
Statement from our CEO

I am delighted to re-confirm CANPACK Group's support for the ten principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption and our unwavering commitment to the United Nations Sustainable Development Goals. Since formally supporting this international initiative CANPACK has accelerated its sustainability agenda and the business has made several significant ESG commitments which are covered in this progress report. In addition to supporting the circular economy in 2020, CANPACK implemented stretching environmental targets across all its global production facilities. Today all our plants are formally committed to reducing their consumption of electricity, thermal energy, water and waste and further improving waste recycling. Being a responsible business is a core priority for CANPACK and the Gold recognition we earned in February 2021 from EcoVadis reflects the progress we have made incorporating sustainability goals into our business strategy, daily operations, and culture. There is, of course, still room for improvement, but I am pleased to say that as each day passes CANPACK is becoming an even more responsible employer, packaging manufacturer, community member and business partner.



Roberto Villaquirán, CEO, CANPACK Group

Human Rights

Principle 1: *Businesses should support and respect the protection of internationally proclaimed human rights.*

Principle 2: *Businesses should make sure that they are not complicit in human rights abuses.*

CANPACK's responsibility for the welfare of people goes beyond those whom we directly employ. Our goal is to ensure that all the people we affect directly and indirectly through our operations are treated in a fair and safe manner and that human rights are respected.

To ensure this is the case we are committed to adhering to the Universal Declaration of Human Rights, and we require the same from our suppliers and business partners. We also insist that suppliers comply with the international standards established by the International Labour Organisation (ILO). Specific rules and practical guidelines supporting ethical behaviour of our employees are contained in the CANPACK Group Code of Conduct [\[LINK\]](#).

Through CANPACK's Group Supplier Code of Conduct [\[LINK\]](#) we require our stakeholders to adhere to a set of rules and encourage them to promote best practice in their own business.

In 2020, we introduced a bespoke Conflict Minerals Policy [\[LINK\]](#) and since 2021 we have been a member of the Aluminium Stewardship Initiative (ASI), an organisation that strives to ensure sustainability and human rights principles are increasingly embedded in the production, use and recycling of aluminium.

In 2021 we implemented a dedicated CANPACK Group Human Rights Policy [\[LINK\]](#). The policy provides a basic management framework and supports our employees, suppliers, and business partners in achieving our ambitions in the area of human rights. We are committed to achieving the following targets:

- 100% of employees will be trained in human rights and will sign our Code of Conduct - ongoing
- 100% of strategic suppliers will implement measures to protect human rights by 2025
- We will maintain zero confirmed incidents or legal actions reported against human rights - ongoing
- At least 33% of our strategic suppliers will be audited for human rights annually by 2025

CANPACK has also implemented other policies, statements and standards including:

- a Global Environment, Health and Safety Policy,
- a Security and Group Data Protection Policy,
- a Conflict of Interest Policy and IT Use Policy,
- a Statement on Modern Day Slavery,
- ISO 9001, ISO 22000 and BRC standards.

Communication and awareness

Our human resources, legal and compliance functions ensure that all employees are informed, understand and implement our Human Rights Policy. In our plants, we conduct human rights awareness programmes and promote our corporate values with great commitment. We systematically provide all our employees with trainings on Code of Conduct, Health and Safety (including subcontractors working on premises), child labour, slavery and human trafficking, discrimination and diversity and business ethics (anti-corruption, IT security and anti-competitive practices).

Our policies are proactively promoted through posters, thematic sessions and face-to-face two-way communications meetings with managers. When it comes to having a safe workplace all employees are required to report incidents either by:

- discussing the matter with their direct manager or supervisor,
- consulting with HR, health and safety officers or with other key persons with relevant expertise,
- approaching senior managers,
- raising concerns directly with CANPACK's ethics officer,
- using our electronic safety tracking and reporting systems,
- using CANPACK's external "Speak-Up" service.

Our mechanisms in the area of human rights are monitored during SMETA audits, which take into account the principles of the Ethical Trading Initiative (ETI) Basic Code and analyses effectiveness in the field of human rights, responsible recruitment practices, the right to work of foreigners, implementation of management systems and working from home.

As in previous years, in 2020, we reissued an updated statement on the issue of Slavery and Human Trafficking [\[LINK\]](#). This statement is prepared in accordance with the regulations imposed by the Modern Slavery Act 2015 passed by the Parliament of Great Britain.

We are committed to equal treatment of applicants regardless of gender, age, disability, race, religion, nationality, political beliefs, union membership, ethnic origin, sexual orientation, and in 2021 introduced a dedicated diversity policy.

Indeed, as a truly global business we appreciate the rich tapestry of cultures within our business, and to make sure we make the most of this diversity we created a new initiative called "Sense of Place" whereby employees can better understand the diversity and cultures of the colleagues based either in their workplace or around the world.

As a proud member of different global communities we are honoured to be able to help numerous good causes and charities, many of which support diversity and the implementation of human rights. Indeed, in 2021 we formally launched our structured community programme which empowers staff to support good causes including education, the environment and culture.

The KPIs with which we measure CANPACK's progress in the area of human rights is presented in the appendix of this report.

Labour

Principle 3: *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*

Principle 4: *Businesses should uphold the elimination of all forms of forced and compulsory labour.*

Principle 5: *Businesses should uphold the effective abolition of child labour.*

Principle 6: *Businesses should uphold the elimination of discrimination in respect of employment and occupation.*

Work Regulations of CANPACK determine the organisation and structure of the work process, including the related rights and obligations of the Employer and the Employees. The Remuneration Regulations and compensation policies of CANPACK describe the principles of remuneration as well as granting bonuses and awards. All employees have the right to represent their interests as guaranteed by law, including freedom of associations and the ability to form or join trade unions.

CANPACK Group Suppliers Code of Conduct requires our business partners to respect labour rights and dignity and to comply with all relevant laws and regulations concerning prevention of slavery, compulsory labour or human trafficking. Each supplier is obliged to respect the UN Universal Declaration of Human Rights and the Eight Fundamental Conventions of the International Labour Organisation. Any kind of forced labour and/or employment of minors is strictly unacceptable.

In 2020 we implemented the CANPACK Group Conflict Minerals Policy. It was clearly communicated by our Global Purchasing Director and made publicly available on our website [\[LINK\]](#). We also required all our suppliers who use Conflict Minerals (tin, tantalum, tungsten and/or gold) to report their sourcing via the Conflict Minerals Reporting Template [\[LINK\]](#).

The area of labour and labour rights is covered by our HR and Compliance departments (e.g. recruitment, training and motivation of employees, counteracting money laundering, proper handling of confidential information, personal data protection, supervision over the legal compliance of the Company's operations, avoiding conflicts etc.). CANPACK regularly monitors its organisational structures and supply chains to prevent all possible forms of slavery, forced or compulsory labour, child labour or human trafficking. Any incidents can be reported through our whistle-blower mechanism. Compliance with the codes and policies within the CANPACK Group is subject of verification of internal and external audits.

Our employees participate in training courses on human and employee rights, which are an opportunity to gain practical knowledge and recommendations on how to prevent violations. In 2020 to ensure proper working conditions for our team, we organised a training programme on the topic.

As a meritocracy, our focus is on attracting, hiring, engaging, developing, and advancing the very best talent – regardless of attributes. Our work environment supports and promotes the inclusion, acceptance, and appreciation of employees, which is reflected in our core values such as: Respect, Safety, Teamwork and Integrity. An excellent example of preventing discrimination during recruitment is the Roshani project, started in India, which focuses on giving opportunity to the less privileged / physically challenged members of our society to work with us in CANPACK India.

We help our employees with their professional development by setting bespoke career plans and training. In addition to training and development we offer staff, where possible, flexible working hours, compensation for extra or atypical working hours and participation in a bonus scheme which is related to the Company's performance. To manage our human resources in a responsible and honest way, we use Global Grading, which is a standardised method of classifying jobs across a global company. We map jobs against each other and measure the difference between men's and women's average earnings across the organisation using gender pay gap reports.

We are proud to have built a healthy and safe working environment that promotes best practices. The framework of our approach has been included in our Global EHS policy [\[LINK\]](#) and the tools we use to manage these issues. In 2020 we implemented Velocity EHS - a global platform which helps us improve how we manage EHS related issues. We are also passionate about how we communicate EHS so in addition to posters and face-to-face communication we have created a "5S & EHS Coordinator" role.

In line with best practices and legal requirements, workers exposed to harmful and nuisance factors in the workplace are equipped with personal and collective protective equipment (ear protectors, goggles, gloves, protective clothing and footwear, silencers, noise cabins etc.). Since COVID-19 we have also enhanced safety measures to ensure our plants and offices are as safe as possible.

We maintain open, trust-based communication with our employees which is followed up by feedback and actions aimed at improving the wellbeing of our teams. For example, in the UAE, we implemented the "You Matter" programme which helps us live the CANPACK values. In many locations, the interests of our employees are represented by the Works Council. Some of them are also incorporated into collective agreements.

Last year, our Company was not charged with any fines for compliance issues. We also did not record any incidents due to corruption or anti-competitive practices.

KPIs that we use to measure effectiveness in labour, employment and work are presented in the appendix at the end of this report.

Environment

Principle 7: *Businesses should support a precautionary approach to environmental challenges.*

Principle 8: *Businesses should undertake initiatives to promote greater environmental responsibility.*

Principle 9: *Businesses should encourage the development and diffusion of environmentally friendly technologies.*

Standards and structure

The framework of our strategy is described in our Group Sustainability [\[LINK\]](#) and Global EHS policies [\[LINK\]](#). Together they define the Company's roles and responsibilities towards protecting the environment and accelerating the sustainability agenda. In addition to the CANPACK Group Code of Conduct we are also committed to implementing ISO 14001 across our business and, where appropriate, the ISO 50001 standard.

Sustainability is formally managed by the Sustainability Committee, headed by the CANPACK CEO and it meets four times a year. The committee is responsible for proposing and reporting on key sustainability related issues. In addition, our dedicated Sustainability Office is responsible for implementing and measuring progress.

Targets and progress

We regularly and comprehensively calculate our carbon footprint at all our sites, considering not only emissions from our direct activity but also from purchased energy and other emissions in our supply chains (Scope 1,2,3). We use the Carbon Disclosure Project (CDP) platform to report our results.

By introducing environmental targets for 2021 and 2025 (base year: 2019) across all our production facilities the overall aim of our aluminium can business is to:

- reduce electricity consumption by 7% by 2025,
- reduce thermal energy consumption by 6% by 2025,
- reduce water consumption by 13% by 2025,
- reduce waste generation by 5% by 2025,
- ensure a minimum of 94% of waste is recycled by 2025.

We know that we cannot achieve everything alone and it is imperative that we work closely with our suppliers so in addition to our CANPACK Group Supplier Code of Conduct we also have in place a purchasing procedure, which ensures that all key materials and services needed for production will meet various requirements, including environmental protection requirements. We also build long-term cooperation by holding regular meetings with key suppliers, and we monitor the most pressing environmental issues during on-site audits.

Supporting a circular economy

The materials we use to make our aluminium- and metal-based packaging products are endlessly recyclable – unlike plastic, cardboard or paper. It means we are perfectly placed to support the circular economy and can focus our efforts on being more energy and raw material efficient. Examples of the work we have done in this area include producing an ultra-light SMART bottle (29% lighter), an ultra-thin steel can (as thin as 0.10 mm), a lightweight aerosol can (11.5% thicker) and G2 ultra-light caps (0.17 mm). More about our portfolio of sustainable solutions can be found on our website [[LINK](#)]. In addition to using less material we are continuously looking at how we can increase the amount of recycled content we use.

We are not perfect, and we are aware, that left unchecked CANPACK's activities could negatively affect the environment in many ways. Issues include:

- waste and by-products,
- noise emissions,
- air emissions,
- waste-water emissions – especially to the municipal waste-water treatment plant,
- water emissions,
- high energy usage,
- the use of raw materials and natural resources.

Thankfully we leave nothing to chance or unchecked and our Global Health and Safety and Environment Office conducts relevant audits in all CANPACK Group plants to ensure compliance with environmental and health and safety regulations and standards.

Promoting sustainable best practice

To help us realise potential in these areas in 2021 we launched our CANPACK Innovators Programme. The initiative not only helps us identify best practices, it allows us to engage with our talented teams and celebrate great solutions. Examples of innovations include:

- Brazil – using partially recovered water from reverse osmosis and ultrafiltration to reduce water consumption intensity by approx. 35%,
- UAE / Poland / Russia - using energy-saving LED bulbs on a large scale,
- Brazil – by closely monitoring the external humidity in water cooling systems, we have been able to optimise the use of machinery and reduce the consumption of electricity,
- Poland – at our glassworks we installed a waste heat recovery system (WHRS) to produce steam which powers the turbine of the compressor. This change has increased the energy efficiency by 10%, reduced CO₂ emissions by over 7,000 tonnes per year, and provided central heating and hot water for the local community,
- Finland – although still a pilot the unique heat exchanger installed in the aluminium can plant has reduced the amount of energy needed to heat the building by about 30%,
- UAE / Russia / Poland – solar panels have been installed that help power the plants,
- Netherlands / Finland – electric car charging points have been installed since 2020,
- Morocco – filter cake, which is a waste product of our production process, is now sold to the construction industry,
- Finally, we use 100% renewable electricity in all our factories in Poland, the UK, the Netherlands, Slovakia and Colombia.

Education, education, education

Educating people on the importance of sustainability is as important as what we do in our factories. After all, a few people doing a lot is often less impactful than a lot of people working to make progress together.

- To ensure we encourage the public to engage in sustainability we work with others, including competitors, on the Every Can Counts programme [\[LINK\]](#), an initiative that encourages young people to recycle more by holding high profile events at places like music festivals and sports events.
- In 2021 we initiated a recycling programme in Stříbro, Czech Republic. This project, done in cooperation with the local Government, is helping increase the amount of recycling in the town.
- In Poland our support for the 'Business vs Smog' project has gone from strength-to-strength and has helped promote cleaner, greener cities. The added value of this project is the active participation of our employees as volunteers, who, through workshops, pass their knowledge to young people. Last year, 10 workshops led by our employees took place, and they were attended by over 300 children.

- In 2021, also in Poland, CANPACK again partnered with the International Green Film Festival enabling residence and visitors to the city of Kraków a forum to discuss and promote the importance of a healthy, clean environment.
- In India we launched the first integrated rural development project in the village of Khamkheda supporting 1,500 inhabitants. The project helps the community harvest and conserve precious water.
- To ensure we are well-placed to tackle the issues surrounding sustainability our purchasing team receives awareness training on the key social and environmental issues in our supply chains. We have also introduced a supplier self-assessment questionnaire the results of which help us to together mitigate risk while we also gain a better understanding of main environmental challenges our suppliers face. This questionnaire complements the information we receive from them via the CDP's platform.

Recognition

- We were delighted that in February 2021 we were awarded a Gold certificate by EcoVadis, an achievement that places CANPACK in the top 5% of the 70,000 companies assessed by the ratings platform.
- In late 2020 we also improved our CDP score achieving a B- up from a C rating in 2019.
- In July 2021 we were awarded a 'White CSR Leaf' by POLITYKA weekly in recognition of the fantastic work we've made to reduce our footprint over the last decade.
- At the end of 2020 CANPACK Middle East was recognised in the Medium Sized Business category as a sustainability leader at the prestigious 13th Arabia CSR Awards, commonly regarded as the 'Green Oscars' of the Middle East.

Anti-Corruption

Principle 10: *Businesses should work against corruption in all its forms, including extortion and bribery.*

CANPACK operates in a wide range of legal and business environments, many of which can challenge. As a company, we strive to act in accordance with the highest standards of ethical conduct, integrity, and in compliance with applicable laws. Throughout our operations, the Company seeks to avoid even the appearance of impropriety in the actions of its directors, officers, employees, and agents. In addition to national legislation in place in most countries, CANPACK is subject to American and European anti-corruption rules (e.g. US Foreign Corrupt Practices Act of 1977 and UK Bribery Act 2010).

Our commitment to acting with integrity and in compliance with applicable anti-corruption laws is embodied in our Global Anti-Corruption Policy. This Policy contains information aimed at reducing the risk of corruption and bribery in the Company's operations. CANPACK strictly prohibits all forms of corruption and bribery and takes appropriate steps to ensure that compliance is both achieved and maintained. We have also implemented a Gifts, Business Courtesies And Vendor Relations Policy, Global Conflict of Interest Policy, Competition Law Guidelines on Contacts With Competitors, Participation in Trade Associations or Business Meetings as well as CANPACK Guidelines on Contacts with Government Officials which support the rules of our Global Anti-Corruption Policy, and we conduct a risk assessment in the field of business ethics.

We also expect a compliant business culture, integrity, ethical behaviours and transparency from our business partners and the minimum requirements for them are included in CANPACK Supplier Code of Conduct. Our business partners are required to comply with all relevant applicable laws and regulations and to be fair towards their employees, business partners, neighbours, competitors, and towards society as a whole. Each and every partner shall have a zero-tolerance policy prohibiting any form of bribery, corruption, extortion and embezzlement. We include anti-corruption clauses in contracts with suppliers and customers to ensure that our highest ethical standards are met.

We increase awareness among our employees about crimes and their consequences. Each and every employee at CANPACK is subject to mandatory training in business ethics, including corruption, anti-competitive practices, and IT security threats. Last year, despite the pandemic, we successfully reached our employees by organising e-learning sessions for them. We also conduct live ethics and compliance training for many of our employees.

To identify and comprehensively manage potential corruption cases, crime offences, violations of the law and damage to the Company's reputation, the 'Speak-Up' system is implemented in our Company. CANPACK's employees can report non-compliance and suggest solutions through several channels including the local 'Ethics Hot Line'/'Speak Up Reporting Line', which are described in detail in our Global Anti-Corruption Policy and CANPACK Code of Conduct.

To prevent any form of corruption or bribery, CANPACK regularly audits our accounting and purchasing transactions and undertakes periodic risk assessments. We have a special procedure for approving sensitive transactions such as gifts, entertainment, and supplier relationships. Prior to establishing cooperation with a third party, an extensive anti-corruption due diligence process is carried out, which is in line with the guidelines of the Act on Foreign Corrupt Practices (FCPA).

Last year, we did not register any corruption cases in our business relations. The KPIs related to this area are provided in the appendix at the end of the report.

Appendix 1

CANPACK KPIs to monitor progress in procurement and three key areas of our sustainability strategy - CARE, SUSTAIN and RECYCLE.

Note: The list includes all existing factories, offices and the CP Recycling branch.

PILLAR	KPI	UNIT	VALUE (2020)
CARE	Plants with health & safety risk assessment conducted	%	100
CARE	Employees covered by health & safety committee	%	98
CARE	Accident frequency rate	-	4.60
CARE	Accident severity rate	-	0.11
CARE	Employees covered by collective agreement on working conditions	%	23
CARE	Employees who have received annual performance review	%	90
CARE	Employees trained on child labour, slavery and human trafficking	%	100
CARE	Employees trained on discrimination and diversity	%	100
CARE	Plants with human rights impact assessment performed	%	24
CARE	Number of reported incidents due to corruption	#	0
CARE	Number of reported incidents due to anti-competitive practices	#	0
CARE	Plants with business ethics risk assessment performed	%	93
CARE	Plants with anti-corruption management system installed	%	100
CARE	Employees trained on business ethics (corruption, IT security, anti-competitive practices)	%	100
CARE	Employees who signed Code of Conduct	%	100
SUSTAIN	Total CO ₂ emissions (Scope 1)	mtCO ₂ eq.	258,968
SUSTAIN	Total CO ₂ emissions (Scope 2)	mtCO ₂ eq.	155,174
SUSTAIN	Total CO ₂ emissions (Scope 3)	mtCO ₂ eq.	4,223,185
SUSTAIN	Employees trained on environmental issues	%	100
SUSTAIN	Plants with environmental risk assessment conducted	%	75
RECYCLE	Total waste	mt	107,899
RECYCLE	Hazardous waste	mt	6,039
PROCUREMENT	Suppliers who signed Supplier Code of Conduct	%	88
PROCUREMENT	Suppliers with contracts including environmental clauses	%	7
PROCUREMENT	Suppliers assessed for CSR issues	%	100
PROCUREMENT	Suppliers audited on-site for CSR issues	%	69
PROCUREMENT	Buyers across all locations trained on sustainable procurement	%	100