassment or discrimination and strive to create a work environment where we all can feel safe and comfortable. All employees are expected to contribute to Elopak's ethical culture by understanding and living by principles of our Code of Conduct and embracing our commitment to integrity and compliance with applicable laws and regulations of the countries in which we operate. Our success is dependent on the cooperation from our business partners and our business partners are expected to comply with laws and regulations and stand for similar integrity standards as does Elopak.

Employees and external stakeholders are encouraged to report suspected or actual breaches of laws and regulations or cases of

misconduct and unethical business conduct. Such reporting can be done through line management or through Elopak's whistleblowing channel. The whistleblowing channel permits a secure and confidential reporting option and is managed by an external professional service provider.

Living by our commitment to conducting business in a responsible manner and to account for social and environmental aspects in our value chain, responsible sourcing is a key strategic objective and is reflected in our procurement policy and practice. Elopak has a global Supplier Code of Conduct, setting forth our expectations in the areas of business ethics, human rights, labour practices, health and safety and the environment. It is based on the ten principles of the UN Global Compact, the UN Declaration of Human Rights and core ILO (International Labour Organization) conventions and compliance with applicable law.

Elopak also complies with the Global Data Protection Regulations and has a Global Data Protection Officer and Local Data Protection Coordinators.

Our sustainability program is an embedded part of our overall business strategy, with clear

targets linked to specific strategic initiatives which are owned and embedded into relevant business areas. Sustainability lies at the very core of our company, also reflected in the products we are offering, which continuously prove to be one of the most environmentally friendly packages on the market.





# A Pledge against Greenwashing

In 2020, Elopak signed a pledge against Greenwashing, initiated by Skift together with the Norwegian NGOs Future in Our Hands, Zero, and WWF Norway. Skift is a Norwegian business climate leaders' organization with members including Coca-Cola European Partners, Microsoft Norway, WWF Norway and PWC.

The pledge serves as a practical guide to avoiding greenwashing, which describes claims made about sustainability that are not backed up with evidence and proper documentation. The objective of the initiative is to accelerate the move towards genuine sustainability progress.

By signing the pledge, Elopak commits to a range of specific commitments designed to guard against greenwashing. Commitments include being honest and accountable in all reporting and making sure that Elopak's sustainability actions are in line with UN Sustainable Development Goals (SDGs). As part of the pledge, Elopak is committed to keep focusing on reducing its environmental footprint.





# Governance

The accountability for Elopak’s sustainability performance lies at the very top of the company – the Board of Directors. The BoD approved Elopak’s sustainability program and targets in 2019. A Board Audit and Sustainability Committee (BASC) has been appointed by the Board of Directors to oversee the reporting process, to ensure balance, transparency and integrity of external financial and sustainability reporting.

The Group Leadership Team (GLT) acts as a steering committee for the sustainability program, which is an embedded part of the overall group strategy. The steering committee provides guidance and direction and ensures sufficient resources to deliver on the strategy.

The Product Council is a core executive group within the GLT which sets the portfolio strategy which is also closely linked to the initiatives in the sustainability program.

The Sustainability Management Team consists of key executives responsible for the strategic initiatives under the sustainability program. This team acts as a support to the sustainability function in Elopak in order to secure priorities to achieve the set targets.

The CMO is the sponsor as the area of sustainability is placed under the business area of marketing and product management.

The Specialist Team consists of key sustainability functions such as procurement, HR, safety and compliance. All these functions also work closely with the Sustainability Program Office which consists of all the strategic initiative owners. Each of them are responsible for scoping, defining, planning and executing projects to reach the defined goals and objectives.

The Director Sustainability works closely with the strategy office to ensure alignment between sustainability initiatives and overall group strategy. There is also close cooperation with corporate communication for any updates relevant for internal or external stakeholders.



## Elopak’s management of sustainability is defined in the following governing documents

- Overall Group Strategy including Sustainability Program
- Code of Conduct
- Anti-Corruption Policy
- Global Supplier Code of Conduct
- Raw Material Sourcing Policy
- Safety Policy
- Health, Safety and Working environment (Procedure)
- Company Use of Social Media (Procedure)
- Employees Use of Social Media (Procedure)
- Confidentiality Undertaking (Procedure)
- Storing and deleting personal data – Elopak whistleblowing channel (Procedure)
- Remuneration – Elopak Group (Procedure)
- Elopak Requirements to Leadership Development and Training (Procedure)
- How to handle workforce reductions and termination of employment (Procedure)



# The way we work

Being sustainable means finding the balance between what is good for the people, the planet and the profit.



Taking care of people in terms of employment, health and safety, and ethical and social considerations, not only within the company but throughout the value chain.

Protecting the natural resources of our planet by sourcing renewable raw materials through sustainable supply chains, by continuously reducing and neutralizing greenhouse gas emissions, and by ensuring recycling of materials. Ensuring long term financial viability and contributing to the society by creating interesting and safe jobs and helping our customers to offer safe and healthy foods.

Elopak works in accordance with the UN Sustainable Development Goals. The 17 goals with a total of 169 targets are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. This goes hand-in-hand with Elopak's global approach to sustainability.



**Working together on common ground**

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



**Goal 8: Decent work and economic growth**

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



**Goal 13: Climate action**

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

**Goal 12: Responsible consumption and production**

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



**Goal 17: Partnerships for the goals**

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



# Our strategy

Sustainability remains a core element in Elopak’s business and our sustainability program is an embedded part of our group strategy. We work closely with key stakeholders to ensure our strategy is in line with the most recent priorities surrounding us. Our sustainability targets remain the same as last year, safeguarding our long-term commitments to key global challenges such as climate change, scarce natural resources, diversity, safety and responsibility in supply chains.

## Our material topics

Based on the materiality analysis and our stakeholder engagement, Elopak has defined our material issues to be the following: Environmental Impact, Circular Economy and Responsibility. This report is structured around these identified material topics, and each of them are further described throughout the report. Our sustainability performance indicators are either self-defined or structured in line with relevant indicators from the GRI Framework.

## Key material topics identified through stakeholder consultations

	Environmental impact	Circular Economy	Responsibility
<b>Material topic</b>	<ul style="list-style-type: none"> <li>Renewability</li> <li>Net Zero</li> </ul>	<ul style="list-style-type: none"> <li>Recyclability and recycling</li> <li>Recycled content</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Employability</li> <li>Diversity and inclusion</li> <li>Ethics and compliance</li> <li>Responsible supply chains</li> <li>Certification of raw materials</li> </ul>

## Elopak's sustainability targets

<p><b>1</b></p> <p>Elopak offers a top-quartile motivating workplace by 2025</p>	<p><b>2</b></p> <p>85% of employees have individual targets and documented competence development plans</p>	<p><b>3</b></p> <p>Target the same distribution in gender diversity across all hierarchical levels</p>
<p><b>4</b></p> <p>Elopak delivers improved sustainability performance and reporting by 2022</p>	<p><b>5</b></p> <p>Key raw materials sourced through sustainable value chains by 2025</p>	<p><b>6</b></p> <p>Elopak makes no compromises on safety and aims for zero work-related injuries</p>
<p><b>7</b></p> <p>Evaluate key suppliers according to sustainability criteria by 2022</p>	<p><b>8</b></p> <p>100% recyclable beverage cartons in all markets by 2025</p>	<p><b>9</b></p> <p>70% of all beverage cartons are recycled in EU and Canada by 2025</p>
<p><b>10</b></p> <p>Active engagement in industry associations in our geographical markets</p>	<p><b>11</b></p> <p>100% renewable materials available in all beverage cartons by 2030</p>	<p><b>12</b></p> <p>100% of all fibers in beverage cartons originate from certified sustainable forestry according to the most stringent and credible standards available</p>
<p><b>13</b></p> <p>50% of all fresh milk cartons in Europe fully renewable by 2025</p>	<p><b>14</b></p> <p>16% reduction of value chain's emissions (scope 3) by 2030</p>	<p><b>15</b></p> <p>55% reduction of Elopak's direct emissions (scope 1) by 2030</p>



# Stakeholder engagement

Our stakeholder engagement includes frequent contact with key identified stakeholders and Elopak has focused on qualitative interviews rather than quantitative data. The table below shows the approach Elopak has taken towards stakeholder the past years. In 2020, stakeholder interviews were done by a neutral third party.

Key stakeholder groups	How we interact	Key topics and concerns	How we respond
<b>Customers/retailers</b>	<ul style="list-style-type: none"> <li>Frequent meetings and desk-studies of websites</li> <li>Structured interviews</li> </ul>	<ul style="list-style-type: none"> <li>Certification</li> <li>Circular economy/recyclability</li> <li>Climate (ie neutrality and products)</li> <li>Innovative packaging</li> <li>Raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Ensure certification of raw materials (in line with target # 12)</li> <li>Ensure recyclable products and initiatives to increase recycling of products after use (in line with targets # 8 and 9)</li> <li>Reduce GHG emissions (in line with targets # 14 and 15)</li> <li>Innovate packaging to ensure offering of the most sustainable package (in line with targets # 8 and 11)</li> <li>Ensure use of renewable raw materials (in line with targets # 11 and 13) to reduce the stress on scarce and finite natural resources</li> <li>Ensure sourcing of materials through sustainable supply chains (in line with target # 5)</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Frequent meetings and desk-studies of websites</li> <li>Structured interviews</li> </ul>	<ul style="list-style-type: none"> <li>Circular economy</li> <li>Decarbonization</li> <li>Forestry and biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Ensure recyclable products and initiatives to increase recycling of products after use (in line with targets # 8 and 9)</li> <li>Reduce GHG emissions across the value chain (in line with targets #14 and 15)</li> <li>Ensure certification of raw materials (in line with target # 12)</li> </ul>
<b>Owners</b>	<ul style="list-style-type: none"> <li>Frequent meetings</li> </ul>	<ul style="list-style-type: none"> <li>Systematic approach to ESG (Environmental, Social and Governance) issues</li> </ul>	<ul style="list-style-type: none"> <li>Ensure a systematic approach through consistent work across all business units and benchmarking and reporting in line with relevant market standards (in line with target # 4 and all other targets)</li> </ul>

Key stakeholder groups	How we interact	Key topics and concerns	How we respond
<b>Financial institutions</b>	<ul style="list-style-type: none"> <li>Frequent meetings</li> </ul>	<ul style="list-style-type: none"> <li>Systematic approach to ESG (Environmental, Social and Governance) issues</li> </ul>	<ul style="list-style-type: none"> <li>Ensure a systematic approach through consistent work across all business units and benchmarking and reporting in line with relevant market standards (in line with target # 4 and all other targets)</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Frequent meeting with different departments</li> <li>Surveys</li> <li>Sustainability challenge 2020</li> </ul>	<ul style="list-style-type: none"> <li>Safety</li> <li>Motivating place to work</li> <li>Environmental performance of the company</li> </ul>	<ul style="list-style-type: none"> <li>Systematically work to improve safety and reduce injuries (in line with target # 6)</li> <li>Systematically work to maintain and improve employees' competence, development and motivation (in line with targets # 1 and 2)</li> <li>Reduce GHG emissions (in line with targets # 14 and 15) Innovate packaging to ensure offering of the most sustainable package (in line with targets # 8 and 11)</li> </ul>
<b>Government/regulators</b>	<ul style="list-style-type: none"> <li>Engagement through industry associations</li> <li>Desk studies</li> </ul>	<ul style="list-style-type: none"> <li>Waste, recycling and recyclability/ design for recycling</li> <li>Emissions</li> <li>Plastic focus (Single-use-Plastic directive, plastics tax)</li> </ul>	<ul style="list-style-type: none"> <li>Ensure recyclable products and initiatives to increase recycling of products after use (in line with targets # 8 and 9)</li> <li>Reduce GHG emissions (in line with targets # 14 and 15)</li> <li>Maintain good collaboration with industry partners in various associations (in line with target # 10)</li> </ul>
<b>NGOs and associations*</b>	<ul style="list-style-type: none"> <li>Frequent meetings</li> <li>Memberships with various organizations</li> <li>Structures interviews</li> </ul>	<ul style="list-style-type: none"> <li>Transparency</li> <li>Biological resources</li> <li>Certifications</li> <li>Circular economy</li> <li>Climate</li> <li>Labor- and human rights</li> <li>Raw materials</li> <li>Responsible sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Ensure a systematic approach through consistent work across all business units and benchmarking and reporting in line with relevant market standards (in line with target # 4 and all other targets)</li> <li>Ensure certification of raw materials (in line with target # 12)</li> <li>Ensure recyclable products and initiatives to increase recycling of products after use (in line with targets # 8 and 9)</li> <li>Reduce GHG emissions across the value chain (in line with targets # 14 and 15)</li> <li>Ensure sourcing of materials through sustainable supply chains (in line with target # 5)</li> </ul>
<b>Local communities around our main sites</b>	<ul style="list-style-type: none"> <li>Sponsoring of local activities</li> <li>Summer school for children</li> </ul>	<ul style="list-style-type: none"> <li>Safety</li> <li>Good place to work</li> </ul>	<ul style="list-style-type: none"> <li>Systematically work to improve safety and reduce injuries (in line with target # 6)</li> <li>Systematically work to maintain and improve employees' competence, development and motivation (in line with targets # 1 and 2)</li> </ul>

# Partnerships

Making significant difference cannot be done alone. That's why we engage with our stakeholders throughout our supply chain. In addition, we engage with other organizations which provides useful insight and perspectives that we may not have thought of ourselves.



## Memberships

Elopak holds several memberships in various organizations. This gives us the opportunity to interact with other companies outside our value chain and potentially to influence how sustainable business practices will develop.

- The UN Global Compact is the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and more than 70 local networks. It is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the SDGs.
- FSC – Forest Stewardship Council, working to ensure sustainable forest management practices globally
- ISCC – International Sustainability and Carbon Certification, working to ensure sustainable practices behind renewable feedstocks for plastics
- ASI – Aluminium Stewardship Initiative is a global non-profit standards setting and certification organisation. Members include producers, users and stakeholders in the aluminium value chain and the organization aims to maximise the contribution of aluminium to a sustainable society.
- RE100 – A global initiative of companies committing to sourcing 100% renewable electricity
- Ethical Trade Norway – a Norwegian non-governmental organization for sustainable trade and responsible business practice in the supply chain
- EcoVadis – the world's largest and most trusted provider of business sustainability ratings, with a global network of more than 75,000 rated companies.
- Sedex – One of the world's leading ethical trade service providers
- ACE – The alliance for beverage cartons and the environment, a European industry association working to benchmark and profile cartons as renewable, recyclable and low-carbon packaging solutions
- GRACE – The Global Recycling Alliance for beverage cartons and the environment, a global industry association
- EXTR:ACT – Driving value from multimaterial recycling
- In several countries, we have similar industry associations, read more here
- Carton Council – Industry association to drive carton recycling in North America
- 4Evergreen – New industry initiative to boost the contribution of fibre-based packaging in a circular economy
- HolyGrail 2.0 – a cross-value chain initiative to improve packaging recycling through the use of pioneering digital watermarks.



### Commitments

- Science Based Targets
- Our only future
- Pledge on Greenwashing



### Certifications

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



### Case

## ACE increases presence

Elopak is a member of ACE – the Alliance for Beverage Cartons and the Environment – an association which contributes expertise to EU policy, legislation, and standard setting by engaging with stakeholders and other partners also seeking high environmental stewardship. The association works so that the benefits of renewable materials are recognized as a key part of a low-carbon circular economy, and to support industry's commitments and activities to ensure beverage cartons are recyclable and are being recycled in Europe.

In 2020, ACE, The Alliance for Beverage Cartons and the Environment, announced its increased representation in the Nordic, Iberian, Italian and South Eastern European markets.

"Our increased presence in these markets supports the industry's advocacy as new legislation and initiatives around sustainable packaging are brought forward," said Annick Carpentier, Director General of ACE.

"The European Commission has taken the lead on Circular Economy, and new pieces of legislation will be developed and implemented at national level that will set new rules for our businesses. By having a presence in these key markets, we can ensure the industry's voice is heard as new legislative frameworks are developed in these regions."

The ACE Secretariat in Brussels will continue to focus on demonstrating that the beverage carton is a renewable, recyclable and a low carbon, smart packaging choice today and in the future.

# Reporting

Elopak reports according to the GRI framework (Core). We also report to CDP and to the Ethical Trade Norway association. From 2021 onwards we will report as members of UN Global Compact.

We also report as suppliers into the Sedex and EcoVadis platforms. Reporting gives us good and relevant feedback which helps us understand and improve our overall sustainability performance.

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

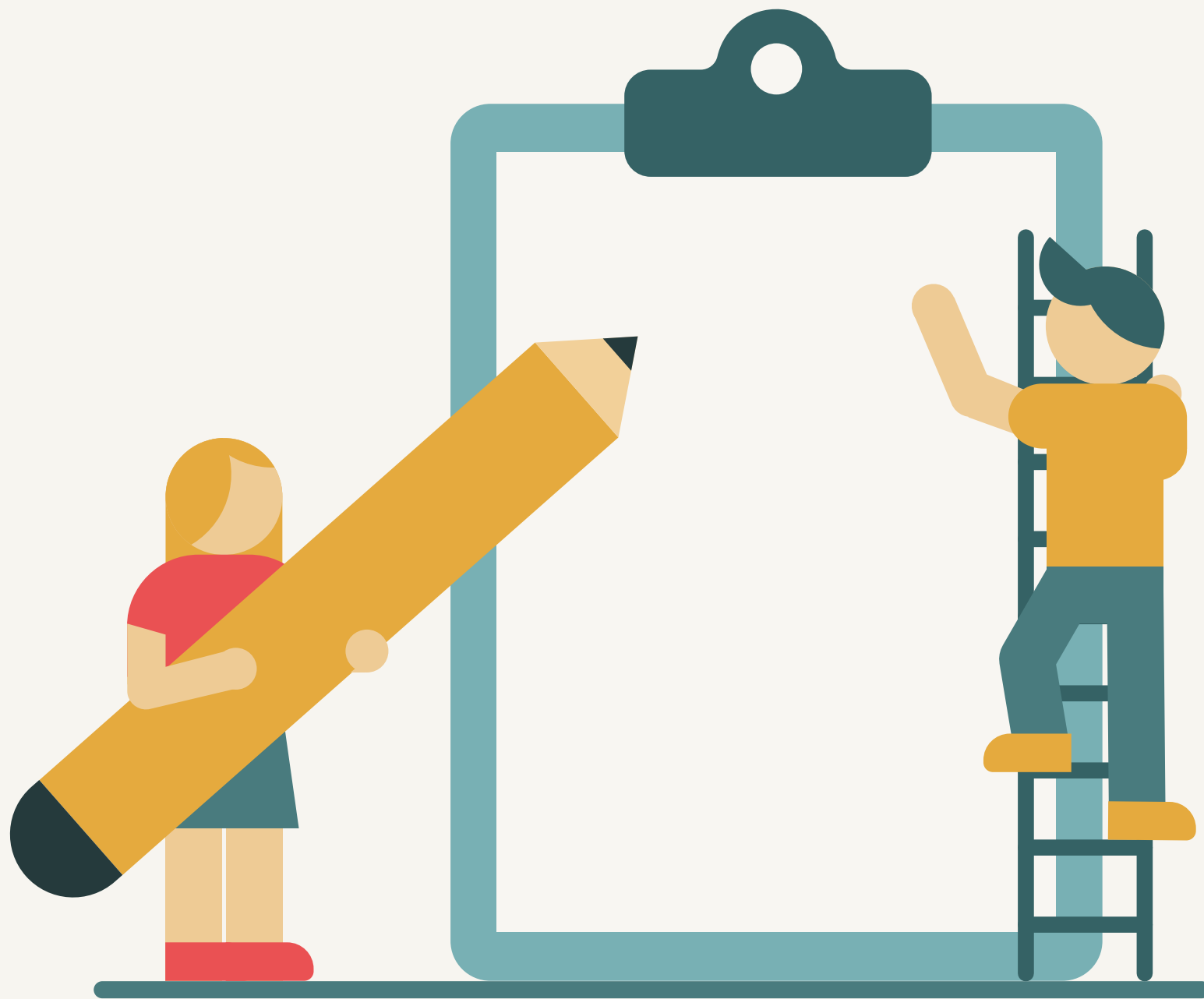
**UNGC** (United Nations Global Compact) is the world's largest corporate sustainability initiative. They call on companies to align strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals.

**CDP** (formerly known as Carbon Disclosure Project) is a not-for-profit charity that runs the global disclosure system for investors,

companies, cities, states and regions to manage their environmental impacts. In 2019, a total of 8 400 of the world's largest companies disclosed their climate performance to CDP, an increase of 20% from the previous year.

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

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



# People



Being a sustainable company means taking good care of people, both in our company, and outside. This is a natural part of our sustainability focus and is increasingly important in Elopak.

Elopak aims to contribute to increased knowledge, understanding and interest for science and technology among children. We have activities in several countries, and we aim to expand this to more countries, as we find it important to educate children in terms of sustainability in order to help them make sound decisions in the future.





## Covid handling

Elopak's response to and handling of the Covid-19 pandemic was swift and effective. In February 2020, a Corporate Response Team under the lead of CHRO was established. Its role was to align and establish local processes to avoid spreading of the virus and infection of our employees.

Elopak's response to and handling of the Covid-19 pandemic was swift and effective. In February 2020, a Corporate Response Team under the lead of CHRO was established. Its role was to align and establish local processes to avoid spreading of the virus and infection of our employees. Corporate guidelines for handling the pandemic were established and issued for local alignment, starting with local crisis teams put into operation across the company. Daily meetings were set up to monitor the development of infections and to take necessary precautions.

Strict travel restrictions were instigated, with home-office working initiated for staff wherever possible. At all our manufacturing sites and offices, we installed temperature measurement equipment for on-site employees. Plus, a 'Working from home' campaign was set up to support and help colleagues stay at home as much as possible and to keep up motivation.

Within a few weeks, we rolled out Microsoft TEAMS to everyone to enable people to stay connected and avoid traveling. A new cloud-based intranet was made available to all employees for news and information. This enabled the flow of frequent information to all staff on the status of infections across our sites, aligned with customer and supplier information.

In addition, digital management training was given to enable people to work just as efficiently at home as they would in their usual environment. This included initiatives to create awareness on data security, to learn about confidential information in line with GDPR regulations and to keep Elopak safe from cyber-attacks.

"We have been successful in providing a Covid-19 secure workplace for our employees, and as a result the number of infected cases across Elopak have been very low. It is thanks to the continuous focus, effort and support from all our employees and visitors that we have been able to maintain all our operations throughout these unprecedented times." Jannicke Woxmyhr, Specialist Director Group HR

# Our Health and Safety

Elopak's continued drive to improve safety in operational areas has resulted in a significant reduction in recordable injuries in comparison to 2019. Elopak has historically used the LTI rate as the high-level safety KPI, as is the norm in the industry. To bring more attention to all safety incidents, the focussed high-level KPI will be changed to Total Recordable Injury rate, TRI\*.

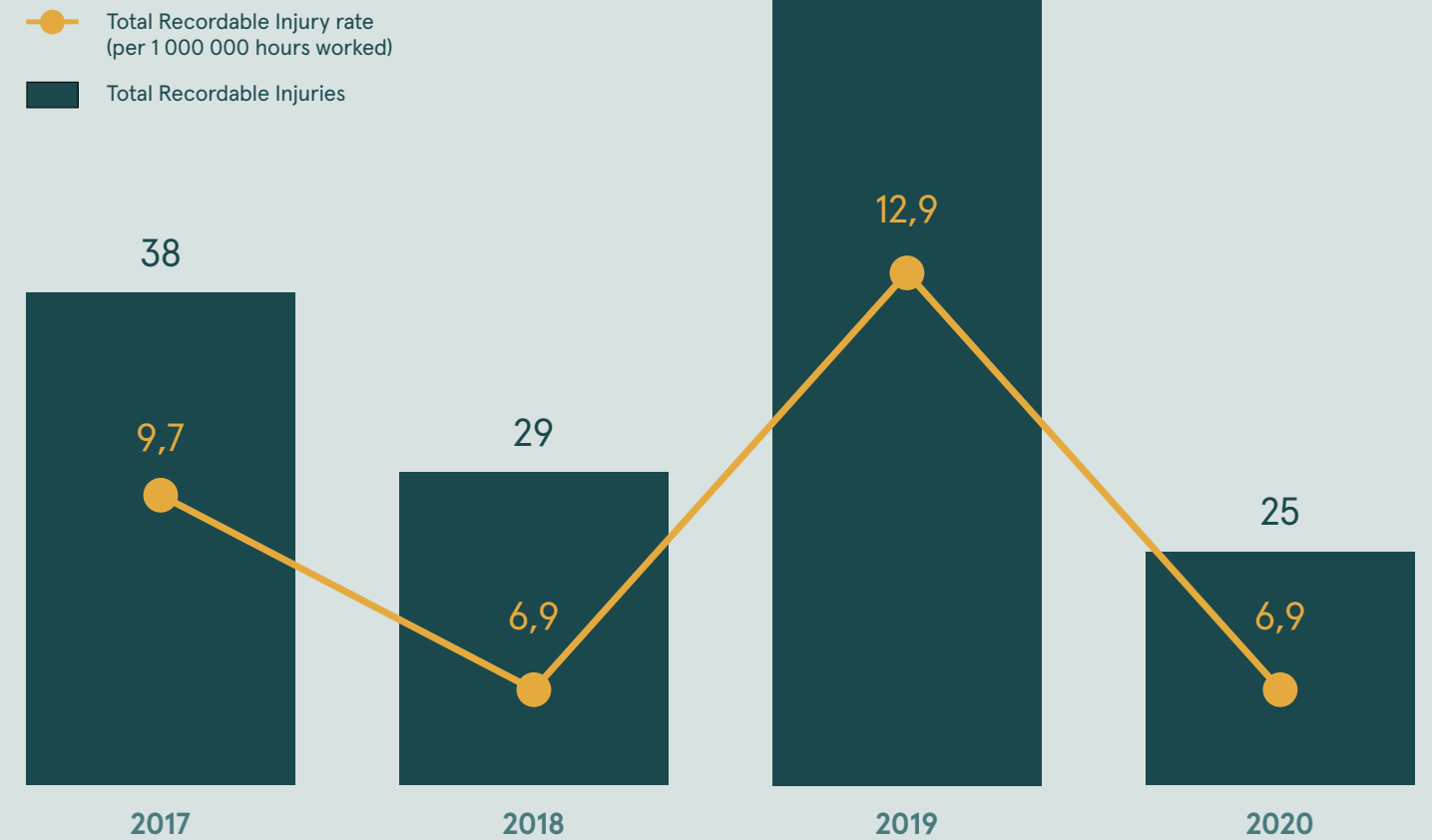
The majority of production sites have already reached the long-term target of zero recordable injuries. At Group level a long-term plan and supportive strategy has been rolled out which provides the framework for safety plans. Therefore, to make Elopak an even safer workplace, key focus items have been implemented in all local safety plans, together with tailored initiatives. Technical safety remains on the agenda, together with several previous focus areas, but developing a culture of safety is increasingly important. A program has been initiated to enable leaders to better interact with the organization, to understand underlying factors, and to make sure safety issues are understood. This program will be brought further into local organizations during 2021.

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

## Occupational safety management system

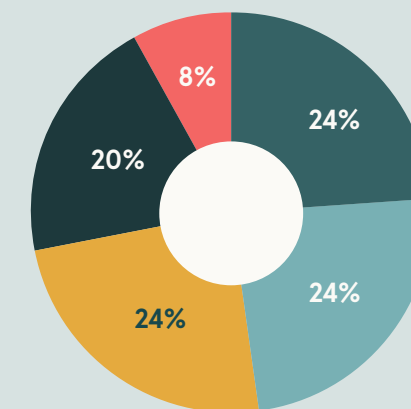
Elopak commits to proactively ensure a safe workplace by including safety into all our daily processes and activities. Safety is a core value in Elopak. In fulfilling our commitment to protect our assets; people and property, Elopak provides and maintains a safe work environment in accordance with local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

Recordable work-related injuries



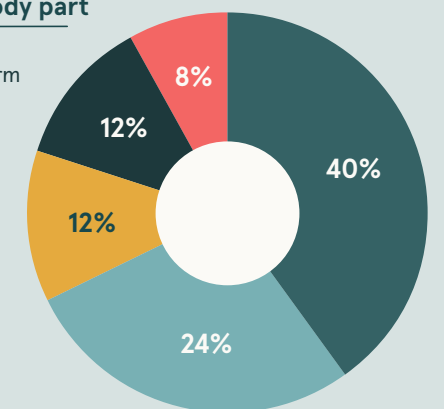
Type of injury

- Cut
- Slip, trip, fall
- Squeeze
- Hit by object
- Others



Type of injury, body part

- Finger, hand, arm
- Foot, leg
- Back
- Head
- Others



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

Safety at work is a management responsibility, ranking equally with responsibilities for Elopak’s commercial activities. However, every Elopak employee has an individual and collectively responsibility for safety at work. Each production plant and unit has its own Safety Officer to support our safety programs as well as to monitor and secure compliance.

The following mechanisms are in place to drive safety performance:

**Management processes**

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

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

There are monthly reports of activities including leading and lagging indicators to the Board of Directors, Global Leadership Team and the organization as applicable.

All our operational units are either certified or self-assessed in accordance to ISO 45001.

Any incidents are reported to top management for review.

Review of safety culture and performance with relevant Works Councils or similar groups.

**Leading indicators to drive safety performance include:**

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

**Hazard identification, risk assessment, and incident investigation**

A good safety culture is needed to achieve our target of zero injuries, together with structured methods to identify and manage hazards and risks. For the latter, we have several tools in use. Hazard identification is performed by all employees, and for relevant hazards, they all act on and report. Such reports are measured as a leading KPI.

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

Reporting is currently arranged by local systems. Although the expectation that all em-

ployees should act on dangerous situations is anchored in our governing documents such as the Code of Conduct and Safety Policy, we also accept anonymous reports. Safety is a number one priority in Elopak, and we expect everyone to take any needed action to remain safe at work. Interfering with production to remain safe is fully accepted if that is what it takes to work safely.

We still experience safety incidents in Elopak, and when they happen, there are dedicated processes defined for their management. Immediate countermeasures are arranged locally. Any fatality or recordable injury is reported to





the Corporate organization. A review of the incident is arranged with the relevant Business Area Vice President, the responsible manager(s) and the local Safety Officer. This review is initiated by the Corporate Safety Director and the Corporate Senior Manager for safety. The intention with such reviews is to align on what has happened and the initial actions. Often a set of additional actions is agreed to ensure that the same incident will not take place again. A Safety Alert is defined with key learnings and actions, to inform the rest of the organization. Although such incidents are not wanted, we realize that they have significant value for driving safety culture through dialogue and learnings.

### Occupational health services

Absence due to sickness has been reduced from 4,1% in 2019 to 3,9% in 2020 in the Elopak Group. Corrective actions with focus on health and safety activities for managing a healthy and proper business environment are carried out in cooperation between the HR/HSE organization, relevant line managers and local health service providers. When relevant, employees are invited to perform alternative tasks or to work part-time as part of a program to get back to work earlier.

Yearly health checks, especially related to exposed groups like operators in the plants and Field Service Engineers, are normally carried out frequently, but have of course been challenging to uphold during the Covid-19 pandemic.

External health service providers also assist our

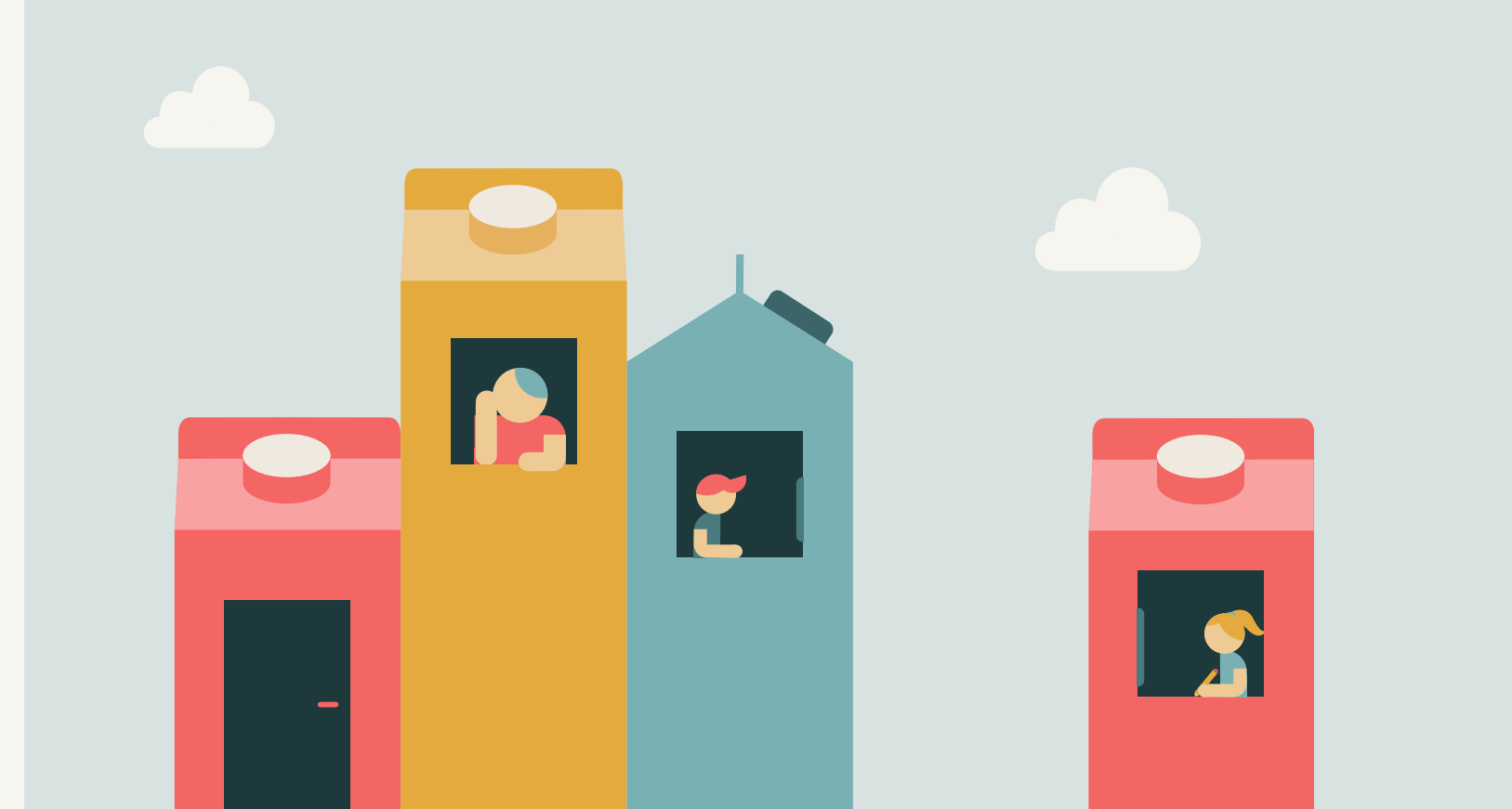
sites with regards to guidance for the employees. Other activities include annual programs in special projects, for instance staying fit, healthy food advices etc. Team leaders are also trained in people management processes for effective and friendly communication with regards to well-being and sick leave follow-up.

### Worker participation, consultation, and communication on occupational health and safety

Corporate Management maintains a close dialogue with the European Works Council with regards to the working environment. The members are frequently updated with regards to business updates, organizational changes that affect more countries and other relevant topics. Local Management keeps corresponding dialogue with local Works Councils with regards to the local work environment, health, safety and preventive actions.

### Employee training on occupational health and safety

As competencies are key in order to understand where there are risks and how to deal with risks, specific training is needed. Tailored training programs are used for this purpose – general training for everyone, and detailed training for special areas and activities. Learnings from every recordable injury are shared across Elopak and get integrated in trainings as applicable. Competent employees or external experts are providing trainings, and training effectiveness is measured by tests where needed, as a certain level of competences are required before



special tasks can be started. Certificates are required for certain tasks. Trainings are arranged during regular working hours.

### Taking care of people during challenging times

Elopak takes employee health seriously and facilitates local access to health services at our largest sites. The Covid-19 pandemic changed the working life for our employees dramatically.

Workers in manufacturing plants, test centers and laboratories had to take on many extra precautions to maintain health and safety during production and work processes. Field service engineers met extreme challenges when travel restrictions made it almost impossible to reach customer facilities to assist and support customers production lines and projects. All office staff was requested to work from

home. This was a challenge for many employees as their homes were not equipped for office work. Creative solutions had to be found and Elopak supported employees by letting them take office equipment home, provide extra pc screens and what else was needed to make working from home possible.

Several activity and motivation campaigns were initiated to keep employees active, motivated and taking care of their mental health. One of the campaigns encouraged employees to share pictures of their new working environment and workplaces. More than 150 employees send pictures of their workplaces at the kitchen table, living room, working outdoors or with their children surrounding them.

Guidelines with training and nutrition tips were issued frequently to all employees. Managers





were frequently reminded to stay in contact with their teams paying special attention to signs of stress, depression and exhaustion.

The roll-out of the Teams application enabled employees to stay in contact easier and ‘see’ colleagues even though only on screens. Mental health and safety were major topics through all of the Covid-19 pandemic. A survey at the end of the 2020 showed that employees felt that they were well taken care of, were well informed and trusted the company to make the right decision in these challenging times.

### Keep employees moving

Local initiatives were also taken to enable employees to take care of their health and keep moving during Covid-19.

### Norway

In Norway all employees have access to a fitness room at Corporate Offices. This was kept available for self-training of employees during most of the Covid-19 pandemic. Extra cleaning procedures and strict rules for use were put into place enabling employees to have a training possibility while public training facilities were closed.

In addition, a bi-weekly program to ‘stretch and bend your neck’ was offered performed by a professional trainer via Teams. This was a very welcome initiative and many employees participated. The training sessions were also made available via the local intranet and will continue during 2021.

### Health and safety on business travels

Elopak’s employer liability spans from “door to door” also when employees are on business travels and safety is our number one concern. Elopak aims to protect employee health and safety when travelling while also making it possible for the company to operate in conflict areas and have therefore entered into a global agreement with Falck/SCR/AIG. The group wide travel insurance program includes travel assistance service world-wide 24/7. An App, Safeture – Elopak Travel Security App, with link to the web portal, keeps the employees informed on security, health and transportation issues wherever they are travelling or before a trip is carried out. The app has a direct call button to Falck and the employees will be directly directed to Falck in case of emergency.

Elopak strengthened the information to the employees during the Covid-19 pandemic for any need for local health assistance providers close to where they are staying if they get sick during their business travels.

### Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Health and safety is managed by the same principles for all groups within Elopak. We also maintain any non-employees working at our sites as they are required to undertake comprehensive safety training before they can enter the production facilities. As for health and

safety in our supply chain, Elopak assesses key suppliers on their sustainability performance, which includes health and safety. This is also one of the key principles outlined in our Global Supplier Code of Conduct.

### Workers covered by an occupational health and safety management system

Any activities by or for Elopak, are to be performed in a way where hazards and risks are acceptable. All of our own employees (permanent, part-time and temporary) are covered by health and safety management systems. Activities that need special competencies or equipment which are not internally available, are supplied from external specialists who are required to have programs in place to work safely.

In order to ensure good quality control of employee health and safety, compensation and benefits, as well as greater financial efficiency, Corporate HR appointed a group benefit consultancy and broker several years ago. This provides an accurate overview of our group benefit programs including pension, disability, accidents and medical issues, and forms the basis for evaluating potential cost benefits, multinational pooling possibilities and local coverage levels as compared to local norms. The consultancy facilitated a group benefit audit, a benchmarking exercise and a review of our current risk management profile. Elopak has since maintained the agreement, to ensure that Elopak is offering beneficial conditions to all employees.



## Elopak Spain donates 'water boxes' to hospitals

Spain was one of the worst hit countries during the COVID-19 crisis, with Madrid reporting the highest number of cases. To help overwhelmed hospitals Elopak Spain teamed up with its water customer FONTSORIA.

Elopak Spain donated around 60 thousand cartons for FONTSORIA's Agua enCaja Mejor brand. The 'Water in a Box is Better' product is well-known as a more environmental water package.

The cartons were distributed to IFEMA, the congress organization in Madrid which converted its venues into temporary hospitals. The water was also delivered to other hospitals to help medical staff and patients.

During the crisis, FONTSORIA changed its strapline to 'Boxed water at Home is Better' to help promote the important message to stay at home and stay safe.

The message was promoted on social media <https://www.facebook.com/aguaencajamejor/> and new campaign and video.



# Our Employability

Safety, employee motivation, belonging and developing our people for the purpose of staying relevant in the workplace are important internal focus areas in Elopak. In addition, we have a strong focus on ethical behavior both internally and towards external stakeholders. People in Elopak promote a culture of openness, respect and tolerance. We encourage our people to share knowledge, ask questions and influence the decisions for their scope of responsibility. The aim is to lead every employee to master their goals.

Elopak respects all applicable laws, rules, regulations and industry standards concerning working hours, minimum wages and rules related to the working environment in line with the human rights as defined by the United Nations. Employees in Europe are organized in the European Works Council, in addition to local Works Councils and are involved in any major management decision in Elopak. 28% of our workforce are covered by local collective bargaining agreements.

Elopak's focus on employability is maintained through various policies and procedures as well as management training. The whistleblowing

channel is another element safeguarding the well-being of our employees. The importance of this area is confirmed by our stakeholders who confirm the importance of labor and human rights as well as worker's well-being.

## Development

We are dependent on dedicated and highly motivated people to reach out ambitious goals. Thus, we are committed to enhancing our performance culture and the development of our people through priorities, targets and dialogue. Our competence & development platform EloPeople provides our leaders and employees with a tool to support the documentation and follow-up in an efficient and structured way, ensuring focus on key priorities and development initiatives. The platform also gives us the possibility to track training, ensuring compliance with the Code of Conduct & Anti-Corruption Policy, GDPR, IT Security, and with hygiene and safety requirements, as well as other relevant training courses.

We do however, also have areas where we can improve. An important part of performance and development process is seeking and giving feedback, here we need to focus going for-

ward. The utilization of our performance and development tool MyPDP, that has been implemented throughout the entire Elopak Group, is too low. In 2020, 2039 employees had the tool available, however only 439 (22%) utilized the system to document the dialogues. MyPDP is intended to support the communication between employees and managers, to ensure we are moving in the same direction, improving our way of working, developing our selves and achieving our goals and securing the success of our company.

We will continue to focus on the importance of developing our employees, setting achievable and motivating goals and providing feedback in order to learn and improve.

## Connecting people and systems

A digital roll-out of Teams application was performed within few weeks to enable people to stay connected and avoid travelling throughout the Covid-19 pandemic.

Elopak also launched a new cloud-based intranet enabling all employees to access news and information even without access to own PC. To boost employee's awareness and commit-

ment within sustainability, Elopak organized a sustainability challenge in 2020. Due to COVID-19 the challenge was performed virtually, however, more than 150 sustainability ideas were raised by Elopak's employees.

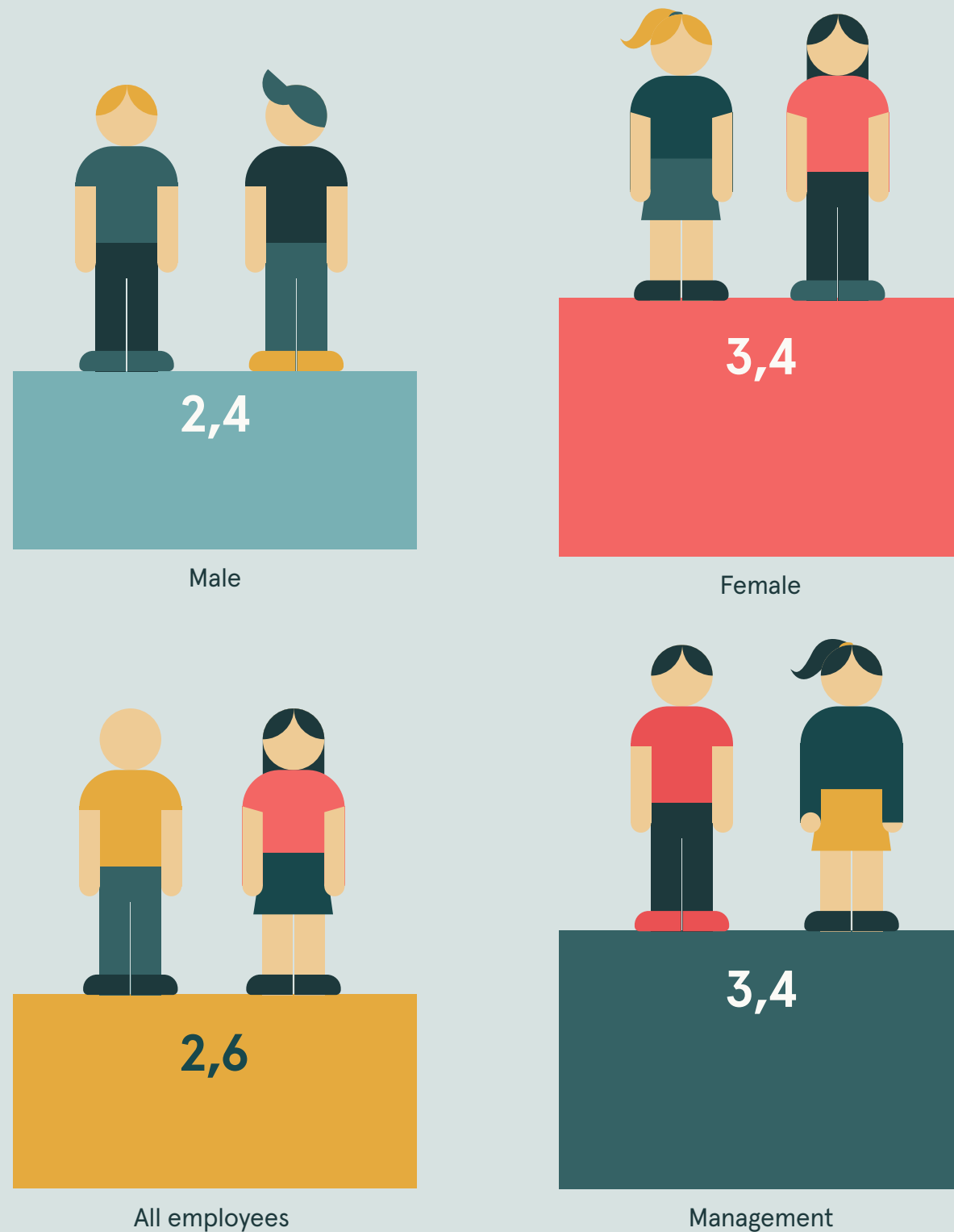
Elopak also performed a group-wide pulse survey in order to check that our people felt connected with the organization and our strategic goals. Most scores were close to or above 4 in a 1-5 scale. The results have been commented and followed-up on a local level in cooperation with local HR.

Elopak has worked out guidelines and country reports for complying with the European Posted Workers Directive reflecting the employer's obligation and conducted training sessions for relevant people in the organization.

## Training and education

Totally, more than 5 300 course completions were registered just in our system in 2020, which does not necessarily reflect employee participation in conferences, webinars, and informal internal training. The catalogue includes over 138 different courses or topics. 1 700 (80%) employees have received one or

### Average hours of training during 2020



more trainings. On average, each employee completed 2,6 hours of training. If production is excluded, the number is 4,3.

Not all training conducted in local units and webinars are registered in our global systems yet, and we expect the actual number to be significantly higher. In addition, we have implemented some nano-learning courses for topics such as IT security, GDPR and internal systems. These do not add up to many hours, however, in a busy schedule, a short training session per email is a very efficient way to secure competence development. Elopak will continue the efforts to streamline the register of all trainings in the same platform in order to track and monitor training as well as mapping needs for competence development in all areas of our business.

#### Creating a common language – Situational Leadership

Leaders in Elopak are committed to enhance our performance culture and to lead people to success through a common language of leadership and tools for both leaders and employees. We are training our leaders in setting targets,

giving feedback and leading people to success through the Situational Leadership program, our concept for people management training. In 2020 Elopak continued to train line managers in the program, but the training sessions have unfortunately been delayed in 2020 due to the Covid-19 pandemic.

We will continue this training throughout 2021 based on digital training reflecting the Covid-19 situation.

#### Employee satisfaction

In autumn 2020, Elopak asked all employees to participate in an organizational Pulse Survey. One of the intentions of the group-wide survey was to measure how our staff felt about their workplace. The results showed that many employees are engaged in making Elopak an even better place to work. It also revealed that most people are clear about what is expected of them and felt empowered to influence their working tasks. Most of our employees reported that they feel part of the Elopak-family. Such feelings of belonging have been especially strong during the Covid-19 pandemic, which has made teamwork more challenging. Many teams were divided by working from home and the restrictions in their workplace environments.

Despite such challenges, the survey indicated that Elopak employees are overall satisfied and motivated both in their roles and for the overall success and strategic goals of our business.



# Sustainability Challenge reaps over 150 ideas

During November and December 2020, we had a group-wide virtual sustainability challenge, motivating all people in all parts of the organization to bring forward ideas to make Elopak an even more sustainable company. More than 150 ideas were submitted.

We asked all employees for their ideas to improve sustainability in our production, offices and homes. Despite the challenging situation, we saw departments organising virtual workshops with lively discussions and true commitment.

We advised our colleagues to take all aspects into consideration across the three elements of sustainability – people, planet and profit. The ideas ranged from initiatives to reduce our emissions, a better way to separate waste, improving our work efficiency, a healthy lifestyle

and contributing to social initiatives, both at work and at home.

All ideas were reviewed by cross-functional panels, who performed a thorough evaluation considering social, environmental and economic implications of the ideas. The review panels were impressed by the range of ideas and clearly stated that they will take many of the ideas further. However, three winning ideas were highlighted and was rewarded with prizes to all participants.

## Winner category: People

The winning idea in the People category was to buy workwear in a material that is least harmful to the environment, such as organic material, without the use of hazardous chemicals for dyeing. In addition to less harm to the environment, this would bring a positive element to

employees wearing the clothes, with a feeling they are helping to make a difference.

Other ideas included arrangements for flexible workplaces, improved digital work processes and sponsoring/supporting charity activities f.ex. Food bank, elderly people, blood donations, orphans or local charity arrangements. There were also suggestions related to the use of electric cars both as leasing cars, when travelling and as company cars.

## Winner category: Profit

Many great ideas were received from all parts of the organization to improve also the Profit side of sustainability. From two different teams came the winning idea to increase the filling rate of trucks by adding an extra layer on the blanks pallets. By doing so, we will be able to fit more cartons in one truck, which means lower CO<sub>2</sub> emission and lower transport costs per carton.

Other ideas were about saving energy, reducing the use of plastics, improving printing, more efficient transport and auditing. We will further investigate the received ideas and also work cross-functional to implement as many ideas as possible

## Winner category: Planet

The winning idea in this category was tree planting projects. Tree planting helps to restore and maintain valuable forest areas. It contributes to increase the main source and component of our packaging. Trees bind CO<sub>2</sub> from the atmosphere, and thus forests make a significant contribution to climate protection.

The idea is very good and relevant for Elopak. We have promoted responsible forestry behind our cartons for years, and we would really like to engage in tree planting as a way to actively remove carbon from the atmosphere. In fact, one of our current carbon neutral projects (2021) includes mangrove planting in Kenya, having well documented positive effects on both local livelihoods and climate. On a global level, Elopak will further investigate the possibility to plant trees as a natural development of our carbon neutral program.

Other ideas included further initiatives to promote biodiversity, such as the protection of bees or urban gardening. Those and a lot of other projects would thematically fit very well and will underpin Elopak's commitment to preserve natural resources for the next generation.

# Diversity and inclusion

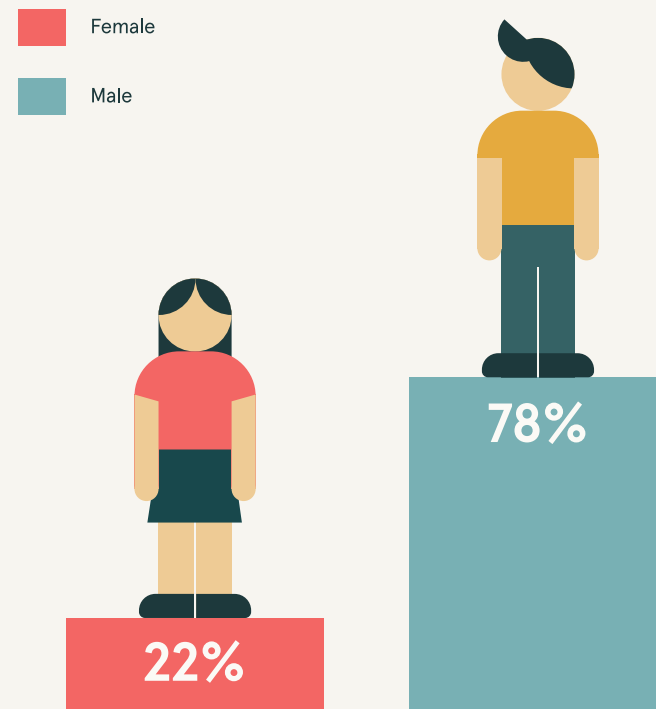
Many studies show that a diverse workforce leads to increased revenue, more innovation and development of more relevant products. The importance of diversity is also highlighted by our stakeholders who emphasizes the importance of a diverse workforce.

Elopak provides equal opportunities for its employees and do not discriminate on the basis of race, national origin, sex, age, religion, physical disability, political orientation, union membership, marital status or sexual orientation. In Elopak, we have a workforce with many different backgrounds, expertise, cultures and experiences. In fact, our workforce consists of more than 50 nationalities. We recruit employees who actively contribute to our continuous development; people with different backgrounds, skills, culture and experience. In 2020 we have promoted more women to our upper management level and recruited employees at 55+.

Within this area, Elopak is however still in the process of defining our management approach with regards to distribution of gender. Being a company in a traditionally male-dominated segment, Elopak will first aim to target the same distribution in gender diversity across all hierarchical levels. This target is part of our

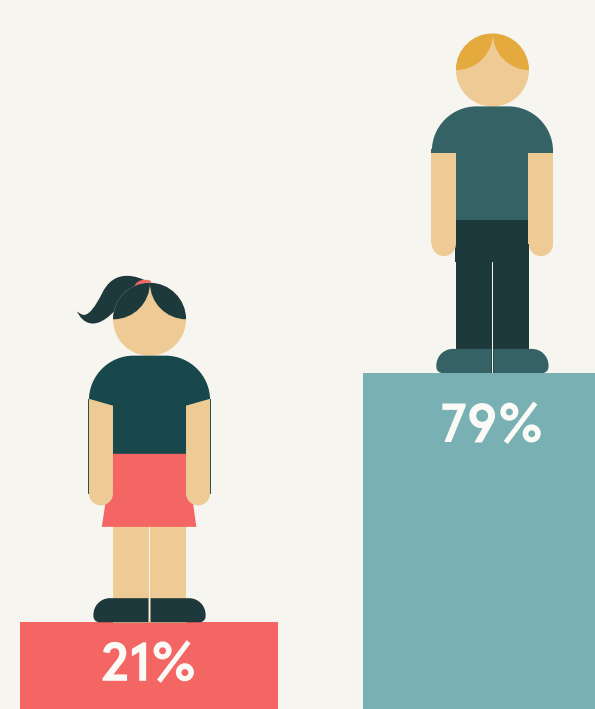
sustainability program and Elopak will work out a relevant procedure and follow-up routine in the nearest future in order to reach the target.

**Gender split of our employees in total**



Elopak is of the opinion that men and women's compensation for the same level/position in the job classification system should be equal. Some countries in the Elopak Group must follow local Pay Equity legislations and report accordingly. There are legitimate variances in payment due to different positions, but not due to gender.

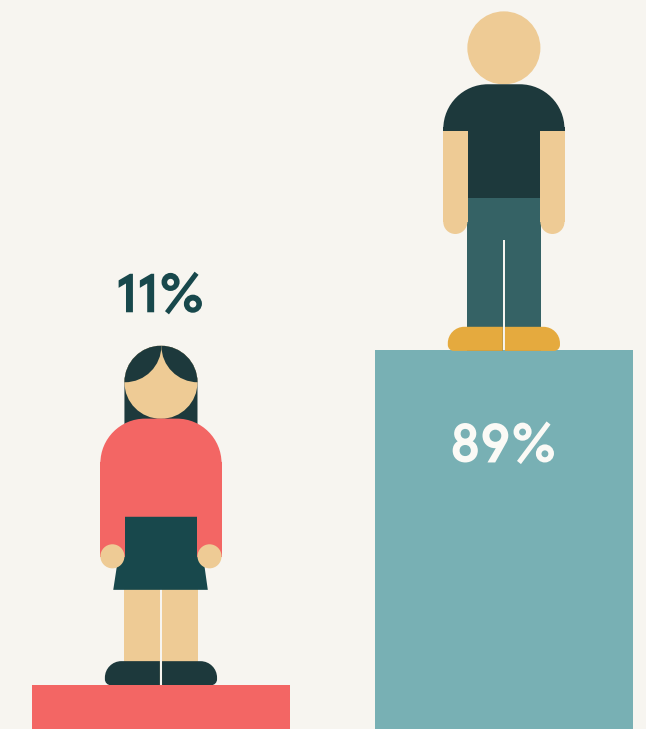
**Gender split of our management**



Elopak has not registered any complaint or issue related to this.

Reflecting Elopak's culture of openness, we have registered two cases outside the whistleblowing channel related to discrimination. These cases have been reported directly to the line manager and followed up in close collaboration with HR.

**Gender split of our governance bodies**





# ET HAV AV MULIGHETER



## Joining the WWF's fight against plastics in oceans

In October 2020, the Norwegian state TV hosted its annual fundraising event in Norway. This year the campaign was to raise funds to support the World Wide Fund for Nature's fight against plastic waste in the oceans. In one of the world's biggest charity events Elopak employees signed up and together raised more than NOK 37.500,- (EUR 3.750,-).

To support all employee's fundraising efforts, Elopak added a donation of NOK 100.000,- (EUR 10.000,-). This created a grand total donation of NOK 137,00, (EUR 13,750). But our contribution did not end there, with many more of us joining the campaign to clean the oceans.

To make a clear statement against plastic pollution, several colleagues in Norway, including the CEO and the CFO, joined the national beach-cleaning campaign in spring 2020.

# Our commitment to compliance and integrity

Responsible business conduct is the foundation of our license to operate. We in Elopak take this responsibility very seriously. As a global company, it is our policy to act in accordance with applicable laws and regulations and high ethical standards across our value chain. We build and maintain trust of one another, our customers, business partners and communities where we operate by working responsibly and safely, caring for environment, acting with integrity, treating others with respect and honoring our commitments.

## Our Code of Conduct

Elopak's Code of Conduct reflects our commitment to applying ethical business practices and legal compliance throughout our global organization wherever we operate and conduct business on behalf of Elopak. To help us apply the Code of Conduct to our daily work, we have developed related policies and procedures to provide more detailed guidance on compliance requirements. Our Code of Conduct, supported by policies among others Anti-Corruption

Policy and procedures, reinforces our commitment to integrity and compliance and sets expectations for the highest ethical standards for us all and it is implemented and followed-up by Elopak's compliance system.

## Our compliance system

Our compliance system is based on a clear governance structure defining roles and responsibilities regarding compliance and compliance-related activities undertaken throughout the company.

The progress of compliance program actions as well as any non-compliance matters reported through the line or via the whistleblowing system are addressed in the management meetings and Board meetings and an annual compliance report to the Board of Directors.

Compliance is a line responsibility in Elopak supported by the relevant corporate staffs. To enhance the efforts on providing guidance and implementation of the compliance system,

Elopak established a role of Chief Compliance Officer (CCO) some years ago. CCO reports to the Group CFO and additionally has an independent reporting line to the Board of Directors through the Board Audit and Sustainability committee.

Our compliance system is designed to help us promote a culture of ethical and responsible business conduct, and prevent, detect and respond to breaches of laws, regulations or internal policies (non-compliances/ misconduct). Key elements of our compliance system include:

- Elopak Compliance program
- Working with Business Partners
- Speaking Up and reporting concerns incl. the whistleblowing channel.

## Compliance program

The compliance program is our tool to ensure a structured approach, monitoring and follow-up. Our program is based on best practice principles for managing compliance programs given by external regulators and market standards. The main goal of the program is to continuously uphold our business ethics and compliance culture.

Elopak implemented an annual, mandatory compliance training for all employees called PureEthics. This is our Code of Conduct and Anti-Corruption Policy e-learning program in order to continuously focus on ethical behavior and compliance. A more in-depth dilemma training workshop concept has also been developed for selected target employee groups.

## PureEthics completion 2020

Employee group	Number	Percentage (%)
Top management	9	100%
Management	238	88%
Employees	952	51%
<b>Grand Total</b>	<b>1198</b>	<b>56%</b>





### Working with business partners

Elopak’s success is dependent upon cooperation from our business partners – suppliers, customers, sales agents, distributors or joint venture partners and others. Our business partners are expected to comply with all applicable laws and regulations. Suppliers that have a direct contractual relationship to Elopak have to adhere to the principles and expectations set out in our Global Supplier Code of Conduct which sets out the minimum standards in key areas including among others business ethics

and anti-corruption, as well as human rights, labour conditions and environmental and social aspects. We carry out risk-based due diligence processes to ensure that the business partners’ reputation, background and abilities meet our standards.

In accordance with the UK Modern Slavery Act we publish a transparency statement (read here). Please find more information on Elopak’s Responsible Supply Chain here.

### Results

Elopak’s anti-corruption policy and the Code of Conduct have been communicated to all employees. Elopak’s governing documents in this area are easily available to all employees on Elopak’s intranet and to all other stakeholders on Elopak’s external website. Additionally, these policies are communicated annually through our online mandatory compliance training PureEthics. All employees are asked to complete this annually.

In 2020, 100% of the Group Leadership Team (9 out of 9) completed the PureEthics training program. Of the total workforce, 56% (1198 out of 2133) completed the training in 2020. The number is higher for corporate/office functions (see more details in the data table here). We will further enhance the importance of all employees completing the program annually, and improve procedures to implement this during 2021.

Our Anti-corruption Policy has been communicated to 100% of our business partners, specifically including: sales agents (7), licensees (2), distributors (4) and JV partners (3). Anti-Corruption policy and compliance standards requirements are communicated via contractual clauses including in the contracts with all our business partners as specified here.

### Speak Up and reporting concerns

Elopak is committed to building a culture of trust where employees are comfortable to ask questions, seek guidance raise concerns and report suspected violations.

Employees and external stakeholders are encouraged to report suspected or actual breaches of laws and regulations or cases of misconduct and unethical business conduct. Such reporting can be done through the line management or through Elopak’s whistleblowing channel. The whistleblowing channel permits a secure and confidential reporting option. Elopak’s whistleblowing channel is managed by an external professional service provider. The service provided ensures that Elopak employees and external stakeholders can report their concerns anonymously with no ability to trace back to the notifier. Elopak takes all reported concerns seriously and internal investigations are carried out as required. Elopak has zero tolerance for retaliation against whistleblowers who raise concerns in good faith. All reported cases are taken seriously and carefully followed-up and investigated as needed.

In 2020, there were no confirmed incidents of corruption in Elopak. There were no confirmed incidents of corruption, and no contracts with business partners were terminated due to cases of confirmed corruption or other material compliance violations. There were no public cases regarding corruption brought against Elopak or its employees during the reporting period.





## A million liters of milk for Food Banks

The Covid pandemic made life challenging for many, with food banks becoming essential to help people struggling to afford the basics.

Food Banks very often lack enough milk, with the pandemic causing severe shortages. Elopak's customer LSCH set up the project called LAIT DU CŒUR (milk from the heart) with other milk producers, packaging suppliers, and distributors. In 2020, Elopak France partnered

with LSDH and contributed by providing free Roll Fed packaging material. Together, the initiative donated 1 million liters of milk to food banks across seven regions in France. LSDH and its partners ensured that the collection and packaging of the products and the finished products were sent directly to Food Banks collection points. Distributed since the beginning of January 2021, the project helped the food banks benefit over two million people



# Planet



## Packaging by Nature®

2020 marks the beginning of the climate decade. A decade that is key in terms of turning the tide on global temperature increase. This is the time to move from doing less harm to doing more good. Elopak aims to go Net Zero as a natural continuation of our carbon neutral approach. It's the natural thing to do.

# Renewability

Why is renewability important to Elopak? To us, it is quite simple. We all depend on the world's natural resources for everything from food to clothes and packaging. Resources come in two types – the ones that can be renewed naturally over time, and the ones which cannot. Since the industrial revolution, humanity has ruthlessly exploited the earth's resources. By ensuring renewability throughout our operations – from the sourcing of raw materials for our products to the energy we use in our production sites and offices – we can contribute to a more balanced and sustainable future. Renewable raw materials naturally grows back and hence ensures resource availability for future generations. In addition, these materials lead to significantly lower greenhouse gas emissions compared to fossil or other finite resources.

Elopak works to ensure renewability for our energy and our products through a systematic approach in our supply chain through our Global Supplier Code of Conduct and our Raw Material Sourcing Policy. We have also committed through Science Based Targets and our RE100 membership to continue sourcing 100% renewable electricity for all our global operations.

The importance of renewability is confirmed by key stakeholders such as NGOs (dialogue with WWF Norway in 2019), our industry associations, our key suppliers as well as key customers.



## Renewability

Renewability means being able to renew itself in a natural environment over a relatively short time. A forest is renewable as long as the forest is managed sustainably. Using renewable materials is important for several reasons. First of all, we cannot continue to rely on finite and fossil resources. These resources are limited, and will not be replenished. Secondly, renewable resources generally have a significantly lower carbon footprint than fossil resources.

# Naturally renewable material

An Elopak carton comprises of on average of 85% paperboard sourced from northern hemisphere forests. Forests are naturally renewable because trees grow without human interference, but can only be truly renewable if they are responsibly managed. Therefore, as our main raw material is derived from forests, we take responsible forest management very seriously.

All our paperboard is from legal and acceptable sources in accordance with the standards of the Forest Stewardship Council (FSC). Verification through the supply chain in accordance with the FSC Chain of Custody standards is necessary to ensure that the final, labelled product is made from material sourced from FSC-certified forests and other controlled sources.

## The lungs of the earth – why forests are important

Trees are important because they play a key role in the carbon cycle. During growth, trees absorb carbon dioxide (CO<sub>2</sub>) from the atmosphere and produce oxygen. The carbon cycle is the process in which carbon atoms continually travel from the atmosphere to the earth, and then back out into the atmosphere.

Forests are also crucial for biodiversity. Several species have become extinct over the past few decades, and thus maintaining healthy, wild forests are essential to preserving endangered species.

Nordic countries have maintained an annual net growth of forest land, enabling the amount of wood harvested to be less than the forest growth each year. This helps contribute to absorbing the increasing global greenhouse gas (GHG) emissions and to maintain biodiversity in our nature.

It is important for Elopak to participate in the fight against illegal logging and to ensure that all forestry behind our cartons is not only legal, but also responsible. This is how we ensure that our main raw material is truly renewable, and therefore will be available for generations to come.



# Renewable polymers

Our Pure-Pak® cartons keep products fresh whilst using less plastic than alternatives. Elopak strives to reduce the plastic content of cartons. And, our customers can already go ‘fossil-free’ with forest-based polymers.

Plastic is most commonly made from fossil raw materials which are extracted from the ground causing greenhouse gases to be emitted to the atmosphere, harming the environment.

Elopak launched the first cartons based on 100% renewable raw materials back in 2014. It has since continued to be a success with several large brand-owners launching products in fully renewable cartons.

Today, Elopak offers certified renewable plastics based on tall oil which is a residue from paper production. The tall oil-based feedstock is sourced mainly from Nordic forests which enables us to offer a carton based entirely on wood. All our wood is 100% sourced from responsibly managed forests and other controlled sources, in accordance with the FSC™ standards.

All of Elopak’s customers in Europe can be offered cartons with renewable polymers,

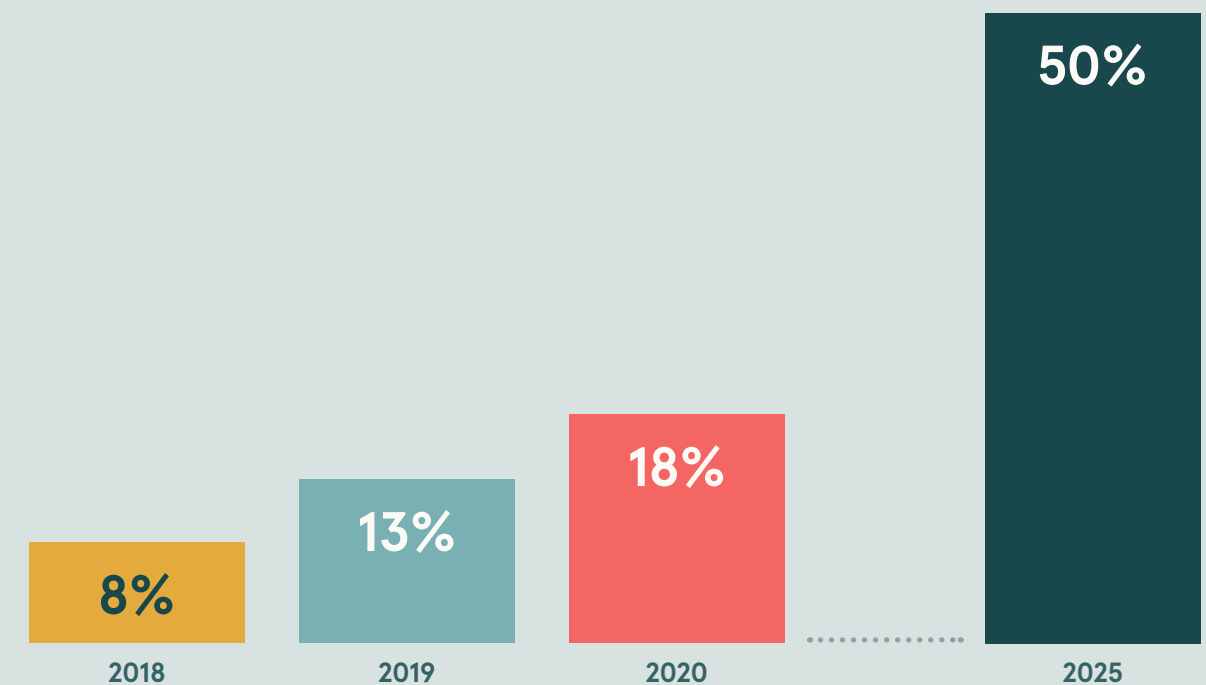
significantly lowering the carbon footprint of the pack and helping customers achieve their environmental goals. In addition, our renewable PE cartons are certified according to ISCC PLUS, from feedstock to finished carton.

There are several benefits to using renewable plastic with the key advantages of lower greenhouse gas (GHG) emissions and the reduced extraction and use of fossil fuels that cannot be renewed. Therefore, the use of renewable raw materials helps ensure resources for future generations.

The development of plastics made from renewable raw materials is moving fast and innovative new solutions are being introduced at a rapid pace. Elopak is carefully tracking developments and is also engaging in research projects where more raw materials are being explored for the development of new packaging materials.



Fully renewable cartons for fresh milk in Europe





## The renewed normal

It is now over a decade since Boxed Water is Better® was launched in the US in Pure-Pak® cartons as the leading sustainable alternative to plastic bottles and aluminum cans. A pioneer in the campaign against global plastic waste, Boxed Water™ introduced in 2020 renewable PE packaging, featuring cartons and caps.

“With the introduction of packaging derived from Nordic trees, our cartons are now 92% renewable, where none of the competition reaches over 90%,” said Robert Koenen, CMO for Boxed Water™. “Renewable materials is enabling a new era forest-based packaging, reducing reliance on fossil fuels for a better planet.”

“Beyond the ‘new normal’ we are working towards a ‘renewed normal’ that sets a brighter and higher standard with the most renewable option in the water aisle.”





# Net Zero

What does Net Zero really mean? And why is it so important to Elopak? There is no doubt that global temperatures are rising and has disastrous impacts on the climate. According to IPCC (Intergovernmental Panel on Climate Change), the world must halve CO<sub>2</sub> emissions by 2030 and reach net-zero emissions by 2050. This means preventing the accumulation of greenhouse gases in the atmosphere.

Elopak has worked systematically to reduce our greenhouse gas emissions since 2008, and we have reported on our progress every year. In 2019 we formally pledged to cut greenhouse gas emissions with the goal to keep global warming below 1,5 degrees, in line with the criteria set by Science Based Targets initiative. Since 2016, we have been a carbon neutral company, offering carbon neutral packaging to our customers. We could argue that this already makes us net zero, however, engaging in on-going discussions around the net-zero term, we do recognize the need to actively remove greenhouse gases from the atmosphere in addition to reducing the potential for emissions to happen. Therefore, Elopak will aim to become net zero through carbon removals. This is our commitment to the climate.

Elopak's main source of emissions occur in our supply chain, through our raw materials. This is why we have set ambitious reduction targets, not only for emissions in our own operations (scope 1) but also throughout our supply chain (scope 3).

Our approach is firmly embedded throughout our company through our commitment to the SBT initiative, our RE100 membership and our ambitious sustainability program, as well as our continued reporting in line with the GHG protocol as well as our CDP reporting.

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





# Building the road to 2030

## Our roadmap on emission reductions

Elopak has pledged to cut greenhouse gas emissions in line with the strictest criteria set by the Science Based Target Initiative (SBT), and has by that committed to keep global warming below 1.5°C.

In order to meet this obligation, we have built an action plan which is our roadmap to 2030.

Within the Scope 1 reporting category, we have committed to achieve a 55% reduction of emissions by 2030. We aim to reduce all our emissions from the consumption of natural gas, propane, heating oil, waste incineration and the use of fossil fuels.

The key focus areas for operations are to reduce the impact from production. The roadmap to 2030 includes identified activities currently being evaluated, such as:

- Reducing waste through operational excellence
- Increasing energy efficiency – for example by replacing fossil fired processes with electric alternatives.

- Change to more environmentally friendly energy sources – such as switching to electricity by rolling out hot air sealers and electrical forklifts. The plan is to continue to change all gas fired forklifts at our production plants to electric.

- Energy saving projects across our units
- Minimizing transport through end-to-end supply chain planning efficiencies not least including changing gas driven trucks to electric

Calculating the possible impact of all these initiatives combined, we see that we potentially achieve emission reductions beyond those required by our target for scope 1 (and residual scope 2) emission reductions. This is, however, subject to financial and technological feasibility studies over the next coming years. We

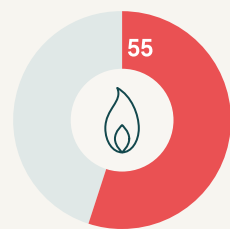
engage our employees to bring forward ideas to help improve and optimize all our processes, through the continuous improvement project Elevation. We also had a sustainability challenge in 2020 which resulted in more than 150 ideas to improve our performance.

Overall, our focus across all sites is on operational excellence and the understanding of Sustainability impacts every level of the organisation. Our roadmap to 2030 will be continuously evaluated and updated to ensure that we reach to targeted CO<sub>2</sub>e manufacturing footprint.

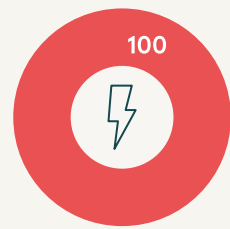


# Emissions and climate change

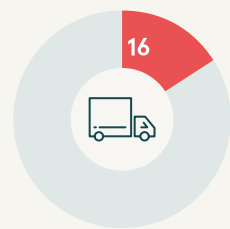
## Elopak's Science Based Targets



**Scope 1**  
 Natural gas, propane, heating oil, waste incineration, wood  
 55% reduction by 2030



**Scope 2**  
 Electricity, district heating  
 Continue to purchase 100% renewable electricity



**Scope 3**  
 Business travel, transport, raw materials and filling machines  
 16% reduction across the value chain by 2030

Climate change is caused by the emission of greenhouse gases in the atmosphere. Since pre-industrial times, human emissions of carbon dioxide (CO<sub>2</sub>), nitrous oxide, methane, and others has created a spike of 1° in global temperatures.

Since 2008 we have reduced the greenhouse gas emissions from our operations and supply chain. A reduction of 70% emissions has been achieved from 2008 to 2018 from a number of reduction initiatives including the increased use of renewable electricity.

Elopak is committed to keeping global warming below 1,5°C. We declare this commitment as one of the first companies to pledge to cut greenhouse gas emissions in line with the strict criteria set by Science Based Targets (SBT) initiative.



## Science Based Targets

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

## Scope 1

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

Energy consumption accounts for a big part of Elopak's internal CO<sub>2</sub>e emissions, and key priorities are therefore to reduce the energy use and to choose low-carbon energy sources. We are focusing on two key strategies on the path to a renewable energy future. These include undertaking energy efficiency measures across the company and reducing emissions associated with the purchase of energy.

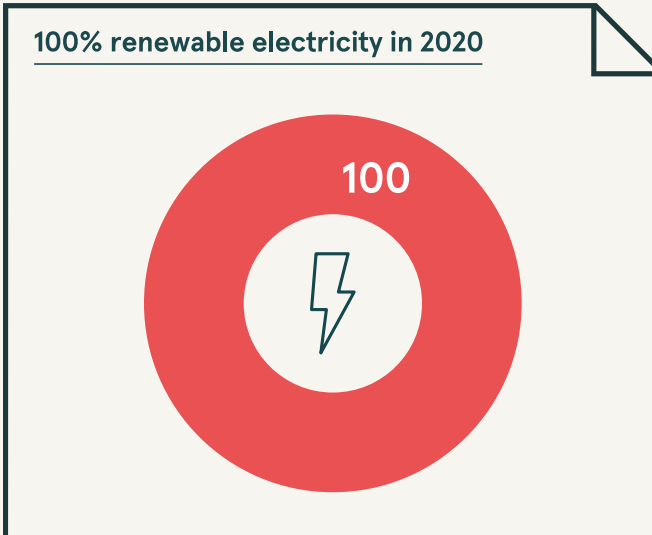
Over the past ten years, Elopak has improved its energy efficiency. Since 2008, energy used per produced carton has been reduced by 20%. Further energy optimizing projects will be initiated as part of our sustainability program.

In 2020, the emissions from our own production (scope 1 and residual scope 2) were 8 557 tonnes CO<sub>2</sub>e



\* Compared to a 2017 baseline.





## Scope 2

### Electricity, district heating

Renewable electricity means sourcing from renewable sources such as hydro power or wind power. Emissions for renewable electricity are considerably lower than emissions for electricity generated from non-renewable fossil sources.

To source renewable electricity, companies can either directly invest in new renewable generation capacity, or source renewable electricity by using certificate systems. Elopak has chosen the latter and is purchasing energy certificates, in Europe and North America, that covers 100% of our electricity consumption.

For European sites the Guarantees of Origin are purchased from the hydropower plant in Norway. For North America (Canada and USA), we have purchased Green-e® certified Renewable Energy Certificates (RECs), originating from wind farms in North America.



### RE 100

RE100 is a collaborative initiative of companies, working to massively increase corporate demand for, and delivery of renewable electricity. The initiative has around 260 members.

## RE100

In 2015, Elopak became the first packaging company and the first Norwegian company to join the RE100 campaign, committing to sourcing 100% renewable electricity from 2016 onwards for all fully owned production units and offices worldwide.

The RE100 Annual Report for 2020 states that 53 of the RE100 members (app. 20%) have announced reaching 100% renewable electricity.

Elopak are proud to have sourced 100% renewable electricity since 2016, and to be one of the relatively few companies in the RE100 campaign that reached this goal already five years ago.





## Electric heating substitutes fossil fuel

A reduction of approximately 290 tonne CO<sub>2</sub>e per year has been achieved at our Aarhus facility in Denmark, by substituting fossil fuel with electric energy on one of the production converters.

The drying process in the converter was previously done by a heat exchanger run by a stoker burner, relying on mainly thermal oil and some skiving waste. In 2020 a new electric heat exchanger was installed on the converter, and the old thermal oil system was removed. A briquetting press was also installed to dispose the skiving waste that previously was used to fuel the stoker burner. The scrapping of the old burner has eliminated the need to purchase around 170.000 liters of heating oil per year, approximately 207 tonnes CO<sub>2</sub>e.



# Moving to LED

Our manufacturing site in Aarhus, Denmark has completed a turnkey project to switch to modern, intelligent LED lighting. The result has enabled Aarhus, one of our main European sites, to reduce its power consumption by 78,4% compared to the consumption of the old light installation.

The investment was made to replace the old lighting installation which generated significantly higher energy and maintenance costs. Over 50 light sources were replaced with the help of two local companies in Denmark, Atea and Green Light. All components were installed in accordance with specifications from Green Light by week 49, 2020. The switch has enabled Aarhus a reduction in energy consumption for lighting of approximately 1 220 MWh per year. This corresponds to an annual emission reduction of approximately 207 tonnes CO<sub>2</sub>e.





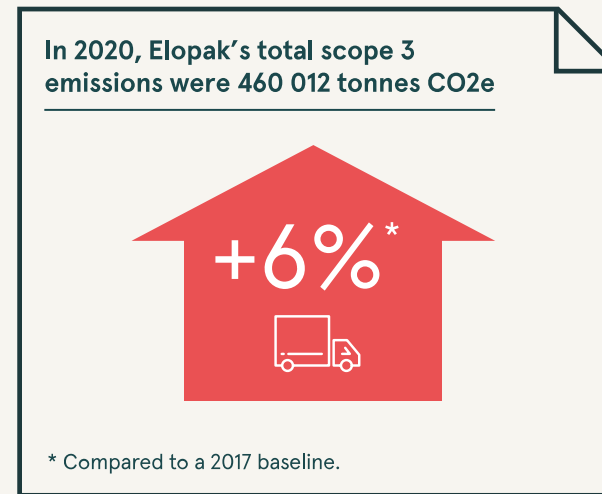
## Scope 3

### Business travel, transport, raw materials and filling machines

Emissions in scope 3 are emissions across all the product value chain that are emitted outside the reporting company. They are actually emissions included in someone else's scope 1 and 2, but they occur because the product enters the market. A value chain life cycle approach is taken to ensure that all emissions related to products is included.

After we analyzed Elopak's scope 3 emissions for the 2017 baseline, it was clear that business travel, transport, raw materials and filling machines in operation, were the most relevant

categories to report in our Science Based Targets approach.

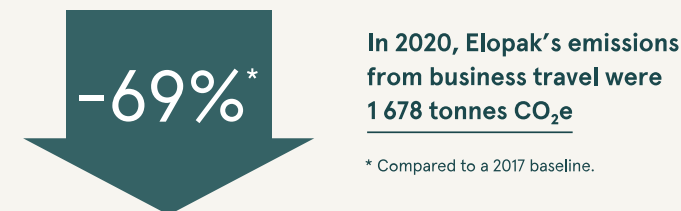


### Business travels

In 2020 Elopak had a large reduction in CO<sub>2</sub>e emissions related to business travel and this

is mainly due to the Covid-19 pandemic and global travel restrictions. Elopak employees have adopted well to the new normal with online meetings and less business travel. Working online is beneficial in many ways, it is time saving for the employee, it is economically favorable for Elopak and it reduces CO<sub>2</sub>e emissions from transport. Elopak will encourage employees to choose online meetings instead of physical meetings, when possible, also after the Covid-19 pandemic.

In 2019 a new business travel management system was implemented at almost all Elopak sites. The new system makes it possible to extract detailed reports on the emissions from flights from one centralized source that is directly linked to the flight booking system. The new reports are more accurate than previous reports because they are more detailed and consider aspects such as if the flight ticket was business class or economy class. There was also some over-reporting of CO<sub>2</sub>e emissions from flights in previous reports, which is now avoided.



### Transport

Elopak has had a 7% increase in scope 3 emissions from third party transport reported since 2017. The increased production in our produc-

tion sites has led to the increased transport of raw materials and products, which naturally leads to increased emissions.

Despite the overall increase in emissions, we have had improvements such as less emissions per tonne shipped and improved fill rate on trucks. As the internal focus on these goals has also improved, the solutions and choices are becoming more visible within Elopak.

We ask all our transport suppliers to comply with certain environmental requirements. Currently we are working on redefining and improving these, and we aim to use Ecovadis as a tool to do sustainability assessments of suppliers.

We aim to achieve greenhouse gas reductions across our entire value chain by:

- Striving to ship full units (fill rate) and reduce urgencies and van transport.
- Supporting category managers in logistics & transport choices, including requirements on EURO class of trucks.
- Internal information on optional transport modes or fuel types – e.g., from road to sea transport
- Including estimated environmental impact in key decision calculations

New technology and the availability of solutions will provide new opportunities for sustainability achievements across our logistics. The joint focus across the value chain will be an important success factor for these initiatives.

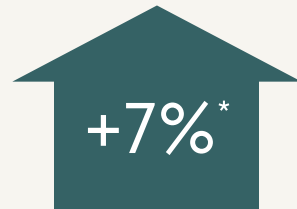
## Case

# Car Fleet Emissions

Our colleagues in Spain are reducing emissions by replacing fleet cars with hybrid and low emission cars. In 2020 a total of 18 cars were replaced, enabling a 70% reduction of emissions. The cars are used extensively by market unit personnel and field service engineers supporting customers at their sites. Further changes will be made to the rest of the fleet in 2021 and 2022 with more cars being switched to greener vehicles such as plugin hybrids and hybrid motors.



We see further opportunities for improvements such as finding more efficient measures, selecting better partners and transport modes. Plus supporting our organization with information on available transport options i.e., from road to rail or sea, or the use of larger trailers.



In 2020, Elopak's emissions from third party transport were **43 844 tonnes CO<sub>2</sub>e**

\* Compared to a 2017 baseline.

### Raw Materials

Purchased goods and services is a category that contributes to scope 3 emissions. Specifically, these are related to the extraction and production of the raw materials in our cartons.

Since 2017 Elopak has had a 15% increase in the scope 3 emissions from purchased goods and services. The reason for this increase is mainly the increase in sales of cartons and closures since 2017. Elopak aims to work with raw material suppliers to reduce emissions from raw materials, as well as increasing use of renewable raw materials, which naturally will contribute to this target.

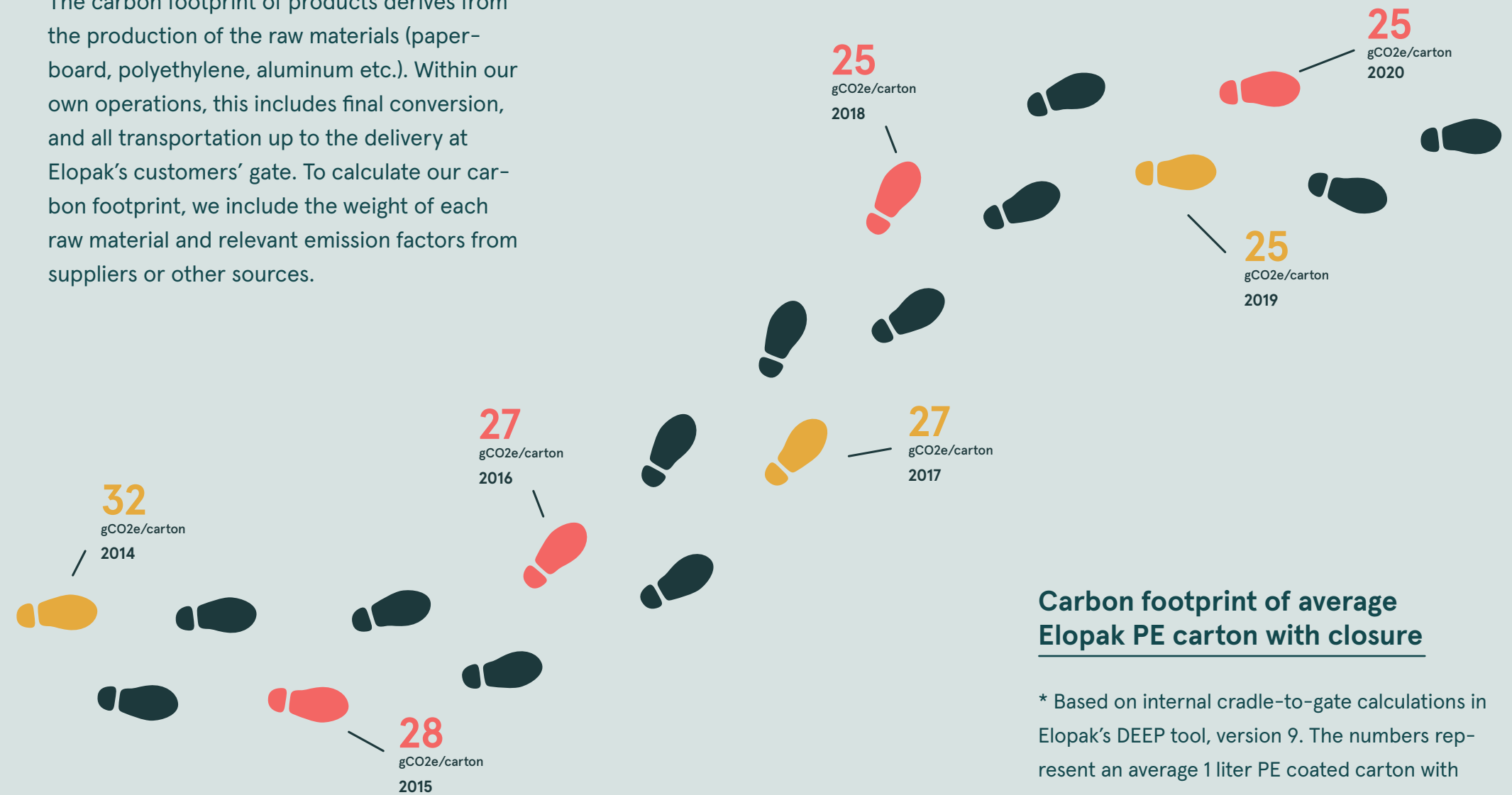


In 2020, Elopak's emissions from purchased goods and services were **350 028 tonnes CO<sub>2</sub>e**

\* Compared to a 2017 baseline.

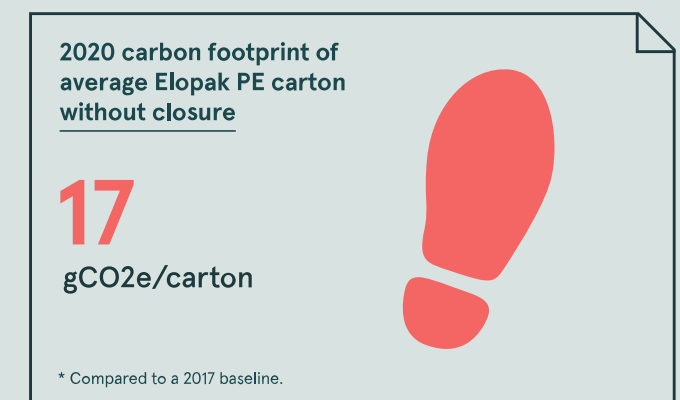
### Carbon footprint of products

The carbon footprint of products derives from the production of the raw materials (paper-board, polyethylene, aluminum etc.). Within our own operations, this includes final conversion, and all transportation up to the delivery at Elopak's customers' gate. To calculate our carbon footprint, we include the weight of each raw material and relevant emission factors from suppliers or other sources.



### Carbon footprint of average Elopak PE carton with closure

\* Based on internal cradle-to-gate calculations in Elopak's DEEP tool, version 9. The numbers represent an average 1 liter PE coated carton with closure sold in Europe, for fresh dairy products.



## Filling machines

Elopak provides filling machines to many of the world's leading beverage manufacturers. Our filling machine platform features a space-saving, compact design and fill up to 12-14 000 cartons per hour in different formats and hygiene classes. With minimal manpower requirements including the option of fully automatic material loading system, machines have low utility consumption and operating costs.

Elopak's latest specially designed filler valve extends the range of fillable products, enabling customers to launch more sensitive and highly viscous products like smoothies, soups and puddings. Further, the option of running two different closure types on one filling machine was introduced, enabling the customers an efficient transfer to light-weight, sustainable closure types.

For our customers, we offer research and development support, including comprehensive after sales services, technical training and maintenance support. We know that to build and maintain a modern filling operation is a complex task. Not least it involves the installation of filling and materials handling equipment, plus a network of product tubing and process equipment. Part of Elopak's scope 3 is the use of sold and leased filling machines at customer sites and is included in the SBT reporting.

In 2020 total emissions for filling machines were reduced, partly due to fewer machines being placed in the market. The Covid-19 pan-

demical lead to fewer machines sold. However, the new machine models have lower emissions than the older ones, and by replacing old machines, we see a decrease in filling machine emissions of 5% per machine from 2017 to 2020.

-22%\*

In 2020, Elopak's emissions from filling machines in operation were 64 462 tonnes CO<sub>2</sub>e

\* Compared to a 2017 baseline.





# Carbon Neutral

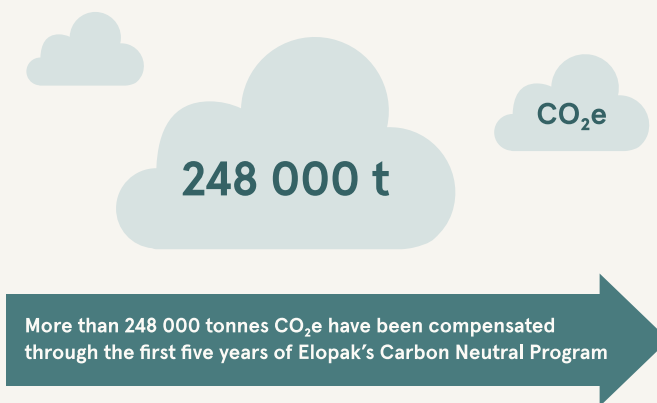
After years of reducing Elopak’s greenhouse gas emissions by way of energy efficiency and phasing in renewable energy, Elopak opted for a carbon neutral certification to offset remaining emissions, in 2016. Not many companies did so at that early stage, however, the past years, it seems more and more companies are following this approach.

In 2020, Elopak celebrated five years of carbon neutrality, and aim even higher by introducing new projects and setting new targets for the future, aiming to become net-zero. The approach will be further refined during 2021.

Elopak supports projects outside of the value chain, that can provide third-party verified carbon emission reduction credits. In doing so, we are contributing not only to reduced emissions but also facilitating positive effects on local livelihoods and the environment.

Elopak’s program for carbon neutrality works like this: Firstly, we measure and quantify our emissions. Elopak has done this, in accordance to the Greenhouse Gas Protocol, every year since 2008. Then we work continuously to reduce our emissions. Over the 10 years from

2008 to 2018, Elopak reduced emissions by 70%, and continue to reduce in line with our Science Based Targets. Finally, we compensate our remaining emissions by supporting projects outside our value chain. Still, we report transparently on the actual emissions we have, even if they have been offset.



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



**Reduce**  
Identify and act on the potential for reducing GHG emissions



**Offset**  
Support projects with verifiable emission reductions outside of own operations



Elopak has been a carbon neutral company since 2016. This means that for five years, we have compensated for all emissions from our own manufacturing processes, our transport and our business travels. By expanding the scope, we also offer carbon neutral packaging to our customers.

Elopak was the first to offer CarbonNeutral® Packaging for beverages and liquid foods. A

COMPANY:



CarbonNeutral® package compensates for all the emissions associated with the carton, from raw material production, transport, manufacturing, waste, travels and distribution to retail.

Elopak's carbon neutral approach supports several projects contributing not only to reduced greenhouse gas emissions, but also improved livelihoods, as well as health and societal benefits.

PACKAGING:



# Emissions are offset by supporting projects outside our value chain

## Company emissions for 2020:

### Climate-adapted agriculture project, Kenya



This project is building the long-term resilience of small-scale farms in Western Kenya. By equipping local farmers with the tools and knowledge to use sustainable techniques, they are able to reverse poor soil quality that is affecting their crop yields and have a better chance at withstanding ever more unpredictable weather in the region. The project employs a team of local field officers to introduce practices such as planting crops between a variety of trees to offer shade from strong sun, shelter from wind and to stabilise the soil and increase water retention. These techniques build resili-

ent food systems and at the same time sequester carbon, allowing the farmers to receive carbon finance through a transparent distribution scheme. The project also establishes village savings and loan associations, ensuring better financial security for communities in the project area.

### Landfill gas to energy in Monterrey, Mexico



We need to tackle the amount of waste that is produced and we also need to scale existing solutions that make waste disposal more sustainable today. Waste from landfill sites emits large amounts of greenhouse gases, in particular methane, which over 20 years is many times more potent than carbon dioxide. The purpose

of the project is to capture this gas and prevent it from being released freely into the atmosphere. Once captured, gas is used as a fuel for electricity generation and hence displaces fossil fuel-based electricity. Looking to the future, the project also contributes to improving solid waste management practices through a remediation program to close landfills – and increasing recycling in Mexico. The project contributes to a range of Mexico’s sustainable development goals, specifically by:

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

**Isangi REDD+ Project**



The Isangi project in the Congo Basin protects over 187,000 hectares of one of Earth’s most biodiverse rainforests from deforestation. As carbon sinks, forests play an important role in

climate change mitigation. This project helps to alleviate local poverty by promoting sustainable economic opportunities and developing educational initiatives to bring a brighter future to remote communities.

**Packaging emissions for 2020:**

**Rimba Raya: Protecting rainforest and the orangutan in Borneo, Indonesia**



The Rimba Raya project protects over 640 square kilometers of rainforest and forms a vital patrolled buffer zone between the palm oil plantations and the Tanjung Puting National Park, home to one of the last remaining wild populations of orangutans on Earth. The project protects the local rainforest by two main mechanisms: by incentivizing the local population to protect the forest and by direct prevention of illegal logging by patrols and guard towers. Furthermore, the project improves the local communities, by providing clean water, improving health care for forest dependent

communities and by providing employment opportunities for local people in the area. The project is validated and verified to the Verified Carbon Standard (VCS) and has obtained Triple Gold status within the Climate Community and Biodiversity (CCB) Standard.

The Rimba Raya project has saved a large portion of the area in dark green from becoming palm oil plantations. The project is the largest donor to the Orangutan Foundation International, which runs several protection programs for the orangutan population.



**Improved Cookstoves project: Kenya**

The Kenya Improved Cookstoves project aims to tackle key development issues by building sustainable supply chains for cooking products. As a Gold Standard project, the objective is to serve the most vulnerable communities across Kenya by tackling health and safety issues relating to traditional cookstoves, whilst also reducing greenhouse gas emissions. The project leads to reduced dependence on non-re-

newable biomass sources, while promoting financial security, female empowerment and local job creation. By subsidizing the sale of fuel-efficient cookstoves across Kenya, cooking conditions are improved, safety is maintained and indoor air pollution is reduced.



**Gobi Wind Power, China**

The wind power project delivers renewable electricity to the North China power grid. It is located on the edge of the Gobi Desert, close to the inner Mongolia Region and consists of 200 turbines.

In addition to emission reductions through availability of renewable energy in a region where this is not commonly available, the project delivers multiple other benefits, such as creation of local jobs both during construction and in the power infrastructure.

The project is certified according to the Clean Development Mechanism (CDM).





## Elopak Spain hits 50 million Carbon Neutral cartons

In 2020 our market unit Elopak Spain, hit the milestone of more than 50 million CarbonNeutral® cartons sold. When Elopak first introduced carbon-neutral cartons in 2017, the concerns with carbon footprints were still low. Now, Spanish manufactures and retailers recognize the value of Elopak's low carbon solutions and are increasingly using carbon-neutral cartons as part of their value proposition and communication. As carbon neutrality is expanding throughout customer brands, Elopak Spain is expected to reach 100 million units in 2021.



## Pure-Pak® Imagine wins the CarbonQuota Award 2020

Elopak's Pure-Pak® Imagine carton is the first winner of the CarbonQuota Award for the Most Sustainable Initiative in Print, 2020. The inaugural awards acknowledge and reward the exceptional sustainability initiatives across the print and packaging industry in the face of an increasingly competitive market.

Nathan Tiller, Director at CarbonQuota, which specializes in carbon certification, reduction, and offsetting for its clients, said: "For these awards, we were looking for initiatives in the print and packaging industry that showcased a cutting edge blend of carbon reduction and sustainable sourcing. We were pleased to see many organizations focusing on making improvements and reductions in what they know."

"Not only is Elopak's environmental footprint demonstrably lower than alternatives, but the legacy of their organization suggests it is going to get better and better. That is what is important to us – a continuous recognition that what was good enough yesterday is not going to be good enough tomorrow."

CarbonQuota specializes in carbon consulting, certification, reduction, and offsetting for its clients with independent advice that provides reassurance, confidence, and recognition. All projects are carried out by a team of specialist carbon lifecycle scientists. It is the only system that impartially brings together science, analytics, and industry expertise to help buyers and sellers of print and packaging reduce their carbon footprint.





# The environmental benefits of beverage cartons

In December 2020 The Alliance for Beverage Cartons and the Environment (ACE) published a report supporting the superior performance of beverage cartons. The report was commissioned by ACE and carried out by Circular Analytics at the University of Applied Sciences Campus Vienna, Austria.

The report was derived from the results of LCA meta-analysis, and the interpretation of studies into the comparison of packaging options for liquid food and beverages. Circular Analytics found strong evidence of a superior performance concerning the global warming potential of beverage cartons compared to alternative packaging options of PET bottles and single-use glass bottles.

The report concludes that the superior performance of the beverage carton is a result of its packaging and transport efficiency, and the renewable origin of its main material of sustainably sourced wood.

Packaging efficiency means that only low quantities of packaging material are required for packing a product. The report found that beverage cartons has a higher packaging efficiency

than single-use and reusable glass bottles, and PET bottles.

The high packaging efficiency also leads to a higher transport efficiency, resulting in lower emissions due to transporting goods. Thirdly, as beverage cartons are made from renewable materials, they reduce the strain on fossil resources e.g. to produce plastic. The report states that even if the entire European Union meets a 90% collection rate of e.g. PET bottles by 2030, plastic consumption would still be higher than with beverage cartons.

Finally, beverage cartons are made from wood sourced from sustainably managed forests. The report stated that while e.g. PET bottles are comprised of 100% plastic, beverage cartons are mainly made from wood. Although cartons do require some plastic components, such as caps and liners, these can be produced from bio-based raw materials such as sugarcane or tall oil. Therefore, beverage cartons can be manufactured with materials of 100% biogenic origin.







## Saaremaa moves from plastic bottles to sustainable cartons

Estonian island Saaremaa has experienced some of its toughest times in the last few months. With much of the population infected with COVID-19, Saaremaa became known as ‘The Corona Island.’ But the tough times have not deterred the island’s businesses to stop innovating, including Saaremaa Piimatööstus (Saaremaa Dairy) who has re-launched its organic milk in sustainable cartons, in a move from HDPE plastic bottle packaging.

In a move from HDPE plastic bottle packaging, Saaremaa Piimatööstus (Saaremaa Dairy) has re-launched its Mo Saaremaa ÖKO organic milk in sustainable cartons. On the Estonian island Saaremaa, and in the face of huge COVID-19

infections, the new carton was introduced in March 2020.

Mo Saaremaa ÖKO organic whole milk is a product for people who care about both health and the environment. It was essential to a package that was the perfect fit for these criteria. For Saaremaa Dairy, Elopak’s Natural Brown Board Pure-Pak® Sense carton was the only ideal choice.

The dairy selected the most sustainable carton for this major switch of packaging strategy, with Natural Brown Board and renewable PE. The cartons are also carbon-neutral, and were used again in April 2020 to re-launch Saaremaa’s Pett and betti buttermilk products.



## Levmilk swaps PET bottles for cartons

In May 2020, Lev milk Dairy in Slovakia re-launched its fresh products in cartons, switching from its long-established packaging format of PET bottles. The new carton followed feedback from retailers calling for a more ecological alternative to plastic packaging.

Glass bottles were considered, but Elopak’s portfolio convinced Lev milk that the only right direction was the Pure-Pak® carton. Lev milk launched 1 liter Pure-Pak® Sense cartons with Natural Brown Board for its fresh Kefir products and continues to fill more products into cartons to meet the demand for eco-friendly packaging.

The dairy has said that the new cartons reduce CO<sub>2</sub> emissions by 38%, with up to 87% of the carton made from wood from renewable forests and other controlled sources. The carton has a lower plastic content, reduces transport costs, and consumes less raw materials in production.

The dairy selected the most sustainable carton for this major switch of packaging strategy, with Natural Brown Board and renewable PE. The cartons are also carbon-neutral, and were used again in April 2020 to re-launch Saaremaa’s Pett and betti buttermilk products.

# Our recycling

Made of materials ready for countless new applications, our Pure-Pak® cartons live on after use when collection and recycling are available. At a growing number of recycling sites, the carton's layers are separated for remanufacturing into new products such as cardboard boxes, furniture and roof tiles.

Our cartons contain fibres of very high quality that can be recycled up to seven times. The challenge is to work with stakeholders to continue to make national collection and recycling facilities more widely available and easily accessible, so more people can recycle. Therefore, Elopak works together with associations and industry peers to increase and strengthen the awareness, collection and recycling of cartons across our markets.

Elopak is an active member of dedicated beverage carton associations in many countries, and a founding member of EXTR:ACT, an organisation dedicated to increasing the collection and recycling of beverage cartons in Europe.

## Progress on recycling

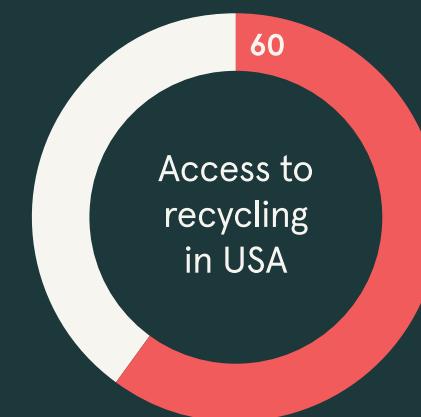
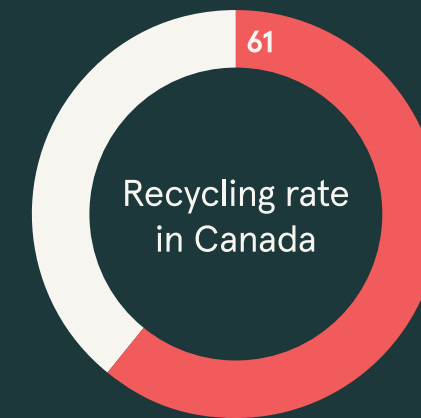
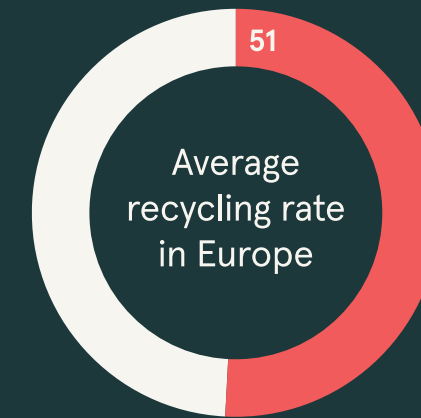
The beverage carton recycling rate in Europe has been steadily increasing over the past two decades.

In 2019, the carton recycling rate in EU was 51%, up 2% on the previous year. Some European countries reach rates above 70%, while there is still room for increased recycling participation in other countries. The beverage carton industry in Europe has set a joint target of 70% recycling by 2030.

In Canada, the recycling rate for gable top cartons in 2020 was 61%. The Carton Council of Canada has set an ambition to see the carton recovery rate grow to 70 per cent by 2025 (from 60 per cent in 2018).

In the US, over 61% (71 million) of households have access to beverage carton recycling. Elopak works actively in the industry to drive the collection, sorting and recycling of beverage cartons in the North American market.

## Recycled (percent)





## Canada announces first recycling plant for 20 years

It is now over a decade since Boxed Water is Better<sup>®</sup> was launched in the U.S. as a brighter and higher standard with the most renewable option in the water aisle.” On 1st May 2020, the Carton Council Canada announced the opening of Sustana Fiber’s mill located in Lévis for the recycling of food and beverage cartons.

The Sustana Fiber Lévis mill is the first in Canada to recycle cartons for 20 years. Its initial capacity estimate at 3,000 to 4,000 metric tons of used cartons annually is expected to rise in volume. The decision to recycle cartons reflects Sustana’s strategic commitment to innovation and sustainability; and meets the need for alternative sources of high-quality fiber due to the increase of household paper products.

“By recycling alternative fibers, we are proud to enhance our support for a thriving circular economy and help conserve precious resources. We are also keen to do our part, supporting the supply chain and working to make the products people need,” says Michele Bartolini, Senior Marketing Director at Sustana.





# Recon polymers starts recycling of plastic and aluminum

The Dutch company Recon Polymers, located in Roosendaal, has developed a new innovative technology to process the plastic and aluminum mix from beverage cartons. In September 2020, they started commercial production with a capacity of about 6,000 tons of PolyAl per year.

## Recycling of plastic and aluminum

Elopak's cartons consist of paperboard with a small amount of plastic and, in some cases, a thin layer of aluminum. The recycling of paper fibers, converting them into high-quality paper pulp for use in both industrial and consumer products, is already a well-established

process with healthy market demand where collection and recycling schemes are in place.

Elopak is working to increase the possibilities for recycling the plastic and aluminum mix. Recon Polymers first separates the HDPE plastic caps and the LDPE plastic layers. The recovered plastics from the caps enter into existing end-markets for recycled HDPE, such as pipes and recycling bins. The LDPE plastic and aluminum mix are processed into a new raw material. The Dutch producer Fauna Bird products BV has already put on the market some products made from PolyAl, such as bird feeders for their brand





# Recycled content

One of the key topics raised by stakeholders these days is circular economy. No doubt there is a push in the market to replace virgin materials with recycled ones in an attempt to move from the linear “take-make-dispose” culture to the infinitely circular society where no new materials are needed.

There are many important elements to consider before moving towards recycled content in food packaging. Current challenges related to recycled content in beverage cartons are the risk of contamination from unknown chemical substances in post-consumer waste\* and the availability of recycled materials.

Elopak will look into introducing recycled content in our cartons provided food safety regulations and technical feasibility allow. It is a topic often discussed with multiple stakeholders. The goal is to start by focusing on introducing recycled content in the barrier layers. In 2020, we did not use any recycled content material in our primary packaging. However, some of the secondary packaging of our cartons contains recycled fibers.

\*: regulated by EC/1935/2004 on materials and articles intended to come into contact with food, and EC/2023/2006 on good manufacturing practice for materials and articles intended to come into contact with food.



# FuturePack

Elopak is taking part in a long-term research project called “FuturePack”. The project was initiated by the Norwegian green dot organization and aims to find sustainable and economically viable solutions to technological, societal, political and environmental challenges in order to develop plastic packaging materials for the future. The project started in 2017 and is supported by the Research Council of Norway. There are 13 partners in the project, 8 from industry and 5 from institutes/universities. Although slightly delayed due to Covid-19, some progress was made during 2020.

After a comprehensive mapping of potential feedstock, the recommendations are to use wood, straw and plastic waste. A novel two-stage pyrolysis process is to be developed for direct co-pyrolysis of biomass and plastics waste into ethylene and propylene. This will result in a range of components together with ethylene and propylene. 3-layer films with recycled PE in the core layer and virgin PE in the outer layers have been made and tested thoroughly both in terms of migration, processing properties and odour.

The project also includes an LCSA study which provides insight into environmental and societal factors related to bio- vs fossil-based polymers as well as the impacts of the pyrolysis process. The model will be further developed using data provided from the project.

# Profit



Complementing our ongoing fight against food waste, we also aim to further reduce the carbon footprint of packaging, replacing current solutions with the long-time proven Pure-Pak® cartons, leveraging earth's natural renewability.

Doing so, not only do we support our customers in reducing their packaging carbon footprint and reaching their sustainability goals, we also generate economic value together. The economic dimension of sustainability is an integral part of Elopak's promise to be a sustainable company and we are convinced that in turn, sustainability is a driver for economic value, growing collaboratively with all stakeholders involved in our value chain.



# PURE-PAK® is the natural solution

Plastic waste remains the number 1 challenge in packaging. Plastic has become the cause of the evil in the minds of consumers. The problem is very visible, and everyone knows about the plastic islands in the oceans and the environmental damage caused. Already 30% of all households are reluctant to use plastic packaging when shopping and alternatives are available. This sentiment is only growing. Consumers attach even greater importance to avoiding plastic today compared to 2019, even though the topic of hygiene was placed very much in the foreground at the Point-of-Sale during the COVID-19 pandemic.

Moreover, environmental concerns have become only broader and stronger in the course of 2020. Gfk asked its consumer panels amid the COVID-19 pandemic what keeps them awake at night and the primary answer is Climate Change.

Most FMCG companies and retailers has a strategy on sustainable packaging. It is how-

ever no secret that the sustainability credentials of packaging solutions vary considerably. Choosing the right pack has several potential benefits: the first in reducing the overall carbon footprint of a finished product, and the second in ensuring the product is kept safe and fresh, helping to minimize waste.

While weighing up the options on an offer can be a daunting process, it is worth noting that beverage cartons have strong environmental credentials when compared with alternatives such as plastic bottles. A Lifecycle Assessment study from 2018 showed the carbon footprint of a standard carton to be up to 80% lower than that of a disposable PET bottle\*. Recycled content does not significantly change that picture. Even with optimized logistics and adding 75% recycled content to the PET bottle, the difference remains approximately 50%. In Europe, an average of 8% recycled PET is currently used in bottles.



Low carbon, circular packaging offered by Pure-Pak® cartons and fibre-based packaging in general is the natural solution, which has been finding traction over 2020 also in non-traditional carton segments like water.

\*: Life Cycle Assessment (LCA) performed by the Institute for Energy and Environmental Research (IFEU) in 2018. The study compared 1 litre beverage cartons for milk and juice with commercially available disposable and reusable systems in the German market including glass and PET packaging. The entire life cycle of all market-relevant packaging was considered.

Packaging is also a straightforward and strong communication vehicle. And innovation is continually driving improvements in the industry, hence opening up exciting new options in the field of low carbon and carbon neutral packaging. One of the latest innovations to gain traction is Elopak's Natural Brown Board carton, which is renewable, recyclable where collection and recycling schemes exist, and has a lower carbon footprint than conventional cartons, owing to reduced wood consumption and the elimination of the bleaching process. These are a rustic take on the company's iconic Pure-Pak® cartons, made with one less layer to allow the natural colour of the wood fibres to shine through.



## Case

# Cool idea for Danish water

Entrepreneurial Danish business Postevand was founded in 2014 with the mission to be the best and most sustainable alternative to spring water in plastic bottles. Postevand, which means 'tap water,' packages exactly that – Danish tap water in Pure-Pak® cartons.

"We are starting to see the consequences of our plastics culture, and we expect that in 2050 there will be more plastic in the sea than fish," adds Jesper. "No matter how plastic packaging is presented – as recycled, reusable, etc. – it is still a fact that plastic comes from fossil fuels. So, for us, cartons that are FSC-certified and made from renewable materials was an obvious choice."

In 2020, Postevand introduced its 1-liter Pure-Pak® cartons as a sustainable and reusable cool pack for the growing home delivery market. The pack is filled with 800ml of water, undergoes a slow deep-freezing process, and is then used to keep food chilled and fresh. Consumers can reuse them as cool packs or defrost the water.



 Case

## Natural Brown Board Cartons Set New Industry Standard

In 2020, Elopak recorded a significant increase in the sale of Natural Brown Board cartons compared to previous years. Approximately 20 percent of Pure-Pak® milk cartons in Western Europe are produced with Natural Brown Board. This figure far exceeded the initial projections and set a new standard for ecologic milk and plant-based drinks.

In 2017, in partnership with supplier Stora Enso, Elopak was the first packaging company to provide gable top cartons made with Natural Brown Board. These Pure-Pak® cartons are renewable, recyclable where collection and recycling schemes are in place, and have a lower carbon footprint than other cartons, owing to reduced wood consumption and the elimination of the bleaching process. Their rustic, natural look effectively communicates this commitment to sustainability and instantly stands out on the shelves.

Many of our customers offer organic, green, or otherwise sustainable products. Therefore they want a packaging solution that reflects this ethos and instantly signals their commitment to the environment. The unbleached, natural look of the Pure-Pak® with Natural Brown Board effectively communicates inherent sustainability of these products.



Recent studies show consumers addressing spontaneously the highest preference in terms of environmental credentials, to Pure-Pak® cartons in Natural Brown Board, well above glass and far above typical brick-shaped cartons and definitely PET bottles. As such, launched in 2017, today approximately 20 per cent of the Pure-Pak® milk cartons sold in Western Europe are produced with Natural Brown Board. Towards the end of 2020, the volume of these cartons surpassed one billion units. Their lower CO<sub>2</sub> footprint means an estimated 3,000 tons of greenhouse gas emissions have been avoided as a result.

Many FMCG brands are going even further in their quest to reduce their carbon footprints by removing the caps again. A clear and visible answer to the engaged consumer of today by explicitly replacing plastics.





## Arla splashes down in plant-based market with new brand and new carton

The plant-based market exploded in 2020 with many customers expanding or entering this sector. Arla Foods launched its new brand JÖRD, featuring three dairy alternative drinks in cartons.

For Arla, the new brand expands products for all consumers so dairy and non-dairy products can be enjoyed side by side. The first three products under the JÖRD brand were introduced across Denmark and UK featuring a range of dairy-free oat-based drinks: JÖRD Oat, JÖRD Barley and JÖRD Hemp, presented in 1 liter Pure-Pak® Sense cartons with Natural Brown Board. All the products are organic and contain only natural and Nordic ingredients.

“It was natural for Arla to enter this market, which is adjacent to the milk category. New products should

be fascinating and interesting, and we know from research that taste and novelty are driving this category,” said Arla’s Senior Innovation Manager, Vadim Smolenkin.

Extensive consumer research and focus groups enabled Arla to identify the best recipes for JÖRD and the best package. The carton communicates the Nordic and natural values of JÖRD with its look and feel. It generates a warm, confident feeling with the consumer due to its responsibly sourced materials, sustainable design, and recyclability.”

[www.jordplantbased.com](http://www.jordplantbased.com)





## TINE gets nostalgic with classic milk carton

In 2020, TINE was the first dairy in Norway to remove plastic caps from milk cartons. TINE organic milk was launched in 1 liter Pure-Pak® cartons with Natural Brown Board and a new and improved version of the classic carton opening. By removing the cap on TINE's organic milk, the dairy reduces its plastic consumption by at least 5 tonnes every year.

TINE, was one of the first to use 100% forest-based renewable cartons and is completely

dedicated to taking care of the environment. The new carton is a further step forward for our long-standing customer's continuous efforts to reduce its climate footprint.

The opening feature, which many will know as "fold-out and bend back," creates a modern, nostalgic version of the original milk carton. For TINE, the development provides a more environmentally friendly carton with an even lower carbon footprint than conventional cartons.



## Swedish consumers say no to plastic caps

In Spring 2020, Skånemejerier decided to remove the caps on all Hjordnära organic milk. An easy opening feature replaced the plastic closure on the 1 liter Pure-Pak® cartons. Sweden's second-largest dairy then let the sales figures and consumer reactions determine the future of plastic caps.

Consumers contacted the dairy via social media and its customer service department, with a clear majority of 79% preference for packaging without the plastic closure.

A result that demonstrates consumers prioritize sustainability over convenience is exactly what Skånemejerier was hoping for. Removing the plastic cap reduces the climate impact of packaging, and it also makes it easier for consumers to recycle. The new carton perfectly fits Skånemejerier's vision to be Sweden's most sustainable dairy and to minimize the amount of material in its packaging. The dairy now plans to gradually launch more products in Pure-Pak® cartons with no plastic cap.

## Pure-Pak® Imagine – our most sustainable carton ever

In 2020 we launched our most environmentally friendly carton ever, the Pure-Pak® Imagine. A modern version of the original and iconic fresh Pure-Pak® carton with a new easy-open feature eliminating the need for a plastic screw cap.

This latest carton is 100% forest-based, made with Natural Brown Board, and is fully renewable and carbon neutral. The Pure-Pak® Imagine carton's unique top fin helps guide consumers to open the carton to form a carafe for easy pouring. The new top fin shape adds a further important point of differentiation. Shape is the first recognition point for consumers, so this is especially important in markets less familiar with the easy opening feature.

In combination with the modern functionality of the easy-pour and easy-fold features, the carton sets a new benchmark in reducing plastics. The Pure-Pak® Imagine carton is first available for the fresh dairy category, creating the perfect low carbon, circular economy approach.





Going further, we will continue to reduce emissions from packaging, while working with stakeholders to ensure that recycling rates for beverage cartons continue to increase.

Since its launch, Elopak's Natural Brown Board has served as a platform for further sustainability-focused innovations, including the Pure-Pak® Imagine carton launched in 2020. This carton is a modern version of the company's original Pure-Pak® carton, containing 46% less plastic and designed with a new easy open feature. It has no plastic screw cap, is 100% forest-based and carbon neutral, making it Elopak's most environmentally friendly carton to date.

## Case

# Elopak joins HolyGrail 2.0: Pioneering digital technology for smart packaging recycling



In 2020, AIM, the European Brands Association, launched HolyGrail 2.0 – a cross-value chain initiative to improve packaging re-

cycling and drive circular economy goals using pioneering digital watermarks. Elopak is one of over 85 companies from across the packaging value chain to join the initiative inline with our commitment to advancing sustainable solutions through collaboration.

The 85 companies and organisations from packaging industry joined forces with the ambitious goal to assess whether digital technology can enable better sorting and higher-quality recycling rates for packaging in the EU.

The initiative tackles one of the most pressing challenges in achieving a circular economy for

packaging. The goal of the industry collaboration is to improve the sorting of post-consumer waste by accurately identifying packaging, resulting in more efficient and higher-quality recycling.

Digital watermarks can potentially revolutionise the way packaging is sorted in the waste management system. The benefits of the new technology were identified under the New Plastics Economy programme of the Ellen MacArthur Foundation which investigated innovations to improve recycling.

Digital watermarks are imperceptible codes, the size of a postage stamp, placed on the surface of packaging. They can carry a wide range of information including manufacturer, SKU, type of plastics used and composition for multilayer objects, food vs. non-food usage, etc.

Once a package has entered a waste sorting facility, the digital watermark can be detected and decoded by a standard high-resolution camera one the sorting line. Then based on the information contained in the code, the package is put into the correct sorting stream resulting in higher-quality recycling, benefiting the complete packaging value chain.

The New Plastics Economy programme found digital watermarks to be the most promising technology, and with support from stakeholders were able to pass a basic proof of concept on a test sorting line. The HolyGrail 2.0 initiative is enabling the next steps are being facilitated for this advanced technology which has the potential to revolutionise waste management systems, resulting in more efficient sorting of packaging and higher recovery rates for materials.



**4ever  
green**

## Joint industry initiative to boost fiber-based packaging recycling

In 2020, the joint industry initiative 4Evergreen had their launch event, committing to 90% recycling of fiber-based packaging by 2030. As a cross-industry alliance, 4evergreen fosters synergies among companies promoting low-carbon and circular fibre-based packaging. By bringing together the entire value chain, 4evergreen enables cooperation with a comprehensive outlook on fibre-based packaging's life cycle.





# Responsible supply chains

Elopak is committed to conducting business in a responsible manner and to account for social, ethical and environmental aspects in our value chain.

Our business depends on reliable and high-quality suppliers and raw materials that meet the demands of our own production as well as demands and expectations from our customers, end-consumers and other stakeholders. Responsible Supply Chain (RSC) is therefore a key strategic objective and reflected in our procurement policies and practices and we put great efforts into continuously improving our framework.

Elopak has a yearly spend of more than 650 million Euros with approximately 4000 suppliers globally related to the purchase of materials, goods and services needed to produce our cartons and filling machines sold to customers and in order to run our business effectively. Key raw materials related to our cartons accounts for approximately 60% of the total purchase spend and covers board, polymers, inks & solvents and aluminium.

## Approach

Elopak global Supplier Code of Conduct sets forth our expectations in the areas of business ethics, human rights, labor practices, health and safety and the environment. It is based on the ten principles of the UN Global Compact, the UN Declaration of Human Rights and core ILO (International Labor Organization) conventions and compliance with applicable laws and regulations. We expect that suppliers comply with the code or demonstrate conformance by having a corresponding code in place.

Elopak conducts risk-based integrity due diligence processes of our business partners including suppliers to ensure that the business partners' reputation, background and abilities meet our standards. As part of the supplier qualification and performance monitoring process all new suppliers undergo a prequalification review including SCoC engagement.



Key suppliers are defined based on the supplier's business criticality in addition to spend level and/or related to identified risk factors in the supply chain. These currently involves:

- Direct suppliers that provide raw materials for our carton production and secondary packaging
- Indirect suppliers mainly related to Logistics & Transport and plant investments

More in-depth assessments will be carried out minimum on a bi-yearly basis for Key Suppliers

using self-assessments, EcoVadis and/or on-site audits.

Some of the Categories related to our filling machines are also considered as key and they undergo similar processes managed by our Innovation & Engineering business area.

During 2020 we started working with EcoVadis as a third-party platform to assess the sustainability performance of our key suppliers. With EcoVadis we are able to better optimize the coverage of suppliers' assessments in our supply base.

In case Elopak identifies or becomes aware of a non-compliance we actively engage with suppliers to discuss and agree on mitigating activities and a clear timeline for following up the activities. If a supplier fails or shows unwillingness to improve or remediate the non-compliance after a reasonable period of time, we will evaluate next steps and appropriate contractual actions.

### Performance

By 2020 approximately 96 % of our Raw Material suppliers and in total 80 % of all suppliers by spend had either signed the Global Supplier Code of Conduct or demonstrated conformance.

During 2020, key suppliers accounting for 60% of total spend were more thoroughly assessed on their sustainability/CSR performance through EcoVadis.

We have put increased focus and effort on follow up activities with suppliers related to necessary actions identified in the assessments in order to secure continuous improvement.

We have also improved the internal framework and tools for supplier qualification and risk assessments and will continue to do so to further strengthen our risk-based approach. The target is to better incorporate specific category and country risks in addition to supplier criticality and dependency to make sure we address the most relevant risks in our supply chain.

Our procurement team has received introduction and training on our Responsible Supply Chain framework and key RSC experts have been offered and conducted more detailed trainings.

No suppliers were identified with significant risks nor with major negative impact in the supply chain based on supplier engagements and supplier risk assessments conducted during 2020.





# Certification of raw materials

Chain-of-custody certification systems helps consumers and industry further down in the value chain gain proof of evidence that the raw material – although several steps up the chain – is actually derived from a sustainable source.

Our main raw materials are paperboard and plastic. Some of our cartons also contain a thin layer of aluminium. We aim for certification of all fibers used in our beverage cartons, as well as all the renewable PE we are using. We also aim for certified aluminium through the Aluminium Stewardship Council, of which Elopak became members early 2021. Through our Raw Material Sourcing Policy as well as our Global Supplier Code of Conduct and our Sustainability Program, we secure a consistent approach anchored in our Procurement Team as well as our Sustainability Team.

Our approach is confirmed by our stakeholders who values certification of raw materials as a good and credible way of securing sustainable use of natural resources.

## FSC

Since Elopak secured certification in 2010, the annual sales of FSC-certified cartons have steadily increased. In 2020, 100% of Elopak's sales volume came from verified and controlled sources, of which 54% was FSC-certified (74% of the sales volume in Europe). All our FSC

labelled cartons are certified throughout every stage of the value chain; from forest yield, to paperboard production, to manufacturing of the final product.



Elopak is committed to maintain living and viable forests. 100% of our cartons are verified from controlled sources, with a continuous increase in sales of FSC-certified cartons.

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

## ISCC Plus

ISCC stands for “International Sustainability and Carbon Certification” and is a world-wide applicable and acknowledged certification system for any kind of bio-based feedstocks and renewables. ISCC PLUS is specific for food and feed products as well as for technical/ chemical applications (e.g. bioplastics) and applications in the bioenergy sector (e.g. solid biomass).

For Elopak, it is crucial to use credible certification systems when launching renewable PE for our products. The certification ensures good practices behind all steps in the value chain from first gathering point up until finished product.

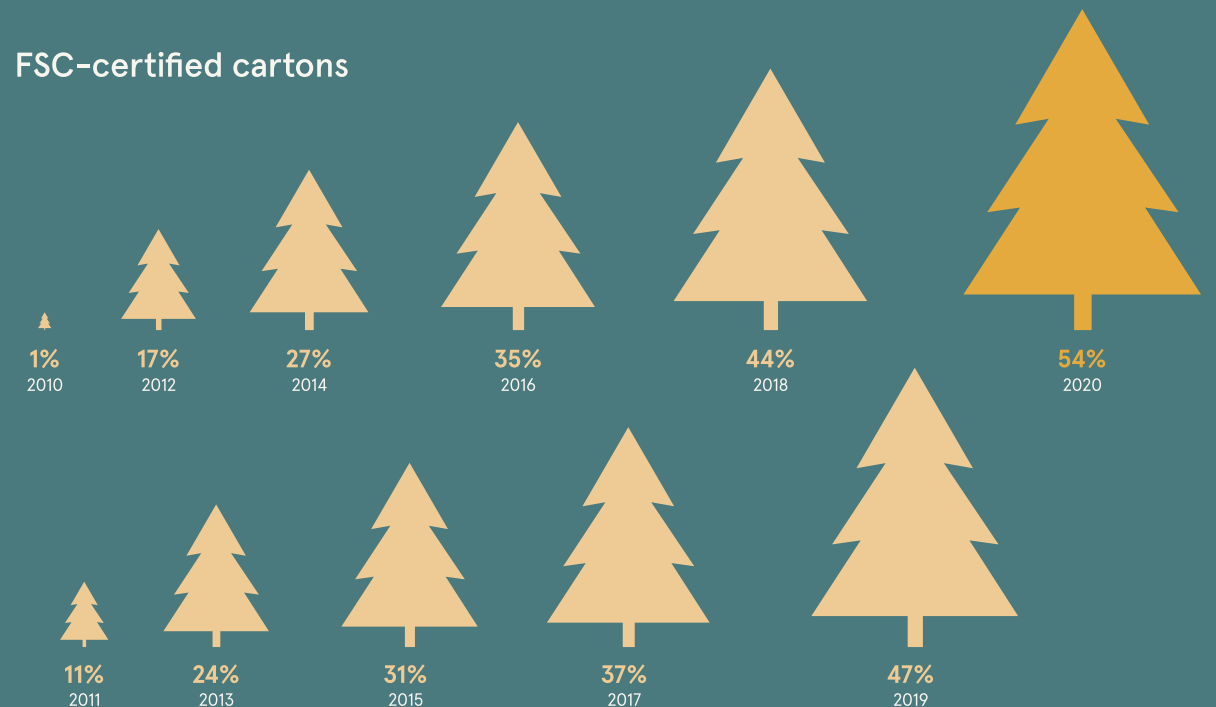
## Forest Stewardship Council

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

By “legal and acceptable”, or “controlled sources”, we mean wood fiber that is verified NOT to come from:

- Wood harvested in violation of traditional and/or civil rights
- Wood harvested in threatened high conservation value forests
- Wood harvested in forests being converted to plantations or for non-forest use
- Wood from forests in which genetically modified trees are planted
- Illegally harvested wood

## FSC-certified cartons



# Our Upgraded Technology Center

Located at the heart of the Elopak building, with windows facing down towards the Production test center, is a sophisticated meeting room with modern technical AVI equipment and carefully chosen material; metal, glass, cork and wood. This is a room with an atmosphere ideal for fruitful discussions, idea generation, work shops, learning and training for Elopak and its customers. A factory for new ideas.

## Board development and innovation

Elopak develops and introduces board innovation three or four times faster than other manufacturers. The most recent best example is the huge commercial success of Natural Brown Board.

While developing new and better boards, one constant is to reduce the carbon footprint of the board whilst maintaining performance. This is done by reducing the consumption of wood, chemicals and non-renewable components again and again.

Elopak has three main strategies for achieving these goals. The first is the use of non-bleached fibres in the board, which are stronger than bleached fibers. Secondly and in addition, we use Micro Fibrillated Cellulose to reinforce the bonds between the fibers. By not calendaring (ironing) the board, the board performance can be maintained while using less fibers and in addition achieve a more natural look and feel.

We have also developed processes that enable these different strategies to be combined and create board that has a unique look and feel in addition to being more sustainable.







# About the report



Elopak has reported our environmental data since 2008, and issued our first sustainability report for 2019, in 2020. This report is Elopak's first fully digital sustainability report conducted in accordance with the Global Reporting Initiative (GRI) framework for reporting on sustainable development. The report is based on GRI core reporting criteria with disclosures on selected elements as well as identified material issues.

Elopak issues annual sustainability reports, and this report (issued 11 May 2021) covers the full year of 2020. The previous report (for 2019) was

issued in July, 2020. In the approach and strategy parts of this report, the contents, boundaries and material topics are listed. Most of the issues remain the same as in 2019, however, some minor changes were done in this year's report, following input from external stakeholders. Read more details about the report, methodology, data tables, GRI Index and further documentation, in the [online version](#).

Any questions to this report can be directed to Elopak's Sustainability Director: [marianne.groven@elopak.com](mailto:marianne.groven@elopak.com)



# People

Our employee data is provided by corporate HR on an aggregated level. The majority of Elopak's employees are working in the Netherlands (480), Denmark (311), Canada (295), Germany (255), Russia (191), and Norway (167). Data is presented per continent. We assume Russia to be part of Europe since our factory is located in St. Petersburg which is in the European part of Russia.

There are two types of temporary workers in Elopak, some are hired on a temporary contract, others are hired through agencies. At year end 2020 there were 100 temporary

workers from agencies registered (these are not listed in the data table as they are not registered in the global HR system, only in the local HR system). Elopak does not have any major seasonal variations in its workforce.

The PureEthics training is rolled out annually to all employees. Since the 2020 training was rolled out very late in the year, completions has been counted as per April, 2021.

Elopak is working on refining our definitions of employee categories in order to secure more consistent reporting from 2021 onwards.



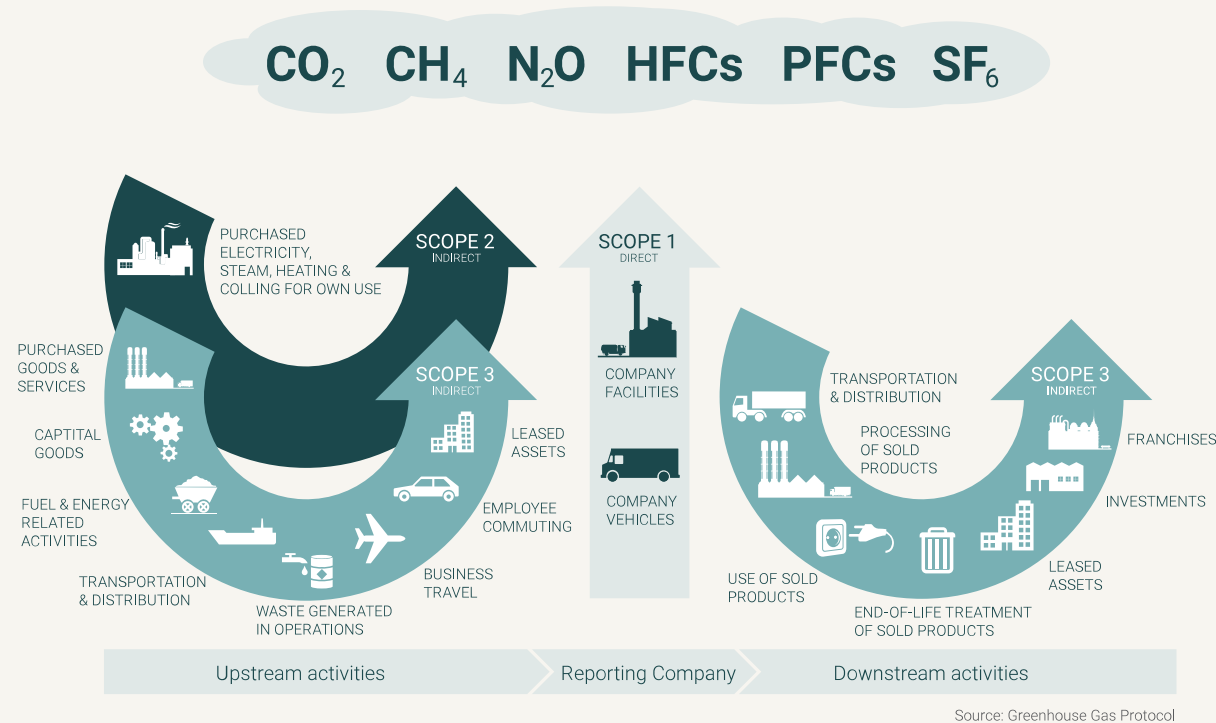
# Environmental data

For transparency and comparability, we have published our key environmental data since our environmental reporting began in 2008. The data originates from Elopak’s internal reporting system, Footprinter, collated from production, administration and sales units worldwide. Our environmental data shows the development of Elopak’s environmental impact each year, as prescribed in the Greenhouse Gas (GHG) Protocol, including the updated revisions of the GHG Protocol Scope 2 Guidance (2015). Our 2020 data has been audited and verified partly by SGS and partly by Anthesis Consulting Group.

## How we report

For our reporting, we abide by the Greenhouse Gas Protocol, a widely used standard for corporate environmental reporting. Elopak reports according to the ‘operational control’ consolidation approach, which covers all Elopak’s market units; and converting, roll-fed, coating and filling machine plants worldwide. Joint ventures are excluded. Elopak’s greenhouse gas data is reported in both CO<sub>2</sub> equivalents (CO<sub>2</sub>e) and in the separate greenhouse gases. According to the GHG Protocol, a company shall divide its emissions into three scopes. These scopes are described in the figure below.

	Elopak’s reporting categories	Science Based Target (SBT)
<b>Scope 1</b>	Consumption of natural gas, propane, heating oil, waste incineration, wood (direct emissions)	55% reduction by 2030
<b>Scope 2</b>	Electricity, district heating	Continue to purchase renewable electricity to cover the entire electricity consumption at all fully owned sites
<b>Scope 3</b>	Category 1: Purchased goods and services Category 6: Business travel (air and cars) Category 4 & 9: Third-party transport Category 11&13: Use of sold products and Downstream leased assets.	16% reduction by 2030



## Emission factor updates

For 2020 reporting, all electricity emission factors (scope 2), were updated according to the latest 2020 International Energy Agency’s (IEA) database, known as “CO<sub>2</sub> Emissions from Fuel Combustion.” All site fuels (Scope 1), district heating (Scope 2) and business travel and transportation (Scope 3) emission factors were also updated according to the latest 2020 DEFRA (UK Department for Environment, Food & Rural Affairs) emission factors. By updating all emission factors annually, we are more in line with market realities and emission factor developments that have occurred since we first began reporting in 2008.

## Science Based Targets

Elopak has committed to cut greenhouse gas emissions in line with the strictest criteria set by the Science Based Targets (SBT) initiative. Elopak has committed to cut Scope 1 emissions by 55% by 2030, to continue to purchase renewable electricity for the entire consumption at all Elopak fully owned sites, and to cut Scope 3 emissions by 16% by 2030. Elopak purchases renewable electricity through certificates, but even though the energy is renewable, there is a small CO<sub>2</sub>e emission factor linked to the renewable electricity certificates that Elopak purchases for Europe. These residual emissions in Scope 2 are included in Elopak’s Scope 1 target of 55% emission reduction by 2030.



### Renewable electricity

Elopak utilizes the market-based allocation method for our Scope 2 accounting. In 2020, Elopak utilized Guarantees of Origin (GOs) to cover electricity consumption of our production and administrative facilities in Europe. For North America (Canada and USA), Elopak utilized a similar system, Green-e certified Renewable Energy Certificates (RECs). GOs and RECs are systems to trace the source of electricity produced. The purchase is based on actual electricity consumption at various Elopak units within Europe and North America in 2020. The emission factor used for the European GOs is given in the EPD from the energy company in Norway and is 0,0068 (kg CO<sub>2</sub>e/kWh), and the RECs have an emission factor of zero.

The European Energy Certificate System (EECS) is the official European system for Renewable Energy Certificates (RECs) that was created to enable cooperation within renewable energy across borders. When the GO is used by a consumer, it is cancelled in the system to prevent double counting. More renewable energy

demand leads to more investment in renewable energy and less greenhouse gas emissions. Every country participating in the energy certificate system has a central organization which oversees the national markets for GOs. In addition, the entire European system is overseen by the Association of Issuing Bodies. This ensures the credibility of the energy certificate system.

According to new RE100 criteria, the electricity consumed must be sourced within the same market as it is produced. Most countries in Europe are included in the European single market. But, Elopak has two production plants, respectively in Russia and Ukraine, that are by definition outside the European single market. To adapt to the new RE100 criteria, Elopak will from 2021 onwards source I-RECS from Russian wind and solar PV to cover the electricity consumption from the Elopak production plant in Russia. No renewable energy certificate system is in place in Ukraine yet so Elopak will source GO's from wind power from Poland in 2021. This will be done until Ukraine has established an energy certificate system and can provide I-RECs.

### Scope 3 evaluations

In the process of setting internal emission targets for scope 3 in line with the SBT, we calculated and evaluated the emissions related to each of the Scope 3 categories. The criteria for selection of categories in scope 3 is that the chosen categories must cover at least two thirds of the total Scope 3 emissions. The table shows all categories in scope 3 and which ones are included in Elopak's reporting. From the GHG emission calculations for the three scopes it is clear that scope 3 is the biggest contributor to GHG emissions in Elopak, accounting for almost 99% of the total GHG emissions.

Science Based Target (SBT)	Elopak's inclusion
1. Purchased goods and services (only raw materials)	Partly included in SBT reporting
2. Capital goods	-
3. Fuel and energy related activities	-
4. Upstream transportation & distribution	Included in SBT reporting
5. Waste generated in operation	-
6. Business travel	Included in SBT reporting
7. Employee commuting	-
8. Upstream leased assets	-
9. Downstream transportation & distribution	Included in SBT reporting
10. Processing of sold products	-
11. Use of sold products	Included in SBT reporting
12. End-of-life treatment of sold products	-
13. Downstream leased assets	Included in SBT reporting
14. Franchises	-
15. Investments	-

### Scope 3 is the largest contributor to greenhouse gases in Elopak's value chain

Our baseline emissions for SBT 2017:



### **Business travel**

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

Some Elopak units are still reporting business travel manually in the internal reporting system, Footprinter. All data, from the new system and Footprinter, is compiled and calculated to get information on the total emissions related to business travel in Elopak. The emissions reported related to scope 3, category 6, business travel, for 2020 have been third party verified by SGS in 2021.

### **Transport**

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

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

The emissions reported for 2020 related to scope 3 (category 4 and 9), upstream and downstream transportation and distribution (under Elopak's operational control), have been third party verified by SGS.

### **Raw materials and cartons**

To calculate carbon footprint of our products, we use internal calculations, which have been verified by a third party. We use an in-

ternal tool called "DEEP – Dynamic Elopak Environmental Performance" (version 9.0), which is a cradle-to-gate calculation that considers all emissions connected to the production of all raw materials, as well as Elopak's own operations including final conversion, and all transportation up to the delivery at Elopak's customers' gate. The scope covers Elopak's operation in Europe, and in 2019 we also developed DEEP for North America.

The methodology is in line with the ISO standards for Life Cycle Assessments (ISO 14040 and 14044). The Product Category Rules (PCR) for beverage cartons are followed where relevant to the carbon footprint calculation methodology (PCR Beverage Cartons 2011:04 Version 1.0, developed in accordance with ISO 14025:2006).

Primary data is used for Elopak's own operations and the production of some raw materials. Internal production data is taken from Elopak's reporting tool, "Footprinter" (2020 data), Purchase of renewable energy certificates. Internal transport data is calculated based on reporting from Elopak's units (2020 data). Suppliers' primary data is used for key raw materials. Secondary data is sourced from LCA databases

where this is relevant, such as EcoInvent, and studies for some of the raw materials, such as PlasticsEurope and the European Aluminium Association, as specified in the beverage carton PCR.

The emissions reported related to scope 3 category 1, purchased goods and services (raw materials), for 2020 have been carried out by Anthesis Consulting Group in 2021.

### **Filling machines in operation**

Elopak is producing filling machines and is both selling and leasing these machines to customers. The use of sold and leased filling machines at customer site is a part of Elopak's scope 3 emissions, and is included in the SBT reporting. In order to calculate the emissions related to sold and leased filling machines, Elopak started with mapping all filling machines ever sold and leased. Then the emissions were calculated per machine, starting with summarizing the operation and cleaning consumption and applying emission factors. An estimated operation time for all the filling machines was assumed. For leased machines, consumptions and emissions are calculated for one year, and for machines sold the emissions are calculated for 20 years.



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

The emissions reported related to scope 3 category 11 and 13, use of sold products and downstream leased assets (filling machines), for 2020 have been carried out by Anthesis Consulting Group in 2021.

#### **Carbon neutral company and packaging**

The carbon neutral company certification compensates for the emissions related to the manufacturing process, transport and business travel. This certification is in accordance with the PAS2060 standard. Carbon neutral packaging extends the scope of emissions to include all the emissions associated with the cartons (raw material production, waste and onward distribution). Carbon neutral packaging is certified according to The Carbon-Neutral Protocol. All calculations are verified

by an independent third-party, Anthesis Consulting Group. Company emissions has been additionally verified by South Pole upon issuing the carbon neutral certificate. Packaging emissions has been additionally verified by Natural Capital Partners.

For 2020, Elopak has supported three projects for our carbon neutral company certification. The projects are verified according to international standards used in the voluntary offset market, respectively VCS (Kenya agriculture and Isangi forest conservation project) and CDM (Clean Development Mechanism under the Kyoto Protocol – Landfill gas project Mexico). Certificates are issued by South Pole.

The projects supported for carbon neutral packaging in 2020 were also verified according to the international standards used in the voluntary offset market, respectively Verified Carbon Standard (VCS – Rimba Raya), Gold Standard (Cookstoves) and CDM (Clean Development Mechanism under the Kyoto Protocol – Wind power). The mangrove planting project is an additional project not creating carbon offsets. Certificates are issued by Natural Capital Partners.





# UNGC principles

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

## Human Rights

### **Principle 1:**

Businesses should support and respect the protection of internationally proclaimed human rights

Read our approach here.

### **Principle 2:**

make sure that they are not complicit in human rights abuses

Read our approach here, here and here.

## Labour

### **Principle 3:**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Read our approach here.

### **Principle 4:**

the elimination of all forms of forced and compulsory labour

Read our approach here.

### **Principle 5:**

the effective abolition of child labour

Read our approach here.

### **Principle 6:**

the elimination of discrimination in respect of employment and occupation

Read our approach here, here and here.

## Environment

### **Principle 7:**

Businesses should support a precautionary approach to environmental challenges

Read our approach here.

### **Principle 8:**

undertake initiatives to promote greater environmental responsibility

Read our approach here.

### **Principle 9:**

encourage the development and diffusion of environmentally friendly technologies

Read our approach here, here and here.

## Anti-Corruption

### **Principle 10:**

Businesses should work against corruption in all its forms, including extortion and bribery

Read our approach here.



# GRI Index

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

## GRI 102

GRI #	GRI Description	Reference
<b>1. Organizational profile</b>		
GRI 102-1	Name of the organization	<a href="http://www.elopak.com/about">www.elopak.com/about</a>
GRI 102-2	Activities, brands, products, and services	<a href="http://www.elopak.com/about">www.elopak.com/about</a>
GRI 102-3	Location of headquarters	<a href="http://www.elopak.com/about">www.elopak.com/about</a>
GRI 102-4	Location of operations	<a href="http://www.elopak.com/about">www.elopak.com/about</a>
GRI 102-5	Ownership and legal form	<a href="http://www.elopak.com/about">www.elopak.com/about</a>
GRI 102-6	Markets served	<a href="http://www.elopak.com/about">www.elopak.com/about</a>
GRI 102-7	Scale of the organization	<a href="http://www.elopak.com/about">www.elopak.com/about</a> , pages 3 and 83
GRI 102-8	Information on employees and other workers	Pages 16 onwards, page 70 and 81
GRI 102-9	Supply chain	<a href="http://www.elopak.com/about">www.elopak.com/about</a>
GRI 102-10	Significant changes to the organization and its supply chain	No significant changes in 2020
GRI 102-11	Precautionary Principle or approach	Page 5
GRI 102-12	External initiatives	Pages 13 and 14
GRI 102-13	Membership of associations	Page 14
<b>2. Strategy</b>		
GRI 102-14	Statement from senior decision-maker	Page 4

GRI #	GRI Description	Reference
<b>3. Ethics and integrity</b>		
GRI 102-16	Values, principles, standards, and norms of behavior	Pages 4 and 5
<b>4. Governance</b>		
GRI 102-18	Governance structure	Page 7
<b>5. Stakeholder engagement</b>		
GRI 102-40	List of stakeholder groups	Pages 11 and 12
GRI 102-41	Collective bargaining agreements	Page 23
GRI 102-42	Identifying and selecting stakeholders	Pages 11 and 12
GRI 102-43	Approach to stakeholder engagement	Pages 11 and 12
GRI 102-44	Key topics and concerns raised	Pages 10, 11 and 12
<b>6. Reporting practice</b>		
GRI 102-45	Entities included in the consolidated financial statements	Page 83
GRI 102-46	Defining report content and topic Boundaries	Pages 10 and 69
GRI 102-47	List of material topics	Page 10
GRI 102-48	Restatements of information	No restatements
GRI 102-49	Changes in reporting	Page 69
GRI 102-50	Reporting period	Page 69
GRI 102-51	Date of most recent report	Page 69
GRI 102-52	Reporting cycle	Page 69
GRI 102-53	Contact point for questions regarding the report	Page 69
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Pages 2, 15 and 67
GRI 102-55	GRI content index	This page
GRI 102-56	External assurance	<a href="https://sustainabilityreport2020.elopak.com/about-the-report/documentation/">https://sustainabilityreport2020.elopak.com/about-the-report/documentation/</a>

## GRI 103

GRI #	GRI Description	Reference
<b>Renewability</b>		
GRI 103-1	Material topic and its boundary	Page 32
GRI 103-2	Management approach	Page 32
GRI 103-3	Evaluation of management approach	Page 32
<b>Net zero</b>		
GRI 103-1	Material topic and its boundary	Page 36
GRI 103-2	Management approach	Page 36
GRI 103-3	Evaluation of management approach	Page 36
<b>Recyclability and recycling</b>		
GRI 103-1	Material topic and its boundary	Page 51
GRI 103-2	Management approach	Page 51
GRI 103-3	Evaluation of management approach	Page 51
<b>Recycled content</b>		
GRI 103-1	Material topic and its boundary	Page 54
GRI 103-2	Management approach	Page 54
GRI 103-3	Evaluation of management approach	Page 54
<b>Safety</b>		
GRI 103-1	Material topic and its boundary	Pages 18-21
GRI 103-2	Management approach	Pages 18-21
GRI 103-3	Evaluation of management approach	Pages 18-21

GRI #	GRI Description	Reference
<b>Employability</b>		
GRI 103-1	Material topic and its boundary	Pages 23-24
GRI 103-2	Management approach	Pages 23-24
GRI 103-3	Evaluation of management approach	Pages 23-24
<b>Diversity</b>		
GRI 103-1	Material topic and its boundary	Page 26
GRI 103-2	Management approach	Page 26
GRI 103-3	Evaluation of management approach	Page 26
<b>Compliance</b>		
GRI 103-1	Material topic and its boundary	Pages 28-29
GRI 103-2	Management approach	Pages 28-29
GRI 103-3	Evaluation of management approach	Pages 28-29
<b>Responsible supply chain</b>		
GRI 103-1	Material topic and its boundary	Pages 64-65
GRI 103-2	Management approach	Pages 64-65
GRI 103-3	Evaluation of management approach	Pages 64-65
<b>Certification</b>		
GRI 103-1	Material topic and its boundary	Page 66
GRI 103-2	Management approach	Page 66
GRI 103-3	Evaluation of management approach	Page 66



## GRI 200

Strategic area	Material topic	GRI #	Description	Reference
Responsibility	Ethics and Compliance	GRI 205-2	Communications and training about anti-corruption policies and procedures	Pages 28-29
Responsibility	Ethics and Compliance	GRI 205-3	Confirmed incidents of corruption and actions taken	Pages 28-29

## GRI 300

Strategic area	Material topic	GRI #	Description	Reference
Environmental Impact	Renewability	GRI 301-1	Materials by weight or volume	82
Environmental Impact	Renewability	Self-defined	Renewable materials in beverage cartons	Pages 32-33 and 82
Environmental Impact	Renewability	Self-defined	Renewable fresh milk cartons in Europe	Page 33
Circular Economy	Recycled content	GRI 301-2	Recycled input materials used	Page 66
Environmental Impact	Net Zero	GRI 302-3	Energy intensity	82
Environmental Impact	Net Zero	GRI 302-4	Reduction of energy consumption	82
Environmental Impact	Net Zero	GRI 305-1	Direct (Scope 1) GHG emissions	Pages 37-43 and 82
Environmental Impact	Net Zero	GRI 305-2	Other indirect (Scope 3) GHG emissions	Pages 37-43 and 82
Environmental Impact	Net Zero	GRI 305-3	Other indirect (Scope 3) GHG emissions	Pages 37-43 and 82
Environmental Impact	Net Zero	GRI 305-4	GHG emissions intensity	82
Environmental Impact	Net Zero	GRI 305-5	Reduction of GHG emissions	Pages 37-43 and 82
Environmental Impact	Net Zero	Self-defined	Carbon Footprint of products	Page 40
Environmental Impact	Net Zero	Self-defined	Carbon Neutrality	Pages 44-46
Environmental Impact	Recycling and recyclability	GRI 306-2	Waste by type and disposal method	82
Environmental Impact	Recycling and recyclability	Self-defined	Recyclable beverage cartons	Page 51
Environmental Impact	Recycling and recyclability	Self-defined	Recycled beverage cartons	Page 51
Responsibility	Responsible supply chains	GRI 308-2	Negative environmental impacts in the supply chain and actions taken	Pages 64-65
Responsibility	Certification of raw materials	Self-defined	Certified raw materials	Page 66
Responsibility	Certification of raw materials	Self-defined	Fibers in beverage cartons from certified sustainable forestry (according to the most stringent and credible standards available)	Page 66

## GRI 400

Strategic area	Material topic	GRI #	Description	Reference
Responsibility	Health and Safety	GRI 403-1	Occupational health and safety management system	Pages 18-21
Responsibility	Health and Safety	GRI 403-2	Hazard identification, risk assessment, and incident investigation	Pages 18-21
Responsibility	Health and Safety	GRI 403-3	Occupational health services	Pages 18-21
Responsibility	Health and Safety	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 18-21
Responsibility	Health and Safety	GRI 403-5	Worker training and occupational health and safety	Pages 18-21
Responsibility	Health and Safety	GRI 403-9	Work-related injuries	Pages 18-21
Responsibility	Employability	GRI 404-1	Average hours of training per year per employee	Page 24
Responsibility	Employability	GRI 404-2	Programs for upgrading employees' skills and transition assistance programs	Pages 23-24
Responsibility	Employability	Self-defined	Being a motivating workplace	Pages 23-24
Responsibility	Diversity	GRI 405-1	Diversity of governance bodies and employees	Page 26
Responsibility	Diversity	GRI 405-2	Ratio of basic salary and remuneration of women to men	Page 26
Responsibility	Diversity	GRI 406-1	Incidents of discrimination and corrective actions taken	Page 26
Responsibility	Responsible supply chains	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pages 64-65
Responsibility	Responsible supply chains	Self-defined	Key suppliers assessed on performance covering key CSR/sustainability criteria	Pages 64-65







## Data tables

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

## People

Our employees	Europe	Americas	Total
Total number of employees	1 812	321	2 133
Male			1 669
Female			464
<b>Permanent employees</b>	1 778	317	2 095
Male			1 648
Female			447
Temporary employees	34	4	38
Male			21
Female			17
<b>Full time employees</b>			2 056
Male			1 641
Female			415
<b>Part-time employees</b>			77
Male			28
Female			49

### Safety

#### Employees

	2017	2018	2019	2020
<b>Fatalities due to work related injuries</b>				
Number	0	0	0	0
Rate	0	0	0	0
<b>High-consequence work-related injuries (without fatalities)</b>				
Number	6*	5*	17	11
Rate	1,5	1,2	4,1	3
<b>Recordable work related injuries</b>				
Number	38	29	53	25
Rate	9,7	6,9	12,9	6,9
<b>Number of hours worked</b>				
Hours	3 926 858	4 199 413	4 132 422	3 645 189
<i>Not employees (contractors)**</i>				

	2017	2018	2019	2020
<b>Fatalities due to work related injuries</b>				
Number	0	0	0	0
<b>High-consequence work-related injuries (without fatalities)</b>				
Number	0	0	0	0
<b>Recordable work related injuries</b>				
Number	0	0	1	0

\*: During 2019, better and more consistent reporting was implemented in all business areas

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



# Planet

		2008 (prev. baseline)	2017 (baseline)	2018	2019	2020	2017 vs. 2020
<b>Scope 1 Total</b>	tonne CO <sub>2</sub> e	10 927	8 709	8 290	8 182	7 055	-19 %
Scope 1 GHG Emission Breakdown	tonne CO <sub>2</sub>				8 063	6 974	
Scope 1 GHG Emission Breakdown	tonne CH <sub>4</sub>				7	6	
Scope 1 GHG Emission Breakdown	tonne N <sub>2</sub> O				9	6	
<b>Scope 2 Total (market-based approach)</b>	tonne CO <sub>2</sub> e	33 452	868	876	1 113	1 502	73 %
Scope 2 (location-based approach)	tonne CO <sub>2</sub> e	33 452	32 081	31 320	28 459	27 331	-15 %
Scope 1 + Scope 2 Residual	tonne CO <sub>2</sub> e	44 379	9 577	9 166	9 295	8 557	-11 %
<b>Scope 3 Total</b>	tonne CO <sub>2</sub> e		432 890		486 953	460 012	6 %
Scope 3 -Category 6: Business Travel, Travel air	tonne CO <sub>2</sub> e	3 491	3 856	4 290	3 273	884	-77 %
Scope 3 -Category 6: Business Travel, Travel car	tonne CO <sub>2</sub> e	713	1 502	1 186	914	794	-47 %
<b>Scope 3 -Category 6: Total</b>	tonne CO <sub>2</sub> e	4 204	5 359	5 476	4 187	1 678	-69 %
Scope 3 -Category 4: Upstream transportation and distribution*	tonne CO <sub>2</sub> e	-	21 768	37 341	24 687	21 494	-1 %
Scope 3 -Category 9: Downstream transportation and distribution*	tonne CO <sub>2</sub> e	-	19 381	19 980	22 836	22 350	15 %
<b>Scope 3 -Category 4 &amp; 9: Total</b>	tonne CO <sub>2</sub> e	-	41 149	57 321	47 523	43 844	7 %
<b>Scope 3 -Category 1: Purchased goods and services</b>	tonne CO <sub>2</sub> e	-	304 087	334 387	351 938	350 028	15 %
Scope 3 -Category 11: Use of sold products	tonne CO <sub>2</sub> e	-	68 252	-	68 244	54 585	-20 %
Scope 3 -Category 13: Downstream leased assets	tonne CO <sub>2</sub> e	-	14 043	-	15 061	9 876	-30 %
<b>Scope 3 -Category 11 &amp; 13: Total</b>	tonne CO <sub>2</sub> e	-	82 295	-	83 305	64 462	-22 %
<b>TOTAL Emissions (All scopes)</b>	<b>tonne CO<sub>2</sub>e</b>		<b>442 467</b>		<b>496 248</b>	<b>468 569</b>	
<b>GHG Emission Intensity</b>	g CO <sub>2</sub> e/produced carton	6,04	1,32	1,22	1,07	0,84	-37 %
<b>Total energy consumption</b>	MWh	130 742	140 924	141 859	142 232	133 629	-5 %
<b>Energy Intensity</b>	kWh/1000 cartons produced	13,60	12,00	11,40	10,90	10,50	-13 %

		2008 (prev. baseline)	2017 (baseline)	2018	2019	2020	2017 vs. 2020
<b>Raw materials purchased (liquid packaging board, aluminium and polymers)</b>	tonne	-	370 980	651 902	377 795	380 741	
% from renewable sources (by weight)	%		88	88	86	87	
% from certified sources (by weight)	%		33	39	41	48	
<b>Water</b>							
Water consumption	m <sup>3</sup>	41 554	43 031	47 760	43 623	43 056	
<b>Waste</b>							
Recycling of paper and board waste	%	95,3	98,8	100,0	100,0	100,0	
Incineration of paper and board waste	%	4,4	0,2	-	-	-	
Landfill of paper and board waste	%	0,2	-	-	-	-	
Board and Paper	tonne	-	44 260	35 407	34 022	34 351	
Metal	tonne	-	61,9	56,4	117,0	74,3	
Plastic	tonne	-	761,0	824,0	732,0	851,0	
Wood	tonne	-	141,0	91,2	94,5	94,9	
Electric	tonne	-	6,6	4,7	3,8	1,6	
<b>Total non-hazardous waste</b>	<b>tonne</b>	-	<b>45 230,5</b>	<b>36 383,3</b>	<b>34 969,3</b>	<b>35 372,8</b>	
Solvents / inks	kg	181	26	9	112	119	
Photochemicals	kg	12	60	-	67	94	
Cleaning towels	kg	38	41	103	23	40	
Waste oil	kg	3	10	1	3	3	
Other hazardous waste	kg	43	50	43	53	148	
<b>Total hazardous waste</b>	<b>kg</b>	<b>277</b>	<b>187</b>	<b>156</b>	<b>258</b>	<b>404</b>	

\*SGS verifies the emissions from transport that are under Elopak's operational control.

## Profit

### Our company (2020 data)

	k EUR
<b>Net revenue</b>	913 994
<b>Total capitalization</b>	749 123
Equity	185 444
Liabilities	563 678
<b>Quantity of products and services provided</b>	
Sales of cartons	12,2 bn
Placement of filling machines	35

### Entities included in the consolidated financial statements

Elopak AB	Sweden	Trading
Elopak BV	Netherlands	Manufacturing
Elopak GmbH	Germany	Trading and manufacturing
Elopak SpA	Italy	Trading
Elopak OY	Finland	Trading
Elopak Systems AG	Switzerland	Trading
Elopak Inc.	USA	Trading and manufacturing
Elopak Denmark A/S	Denmark	Trading and manufacturing
Elopak GesmbH	Austria	Trading

### Our company (2020 data)

OJSC Elopak Fastiv	Ukraine	Trading and manufacturing
Elopak S.A.	Poland	Trading
Elopak Israel AS	Norway	Holding
ZAO Elopak Russia	Russia	Trading and manufacturing
Elopak Canada Inc	Canada	Trading and manufacturing
Elofill GmbH	Germany	Holding
Elopak s.r.o.	Czechia	Trading
Elopak UK Ltd	UK	Trading
Elopak BS d.o.o	Serbia	Trading and manufacturing
Elopak Kft	Hungary	Trading
Elopak EOOD	Bulgaria	Trading
Elopak Tunisie SARL	Tunisia	Trading
Elopak Egypt LLC	Egypt	Trading
Elopak Algerie SARL	Algerie	Trading

### List of entities not included in this report

Lala Elopak S.A. de C.V.	Mexico	Joint Venture
Impresora Del Yaque	Dominican Republic	Joint Venture



