



WHAT SUSTAINABILITY MEANS TO US

Sustainability Report 2021



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"Sustainability is our driver in all areas of our business. It is also our responsibility as a leader in the transition to a circular economy in the packaging industry.

Although there are still many challenges ahead, today I am proud of what PACCOR has achieved so far and I know that we will create a better future if sustainability is our core corporate value."

Dear Reader,

The year 2021 at PACCOR was full of intense focus on sustainability as a growth driver and of further embedding our CARE strategy into the core of our business, including in our recently acquired Miko Pac business to create even more impact. We are proud of the progress we made as part of our transformational journey – for our business, our customers, and our planet.

Our vision is to lead the transition in the plastic packaging sector to a circular economy by driving fundamental changes in the way we design, produce, dispose, and reprocess plastics. In full alignment with the EU plastics strategy, our circular economy approach aims to decouple economic growth from the consumption of finite resources and create economic, natural, and social capital for all stakeholders.

Guided by a "design for circularity" approach, we launched several lighter solutions, eliminating the need for more than 180 tons of polypropylene in small lids or containers for ready meals, and continued to move from multi-material to mono-material packaging, increasing the recyclability of our packaging to 78% of our portfolio. Another important achievement in 2021 was the development and launch of PACCOR Cloud Solutions (PCS), a database that enables the recycling and high-speed sorting of plastic packaging. This solution offers advantages for all stakeholders involved: food producers, retailers, consumers and waste management companies.

Despite the many challenges in sourcing recycled content of sufficient quality for food-contact packaging, at PACCOR we have continued to reduce the use of virgin plastic in our packaging. In 2021, we increased the share of post-consumer recycled content in our products, thanks to the use of both mechanically and ISCC Plus certified chemically recycled materials. This trajectory will continue due to our new materials strategy and increased post-consumer recycled content targets.

In support of a decarbonized value chain in line with the commitments of the Paris Agreement, we continued to focus on innovative materials and alternative (bio) feedstocks whose sustainability profile, when compared to non-renewable alternatives, is clearly demonstrated from a holistic perspective to ensure that the replacement does not lead to other negative impacts on society. In this context, we have set the target of using at least 10% polyolefins from bio-based feedstocks by 2025. In addition to the bio-based PE lids produced at our site in Ravensburg, Germany, 2021 saw the start of production of our 100% bio-based polypropylene ready meal trays from renewable resources at our site in Hämeenlinna, Finland.

Against the backdrop of increasing demand for circular plastic products, we continued to shift our business in the beverage sector from single-use to reusable models. Our reusable and recyclable polypropylene cups were chosen and used by COP26 attendees and guests, eliminating the need for single-use polypropylene cups and their associated carbon emissions.

In line with our "Circular Events" concept, in which PACCOR collects beverage cups and plastic food containers from event and sport venues, our partnership with Cojean, a pioneer in waste management in the fast-food industry, made it possible to close the plastic loop for quick service restaurant chains after table service. Beyond the waste benefits, this business solution will eliminate 70 tons of CO₂eq per year in the use of virgin raw materials.

Our transformational journey also led to significant improvement in our use of resources, where we exceeded the set targets. Despite the slight reduction in volume due to the COVID-19 pandemic, we were able to reduce the relative carbon footprint (cradle-to-grave) by 12% compared to the base year 2019 thanks to energy efficiency improvement, increase the share of renewable electricity to 77% with 12 of 18 sites fully powered by renewable electricity, install solar panels at our Oud-Turnhout site in Belgium, and reduce overall waste intensity by 46%.

We are not done yet and there is much more we can and will do, including the challenging sustainability targets we have set for 2025 and beyond.

Thanks to our highly skilled and engaged workforce, we are demonstrating that a circular economy in plastics is possible in practice and at scale, and I am optimistic and believe it is fully achievable.

Andreas Schütte, Chief Executive Officer of the PACCOR Group

TARGETS AND 2021 ACHIEVEMENTS



CIRCULARITY

We are focused on innovating our circular portfolio offers.

Targets:

- Eliminate redundant or problematic materials
- Provide 100% recyclable solutions by 2023
- Increase recycled content using best quality material available

2021 achievements

- > 2500 t of unnecessary or problematic materials eliminated
- 78% recyclable solutions
- Launch of [PACCOR Cloud Solutions](#) (PCS) - a database which enables easier packaging recycling
- Realization of a [closed loop](#) for plastic packaging in restaurant chains
- Unique single-use plastic directive marking quality and legibility for rPET drinking cups
- 17% post-consumer recycled (PCR) materials in procurement
- Introduction of 100% bio-based dairy and ready meal packaging solutions to the market
- 2 M€ investment in wet fiber solutions production
- Introduction of [PP reusable and recyclable cups](#) on the market



ALLIANCES

We partner along the value chain to create sustainable value for all stakeholders.

Approach:

- Long-lasting and honest partnerships
- Create positive impact together
- Expand local community investment projects

2021 achievements

- 100% of assigned employees completed compliance trainings
- PACCOR Supplier Sustainability Framework defined
- 100% Procurement employees trained on our new Vendor Policy
- 100% new suppliers screened on environmental and social criteria
- 100% suppliers acknowledged PACCOR Global Standard for Suppliers
- 22% of our sites ISCC Plus certified
- Joined Styrenics Circular Solutions (SCS) value chain initiative to drive PS circularity



RESOURCES

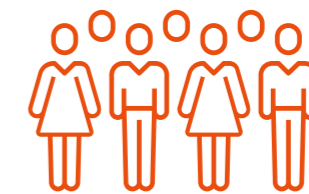
We are transforming our business and decoupling from resource constraints.

Targets:

- Carbon neutral by 2050
- 15% carbon cradle-to-grave (Scope 1, 2, 3) intensity reduction by 2025 compared to 2019
- 10% energy intensity reduction by 2025 compared to 2019
- 100% renewable electricity by 2023
- 25% waste intensity reduction by 2025 compared to 2019
- 100% closed-process water loops by 2025

2021 achievements

- 12% carbon cradle-to-grave (Scope 1, 2, 3) intensity reduction compared to 2019
- 77% renewable electricity
- 46% waste intensity reduction compared to 2019
- 82% reusable waste out of total waste produced
- 4 zero waste to landfill sites
- 33% of our sites environmental management systems (ISO-14001) certified



EMPLOYEES

We are becoming the most desired firm to work for in the packaging industry.

Targets:

- Top quartile in safety and occupational health
- Top quartile in employee engagement
- 100% employee community activity participation

2021 achievements

- 6 nationalities and 50% females in top management
- Engagement survey covering 100% of PACCOR's employees
- 20% of locations reported injury-free for more than a year
- Updated safety rules implemented at all PACCOR sites
- 60% of workforce trained in human rights policies or procedures
- [Talent Intelligence HR Award](#) recognition

A SNAPSHOT OF OUR BUSINESS



At PACCOR, we create innovative and sustainable rigid packaging solutions for the food market and selected home and personal care applications. Our overall goal is to protect what is worth being protected: our partners' products, our employees, and our planet. For us, protection refers to minimizing food waste, taking care of future resources, and our customers' economic efficiency.

Our vision for the future is to lead the transition to a circular economy for the sector with a safe, committed, diverse and capable workforce, employing constant reuse, repair, remanufacturing, and recycling in order to create a closed-loop system on plastic packaging. We believe this is the best way to achieve systemic change in the industry and to create shared value for all stakeholders and society.

Thanks to 3,969 people in 18 countries and 24 locations, PACCOR is a global player in the packaging industry. Our decades of experience enable us to innovate our operations and products like no other, which places our customers' products at the forefront of its market and in the eye of the consumer.

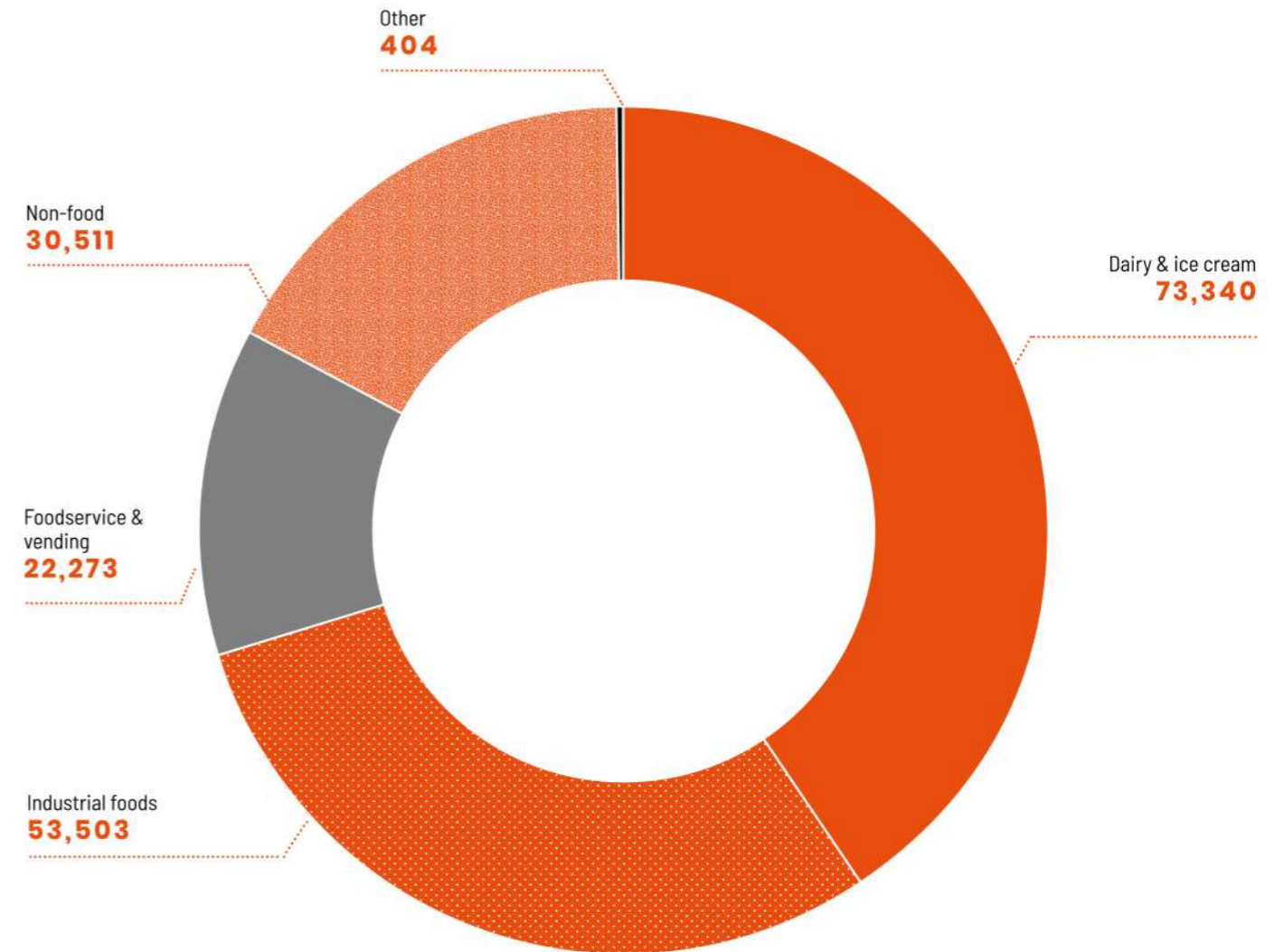
With this publication, we present the second PACCOR GRI compliant Sustainability Report for calendar year 2021, reflecting our vision, strategy, transformational journey, and significant achievements, presented by our engaged workforce.

PACCOR Packaging GmbH is the management company of the PACCOR Group and direct and indirect shareholder of all PACCOR Group subsidiaries. PACCOR Packaging GmbH is a limited liability company headquartered in Düsseldorf, Germany. It has a board of directors responsible for executive management, and an advisory board responsible for supervising and approving significant operations for the Group. Two committees in our governance structure are responsible for decision-making on economic, environmental, and social topics: The Board Members Committee includes the CEO, CFO, CCO, and COO, and meets biweekly. The Group Management Committee includes the CEO, CFO, CCO, COO, VP Quality, HSE & Sustainability, VP Communications & Marketing, VP Legal Affairs, VP Procurement, VP Human Resources, and the Group Director of Information Technology, and meets monthly.

To learn more about our organizational and governance structure read our Consolidated Financial Statements 2021 available on the website of Bundesanzeiger.

PRODUCTS AND SERVICES

PRODUCT PORTFOLIO IN 2021 BY MASS, TONNE



Our main goal is to provide protective packaging for a variety of goods including food, drinks, and non-food products. Therefore, PACCOR has an extensive product portfolio offering many sizes and shapes for a wide variety of contents for various markets such as dairy products, spreads, convenience food, fresh food, and home care products. To ensure the packaging provides adequate protection, we are fully invested in designing, developing and distributing the most innovative solutions.

From standardized to customized – our goal is to find the best solution for every customer. Whether it is a unique shape, material, design, or more sustainable packaging, our expert team of designers, engineers, testing specialists, and marketing advisers find solutions

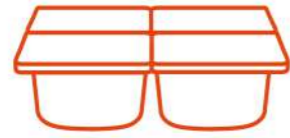
for every wish and need. We are proud to be the first packaging manufacturer to apply the Digimarc digital watermarking to commercially available rigid plastic packaging surfaces without printing.

Our employees at 18 different international production sites are constantly working on developing innovations that enable us to store, transport, and protect products around the globe. In total, we supply around 2,500 different customers, with our top 10 customers representing approximately 40% of total sales. Our packaging solutions anticipate current market trends, therefore providing our consumers with convenient, sustainable, and affordable products in a wide variety of shapes and forms.

PRODUCTS AND SERVICES

DAIRY

- Spoonable yogurts
- Drinking yogurts
- Cream and crème fraîche
- Sour milk drinks
- Ice cream



FOOD SERVICE

- Catering
- Quick service restaurants (QSR)
- Vending

FRESH FOOD

- Protein
- Produce



BEVERAGE SERVICE

- Hot drinks
- Cold drinks

CONVENIENCE FOOD

- Ready meals
- Dry food
- Coffee



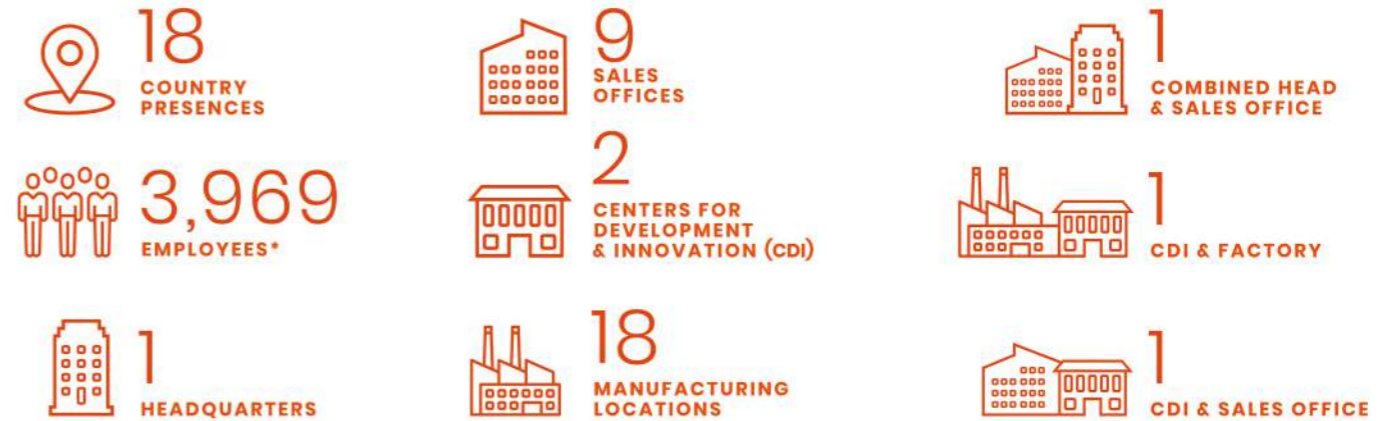
NON-FOOD

- Pet food
- Baby care
- Household
- Personal care
- Industrial

We serve both global and regional businesses. Our primary markets are Europe, North America, the Middle East and Indonesia. However, due to our broad portfolio and our customized solutions, there are no limitations to the variety of markets we serve or can serve in the future. To the best of our knowledge, none of our products manufactured in 2021 were banned in markets.

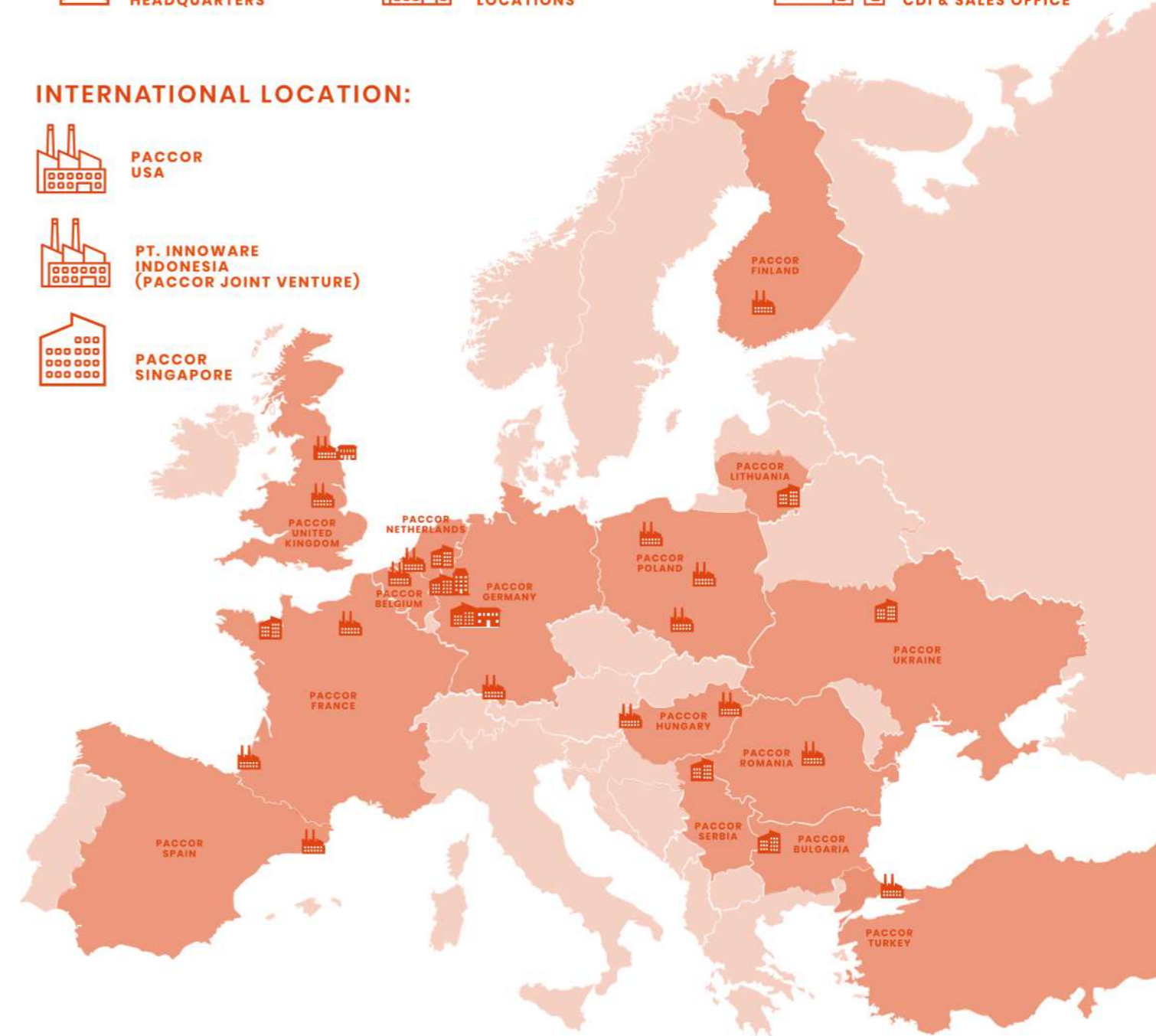
For PACCOR, sustainability entails working together to create shared value for all stakeholders, through innovation and partnerships. It is reflected in our purpose and brand, our core principles and our employee value proposition. It is our driver for innovation, productivity and growth.

GEOGRAPHIC FOOTPRINT



INTERNATIONAL LOCATION:

- PACCOR USA
- PT. INNOWARE INDONESIA (PACCOR JOINT VENTURE)
- PACCOR SINGAPORE



*The figures reported also include external temporary workers. The figures differ from those reported in the 2021 consolidated financial statements, where we only report internal workforce in accordance with the German Commercial Code (HGB).

2021 DEVELOPMENTS







COVID-19 had a significant impact on the global economy in 2021. Despite this, during several lockdown periods, all PACCOR facilities remained in production globally with minimal disruption due to precautionary measures. Necessary steps to sustain the health of our employees and to minimize the risk of any infections had already been taken. Setup of new machines and investment were slightly delayed due to travel restrictions. The COVID-19 pandemic did not delay PACCOR's growth plans for 2021. On March 30, 2021, PACCOR signed a share purchase agreement to acquire 100% of the shares and voting rights of PACCOR Belgium NV (formerly Miko Pac NV), Turnhout, Belgium which at this time was the packaging division of Miko NV, Turnhout, Belgium. The acquisition was completed on June 1, 2021 after approval of the relevant competition authorities and payment of the fixed purchase price. Miko Pac is a specialist in thermoforming, injection molding and in-mold labeling. Throughout 2021, the European plastics converting industry faced severe shortages of raw materials and extreme price increases. Europe is a net importer of plastic raw materials and is therefore highly vulnerable to market disruptions. The 2021 shortages were caused by the improving global economy in combination with exports of plastics from Europe to Asia and North America. Logistical problems due to a shortage of containers to Europe also contributed, as did the lower production of plastics in the USA. Furthermore, the demand for certain raw materials used for protective articles against COVID-19 was high. We saw an unprecedented number of declarations of force majeure. An extreme shortage of resins on the market also significantly affected PACCOR's business. Resins such as polypropylene (PP), polyethylene (PE), polystyrene (PS) and polyvinyl Chloride (PVC) are main components of our products. Since December 2020 the prices of these materials significantly increased, and supply became scarce. In the first quarter of 2021, PACCOR's operations continued to run at full speed, while at the beginning of the second quarter, when availability of raw material had not improved, we maximized our efforts to secure supply to our customers. This was possible thanks to the increased number of partnerships we finalized in 2021, despite the challenging times, and specifically thanks to the introduction of new suppliers (< 10), all of which were

selected according to our new Vendor Policy. The Single-Use Plastics Directive (EU) 2019/904 (SUPD), entered into force in July 2021 as part of the European Strategy for Plastics in a Circular Economy, has the main goal to reduce marine littering from single-use plastic items. It intends to do this by, among other measures, phasing out select single-use plastics, limiting their consumption, facilitating the transition to reusable systems, and increasing consumer awareness about the correct disposal of such items. EU Guidelines on single-use products were issued in May 2021 and the marking regulations for cups applied from July 2021. Also in 2021, EU member states continued to introduce this legislation into their own laws, which will determine the extent of this Directive's impact regarding tackling marine littering by single-use plastics. As a major plastic packaging manufacturer, PACCOR produces products that fall under the Single-Use Plastics Directive, including beverage cups. While this is a challenge given the short time frame granted to manufacturers under the Directive, we are fully committed to the objectives of the European Green Deal and the European Strategy for Plastics in a Circular Economy. As a company, we benefit from our strong R&D culture and its innovative solutions. As of July 3rd, 2021, all our beverage cups are embossed with the official language where the single-use plastic product is placed on the market according to the Regulation (EU) 2020/2151 of December 17th, 2020. The shape of our cups has been modified to improve embossment visibility while continuing to guarantee full recyclability at end of life. We have defined and implemented a new materials strategy, have adopted various sustainability initiatives, and joined additional organizations, such as the Styrenics Circular Solutions (SCS) - a joint value chain initiative to drive polystyrene (PS) circularity, to achieve a higher level of recycled materials in our products in general, and in our beverage cups in particular, and to increase the recyclability, re-usability or re-employment of our products after use. Despite the COVID-19 pandemic, the tackling of plastic littering continues, and we remain fully committed to our vision of leading the transition toward a circular economy for the packaging sector, in 2022 and beyond.

RISKS AND OPPORTUNITIES

We employ our risk and opportunity management system to ensure business continuity and growth of value proposition. We ensure that the actions we take are both opportunity-oriented and risk-aware, as we apply a comprehensive and rule-based approach.

Category	Risk	Probability	Magnitude
 OPERATIONAL	Industrial Quality	High	Medium
	Customer risks	Medium	Medium
	Procurement	Medium	High
	Competition	Medium	Low
	IT and Cybersecurity	Medium	High
 FINANCIAL	Liquidity	Medium	High
	Financing	Low	Low
	Default risks	Low	Low
 STRATEGIC	Political	High	Medium
	Currency	Medium	Medium
 OTHER	Pandemic (COVID-19)	High	Low
	Pension obligations	Low	Low

Four main groups of risk are considered in our risk management framework: operational, financial, strategic, and other. We analyzed each risk category to underline the focus areas based on their probability and magnitude of potential impacts. This allows us to develop an approach to prevent the risks and seize the opportunities in the most effective manner. There are 13 risk and opportunity categories identified for the reporting year. Throughout 2021, our special focus in risk management was given to the digital and cybersecurity risks. IT and cyber security are essential for operating our business. PACCOR business strategy implementation is accelerated through the rapid introduction of digitized new services, access to information, high automation of processes and assuring resilient IT business continuity. Failure to understand and manage the internal and external IT environment could result in unauthorized access to confidential personnel, customer and company data.

We mitigate this risk and ensure business continuity by creating awareness among our employees, continuous monitoring, reporting and documentation of all security breaches, as well as engaging with key service providers. In addition, PACCOR regularly appoints external advisors to assess security of our systems. Any weaknesses identified are mitigated by measures. Our company cyber security policy outlines our guidelines and provisions for preserving the security of our data and technology infrastructure. An assessment of the policy implementation and correct security procedures is conducted annually or prior to security related modifications. For more details on our risk management system, or particular considered risks and opportunities, please consult the 'Risks and Opportunities' section of our Consolidated Financial Statements 2021 available on the website of Bundesanzeiger.

ECONOMIC PERFORMANCE

As a global player, responsible producer, and employer, we at PACCOR realize the utmost importance of the economic stability of the company's performance and resilience embedded in our business strategy. We aim to increase the size of our business, and to become a highly profitable company through both organic growth and acquisitions. In doing so we keep the following strategic goals:

- 1 Offering sustainable solutions to protect the environment and to reduce the amount of resources needed for production.
- 2 Supplying food packaging products which will protect food and increase safeness of end-consumers.
- 3 Achieving long-term organic sales growth by an average of 2-3% per year above the relevant market.
- 4 Improving EBITDA margin through operational excellence and reorganization as well as consolidation of production capacity to a target of 18%.
- 5 Creating safe workplaces for our employees.
- 6 Growing through acquisitions to diversify the Group portfolio from a product, regional, and customer perspective.

We adhere to all relevant legislation and follow the International Financial Reporting Standards in managing our economic and financial performance and fostering an impeccable reporting discipline. Our financial KPIs reflect our ability to serve customers efficiently, grow our business with our customers through our high service levels and quality, and monitor the compliance of our financial covenants.

Worldwide, gross domestic product (GDP) increased by approximately 5.5%. Economic growth for the year 2021 was 5.7% in the United States and approximately 5.3% in Europe. Indonesia posted economic growth of around 9.5%.

In Germany, the GDP increased by 2.9%. Despite the challenges related to the Brexit the GDP in the UK increased by 7.5%. The Turkish economy grew by 11% in 2021, the strongest growth in a decade.

Inflation in European countries amounted to an average rate of 4.1% over the year 2021. Nevertheless, in Eastern European countries inflation is higher (5.1% in Hungary and Poland). In Turkey, inflation reached 19.9%.

On that background, net sales for the year 2021 amount to 642.2 M€ incl. 7-month Miko Pac compared to 513.4 M€ prior year. Compared to 2020, sales increased organically through volume growth and due to the acquisition of Miko Pac, but also due to the pass-through of rising raw material costs and a partial recovery with the releases of the COVID-19 limitations.

Further information on our approach to managing our economic performance and economic performance in 2021, are available in PACCOR's Group Consolidated Financial Statement for the reporting year 2021, available on the website of Bundesanzeiger.



TAX



We recognize our responsibility toward each country and jurisdiction we operate in. As such, we are committed to local communities in which our employees live. The tax jurisdiction of each country has the purpose to fund governmental activities in the best interest of the population of a country. We recognize this fact and take it into account in all our business decisions, not only when we review our tax policies and procedures. Our tax policy is based on the strict adherence to the tax regulations in each jurisdiction we operate in.

International OECD rules are applied, and we are a net taxpayer. The overall tax approach is reviewed yearly, and when needed, adjusted and approved by the Group Director of Accounting & Tax together with the CFO to ensure compliance to tax laws and regulations.

On a group level, the Group Director of Accounting & Tax is a certified German tax advisor who works with the local tax advisors in each country. Together with their advisors, the country finance managers are responsible for updating the Group on any country-specific changes in tax legislation. If required, changes to relevant tax policies and procedures and/or the Accounting Manual are made.

The tax department and ultimately the board of directors of each legal entity, and the Group, are accountable for compliance with the tax strategy. Tax compliance

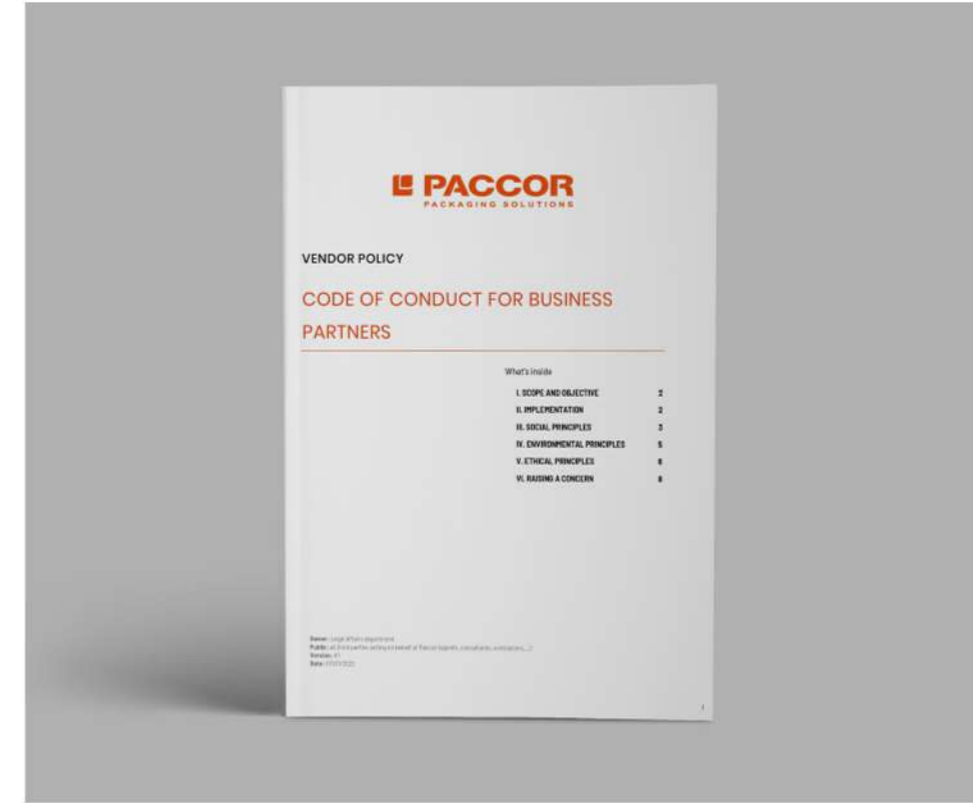
is assessed regularly and monitored by the finance managers responsible for our legal entities.

Tax declarations are checked by certified tax advisors and formally trained people within the organization before they are submitted, as a part of the assurance process for disclosures on tax. Compliance with the tax governance and compliance framework is evaluated through regular exchange with the local tax advisors who assess tax risks. In addition, a financial audit takes place and tax risks are discussed and assessed.

The Management Board facilitates a compliance culture and actively invites employees to provide feedback to them on any unethical or unlawful behavior in relation to taxes. To further develop the grievance mechanism, a whistleblower helpline was set up within the Group in 2021.

Outside of the organization, an open communication with the tax authorities is maintained in the normal course of the business. We maintain a professional communication level with all stakeholders and ensure that any views and concerns are heard and responded to in a prompt manner.

BUSINESS INTEGRITY AND COMPLIANCE



Our global footprint exposes us to increasingly tight laws and regulations, as well as legal topics on a broad range of subjects, including single-use plastic items, recycled plastic content, environmental matters and taxonomy, human rights, competition law, and anticorruption. This risk is mitigated by monitoring compliance with laws and regulations through our internal subject matter experts, who provide guidance and training to the company and employees as necessary.

PACCOR is committed to conducting business as a responsible company. We strive to reach our business goals through sound, legal and ethical business practices. We strictly adhere to regulatory compliance and are committed to following all relevant legislation applicable locally. We condemn any form of corruption, theft or bribery and are committed to strictly abide by all applicable local competition and antitrust regulations and laws.

We expect our employees and business partners to comply with all applicable laws in all countries to which they travel, in which they operate, and where PACCOR otherwise does business.

PACCOR Packaging GmbH steers the Group as a management holding company and central legal function supporting compliance with all local regulations. Our Compliance program consists of training, policies and procedures, external party due diligence and monitoring, and investigating and remediating concerns of unethical, illegal, or inappropriate conduct.

Our values and principles in business integrity are laid out in our CSR Policy, Code of Ethics and Business Conduct, Anti-corruption Policy, and diverse public statements, including the Modern Slavery Act 2015 (UK), and Gender Pay Gap Statement (FR), and communicated to every employee.

OUR POLICIES

Economic Performance

PACCOR Strategy

Procurement Practices

Vendor Policy and Global Standards for Suppliers

Anti-corruption

Corporate Social Responsibility Policy

Anti-Corruption policy

Code of Ethics and Business conduct (Turkey)

Anti-competitive Behavior

Corporate Social Responsibility Policy

Competition policy

Code of Ethics and Business conduct (Turkey)

Vendor Policy and Global Standards for Suppliers

Tax

Corporate Tax Policy

Materials, Energy, Waste and Water

Corporate Social Responsibility Policy

QHSE Policy

Global Standard and Quality Policy (Turkey)

Environmental Policy (Turkey)

Position statements: CARE, Circular Economy, Climate Change, Plastic Packaging Protects, and Avoid Food Waste and Product Stewardship

Biodiversity

Corporate Social Responsibility Policy

Position statements: CARE, Circular Economy and Marine Littering Solutions

Greenhouse Gas Emissions and Climate Change

Corporate Social Responsibility Policy

Travel Policy

Position statements: CARE and Climate Change

Regulatory Compliance and Quality

Corporate Social Responsibility Policy

Code of Ethics

QHSE Policy

Global Standard and Quality Policy (Turkey)

Position statements: Product Stewardship, Health and Safety

Employment and Human Rights

Code of Ethics

Human Rights Policy

Corporate Social Responsibility Policy

Modern Slavery Act 2015 (UK)

Gender Pay Gap Statement (FR)

Position statements: CARE and Diversity & Inclusion

Occupational and Customer Health and Safety

QHSE Policy

Global Standard and Quality Policy (Turkey)

Position statements: Product Stewardship

PACCOR CREDO

IT

PACCOR IT Policy

Privacy Policy

Personal Data Protection Policy (Turkey)

Innovation and Investment

Intellectual Propriety Rights Policy

Corporate Social Responsibility Policy

Data Owner Request Policy and Form (Turkey)

Communications and Marketing

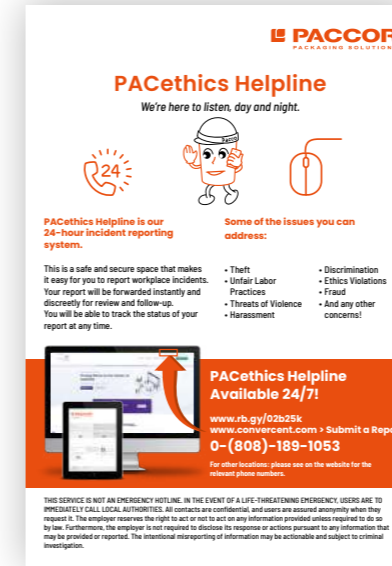
Communication Policy

In 2021, in order to increase the understanding of our policies, we invested in a training tool for online deep-dive trainings on Human Rights and our Code of Ethics. Through this online platform, the Legal and HR teams will offer tailored training focused on important compliance topics. Sixty percent of the PACCOR workforce, including all leaders, received this training over the course of 2021.

All questions, complaints and concerns regarding regulatory compliance and business integrity are directed to local HR departments and the Group Legal Affairs department, where they are registered, handled, and when necessary, investigated and concluded.

In addition, a tool for whistleblowing named PACethics Helpline was implemented, and since November 2021 has been actively used by internal and external stakeholders. This system makes it easy for employees, suppliers, customers, and other business partners to report any suspected policy violations, inappropriate behavior, and illegal or unethical practices.

ETHICAL BEHAVIOR IS ONE OF OUR FOUNDING VALUES



By speaking up and sharing concerns about compliance, everyone can help to preserve and promote our culture of business integrity and ethics.

We are committed to creating an environment that fosters open communication and encourages employees and third-parties concerned about potential non-ethical conduct or any alleged violations of our Code of Conduct, other PACCOR policies, or potential violations of laws and regulations to raise concern or seek help through PACethics Helpline, PACCOR's online and confidential whistleblowing platform, or by telephone.

We do not tolerate any form of retaliation against anyone who reports to PACethics Helpline.

We understand that our commitment to ethical business conduct does not end with our employees. In our new Vendor Policy and Code of Conduct for Business Partners, we elaborate on the topics and provide a strict guidance for our suppliers. These documents set out the standards that govern the way we conduct ourselves and deal with

each other and all stakeholders, and what we expect from our partners. This includes specific guidance on regulatory compliance. Accepting the Global Standard for Suppliers is a pre-condition in our supplier selection process.

Our meticulous approach produced great results in 2021:

1 PACCOR did not identify, or was accused of, any incidents of non-compliance with environmental laws and regulations, or law and regulations in the socio-economic area.

2 There were zero complaints concerning breaches of customer privacy.

3 We did not identify any incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products and services or concerning information and labeling of our products.

4 There were zero legal actions completed regarding anti-competitive behavior or violations of anti-trust and monopoly legislation in which PACCOR was considered a participant. As of the end of 2021, an ongoing investigation is pending at PACCOR Polska in relation to maximum payment terms compliance.

We do not have control over the product and labeling information of the products filling of our packaging solutions. However, we continuously work with our customers on improving the print quality of such information. We take any customer feedback regarding the printing seriously and, when necessary, handle it as a complaint.

We adhere to maintaining an ethical and collaborative work environment – one that is safe, professional, and supportive.

More about ethics in the workplace and in our partnerships can be found in the "Alliances" section (page 46) and "Employees" sections (page 76) of this report.

COMMITMENT TO A SUSTAINABLE FUTURE

Sustainability is one of our core values and is integrated into everything we do.

In 2019 we developed and launched a new sustainability strategy following a materiality assessment (section "Key Focus") and in support of the objectives of the UN Paris Agreement on climate change and the UN Sustainable Development Goals to reflect our commitments and actions toward a sustainable future.

We call this strategy CARE.

The CARE strategy revolves around four key topics integral to our business approach: Circularity, Alliances, Resources, and Employees. They influence our business models, our relationships with our partners, our resource management and innovation, and states how we strive to create a work environment where everyone can excel.

The CARE strategy supports our sustainable growth and determination to take the lead in the sustainable packaging industry.

ALIGNMENT WITH UN SUSTAINABLE DEVELOPMENT GOALS

PACCOR supports all UN Sustainable Development Goals (SDGs) and we continue to develop business opportunities in alignment with the SDGs where we can have the biggest impact:

The image displays 17 UN Sustainable Development Goals (SDGs) arranged in a grid, each with a corresponding icon representing PACCOR's contribution to that goal:

- Row 1:**
 - SDG 3: GOOD HEALTH AND WELL-BEING (Icon: PACCOR cups with a heart)
 - SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE (Icon: PACCOR cups with a gear)
 - SDG 11: SUSTAINABLE CITIES AND COMMUNITIES (Icon: PACCOR cups with a city skyline)
 - SDG 14: LIFE BELOW WATER (Icon: PACCOR cups with a fish)
- Row 2:**
 - SDG 17: PARTNERSHIPS FOR THE GOALS (Icon: PACCOR cups with hands shaking)
- Row 3:**
 - SDG 7: AFFORDABLE AND CLEAN ENERGY (Icon: PACCOR cups with a sun)
 - SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION (Icon: PACCOR cups with an infinity symbol)
 - SDG 13: CLIMATE ACTION (Icon: PACCOR cups with a globe)
- Row 4:**
 - SDG 3: GOOD HEALTH AND WELL-BEING (Icon: PACCOR cups with a heart)
 - SDG 5: GENDER EQUALITY (Icon: PACCOR cups with a female symbol)
 - SDG 8: DECENT WORK AND ECONOMIC GROWTH (Icon: PACCOR cups with a bar chart)
 - SDG 10: REDUCED INEQUALITIES (Icon: PACCOR cups with a balance scale)

In 2021 we explored new collaborations with a range of stakeholders to build partnerships that will help drive the SDGs impact at scale. More information on how we specifically contribute to each material UN SDG can be found in our UN SDGs [Position Statement](#).



DuoSmart® easy2zip



PLASTIC

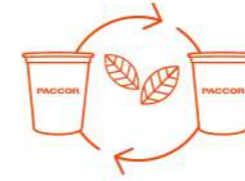


PAPER

FOR EASY RECYCLING

DuoSmart®easy2zip is another solution that provides circulation for PACCOR products, is marketed in 2022.

AT PACCOR WE CARE



CIRCULARITY

CARE is about recognizing societal concerns, such as the expansion of consumption, and the limitations in traditional linear economic models, including packaging systems, and to respond to them. It is about addressing these challenges with urgency through product innovation and new offerings for our customers, which supports swift business adaptation and first mover business opportunities.

Our targets:

- Eliminate redundant material
- Provide 100% recyclable solutions by 2023
- Increase recycled content using the best material available



ALLIANCES

CARE is about partnering along the value chain and with organizations, such as the Ellen MacArthur Foundation, the Business for Nature Organization, the Styrenics Circular Solutions, and the University of Ghent to create sustainable value for all stakeholders and deliver the necessary change, at scale.

Our approach:

- Long-lasting and honest partnerships
- Create positive impact together
- Expand local community investment projects



RESOURCES

CARE is about creating a culture which cares for all the materials we use, eliminating waste and reducing variable costs. Increased resource efficiency in our operations and supply chain makes us more competitive and sustainable.

Our targets:

- Carbon neutral by 2050
- 15% carbon cradle-to-grave (Scope 1, 2, 3) intensity reduction by 2025 compared to 2019
- 10% energy intensity reduction by 2025 compared to 2019
- 100% renewable electricity by 2023
- 25% waste intensity reduction by 2025 compared to 2019
- 100% closed-process water loops by 2025



EMPLOYEES

CARE is about achieving our vision of leading the transition in our sector to a circular economy with a safe, engaged, diverse, and capable workforce, with integrity and in full respect of human rights, and for the benefit of society.

Our targets:

- Top quartile in safety and occupational health
- Top quartile in employee engagement
- 100% employee community activity participation



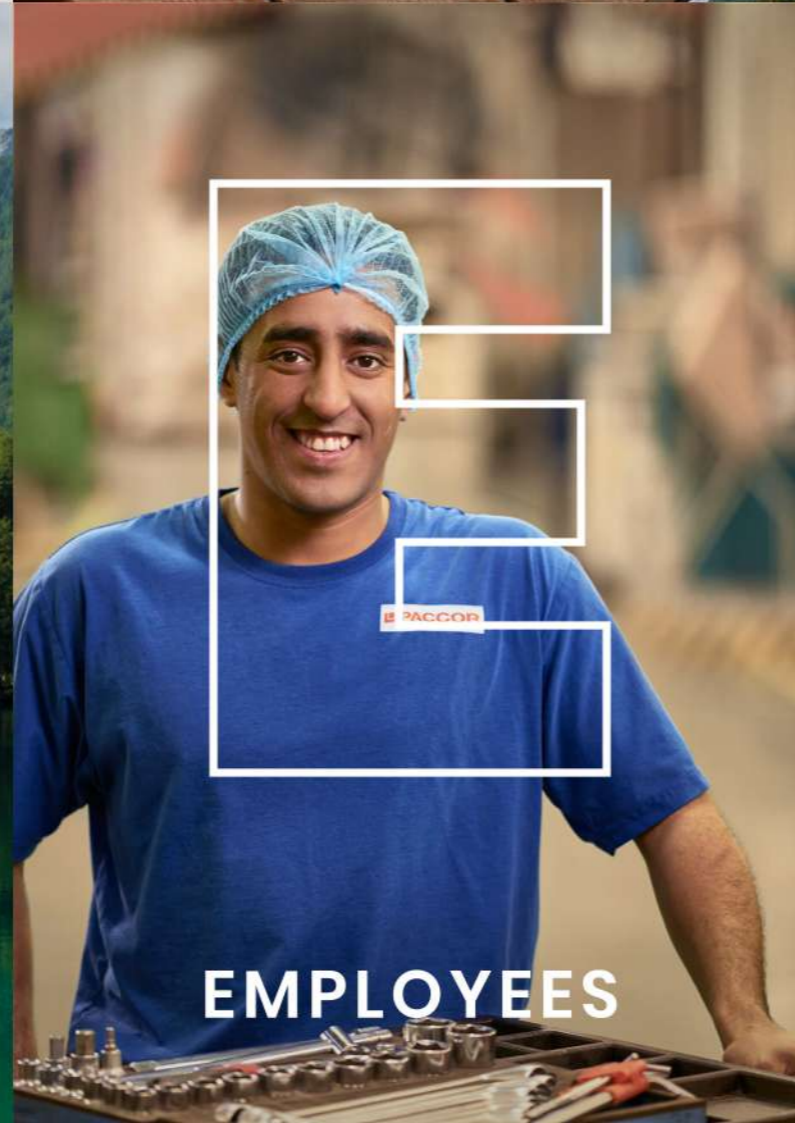
CIRCULARITY



ALLIANCES



RESOURCES



EMPLOYEES

MANAGING SUSTAINABILITY

CARE is about creating shared value for all stakeholders through unlocking and accelerating circular economy opportunities. With a strong focus on continuous improvement and elimination of problematic materials throughout our entire supply chain, we undertake initiatives for optimizing our resource efficiency and keep all the materials in a closed loop. Our efforts are built on the precautionary principle and a life cycle perspective, involving a systematic application of risk assessment and management.



We are committed to delivering innovative packaging solutions in compliance with legal and other applicable requirements, and are devoted to challenging self-appointed sustainability targets.

Through proactive collaboration with all stakeholders, including customers, industry partners, and suppliers, we continually strive to enhance our sustainability performance by:

- Minimizing the environmental impact of our manufacturing processes.
- Identifying opportunities to use raw materials more efficiently, including replacement of virgin materials by recycled or bio-based materials in the solutions we offer.
- Providing our customers with innovative solutions that meet their performance requirements and help them to meet or exceed their sustainability goals.
- Introducing new processes to eliminate waste from our manufacturing process, our customers' applications and ultimately consumer use.
- Innovating for improved end-of-life recycling for all our solutions.
- Supporting local initiatives across our production facilities.
- Providing training opportunities for all our employees to enhance our sustainability efforts.
- Regularly monitoring our performance to identify opportunities to reduce our overall environmental footprint.

We make sustainability integral to our business. The Management Board has the responsibility for incorporating the sustainability agenda in the company

strategy and monitoring the performance of each business and function through the normal processes of operational control. The Management Board also reviews and approves PACCOR's sustainability report and ensures that all material topics are covered.

The Management Team, chaired by the CEO of PACCOR, meets monthly and advises on new developments, performance and the integration of sustainability into management processes. Sustainability topics and their impacts, risks, and opportunities are also reviewed by the Extended Management Team on a quarterly basis, as well as upon receiving critical concerns. Sustainability aspects of PACCOR business and operational activities are managed on a day-to-day basis within the Innovation, Sales, Communications and Marketing, Operational Excellence, and QHSE teams, supported by the Vice President Quality, HSE & Sustainability, who reports directly to the CEO.

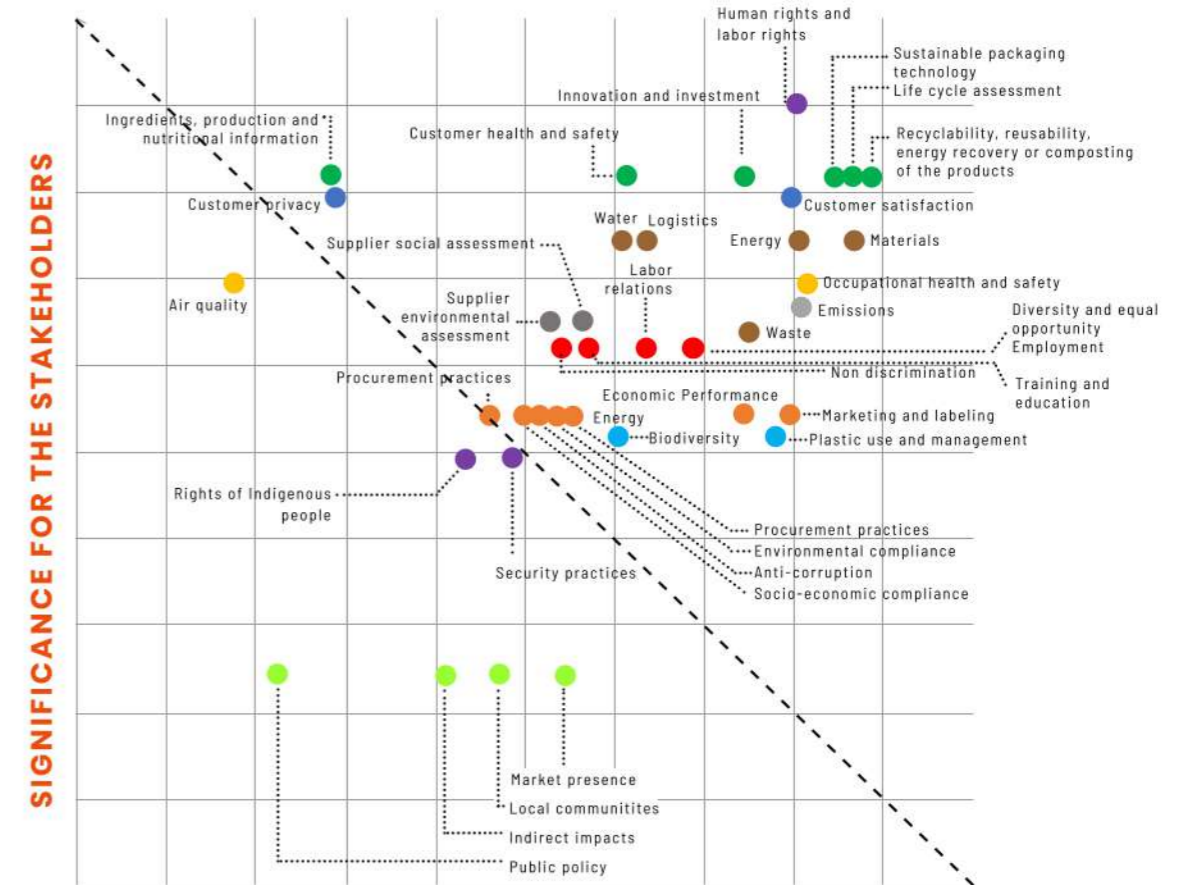
We use an internally developed reporting principle and make use of key indicators in alignment with the Global Reporting Initiative (GRI) and the Greenhouse Gas (GHG) Protocol to track our progress in delivering on increased circularity in our material flow and continuous improvement processes in every function, supported by external benchmarks. We are committed to transparent reporting with the aim of providing all stakeholders with regular and relevant information about our efforts.

Where applicable, we will include sustainability in the personal objectives and incentives of PACCOR Management from 2022 onward, linked to the area of relevance within our sustainability strategy CARE.

We listen attentively to all internal and external stakeholders. Any concerns about our sustainability strategy, policy, or actions can be addressed to our VP Sustainability or through PACethics Helpline, PACCOR's whistleblowing tool.

KEY FOCUS

In our approach to sustainability, we focus on areas where our actions would make the biggest difference. We look at the risks and opportunities from the position of potential impacts we have on the environment and society, while striving to create value for all stakeholders. Our double materiality approach underlines this philosophy.



- Innovation and circular solutions
- Customer satisfaction
- People safety and occupational health
- Employee value
- Integrity
- Stakeholder engagement
- Product safety and marine littering
- Human rights
- Community involvement
- Resource efficiency
- Climate strategy

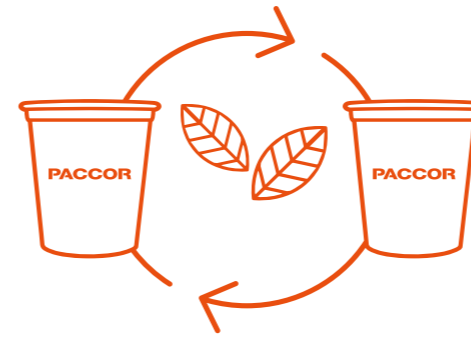
As the first step of our materiality assessment, we launched a taskforce to engage all internal and external stakeholders in a series of interviews. In-depth discussions with our employees, customers, retailers, suppliers, national sector organizations, and students helped to identify 11 topics that were of primary importance, and laid the grounds for our CARE strategy. Next, a panel of external and internal experts conducted an assessment of material impacts of the activities of the company on people and the environment, considering topics in higher granularity. The aggregated dual perspective was then visualized in the materiality matrix of 2020.

Following the acquisition of Miko Pac in 2021, we updated the materiality assessment to reflect the new context of our activities. The due diligence process before the acquisition of Miko Pac helped update the inside-out perspective, and consultation with select stakeholders, such as customers, consumers, employees, investors, NGOs and suppliers, indicated an update of the importance of topics from the outside-in. From both perspectives, human rights have gained a significantly higher importance in the resulting assessment, especially along the lines of labor practices. With this input, we updated the materiality matrix for 2021 reporting, and kept the focus on the higher scoring granular topics mapped in it.

CIRCULARITY

WE ARE FOCUSED ON INNOVATING OUR CIRCULAR PORTFOLIO OFFERS

KEY SUSTAINABLE DEVELOPMENT GOALS



2021 ACHIEVEMENTS:

- > 2500 t of unnecessary or problematic materials eliminated
- 78% recyclable solutions
- Launch of [PACCOR Cloud Solutions](#) (PCS) - a database that enables easier packaging recycling
- Realization of a [closed loop](#) for plastic packaging in restaurant chains
- Unique single-use plastic directive marking quality and legibility for rPET drinking cups
- 17% post-consumer recycled (PCR) materials in procurement
- Introduction of 100% bio-based dairy and ready meal packaging solutions to the market
- 2 M€ investment in wet fiber solutions production
- Introduction of [PP reusable and recyclable cups](#) on the market

TARGETS:

- Eliminate redundant or problematic materials
- Provide 100% recyclable solutions by 2023
- Increase recycled content using best material available

PACCOR's solutions are found in many sectors of the economy and help address modern challenges including access to food, safety, and nutritional benefits, their safe distribution, and healthcare needs. We believe plastic packaging, when properly designed and managed, provides innovative solutions that improve quality of life and can contribute to a more sustainable world.

Our vision to be leading the transition toward a circular economy for the plastic packaging sector has a strong upstream innovation component.

We are rethinking not just the packaging itself, but also the product and the business model, to identify new ways of delivering value to users, while designing

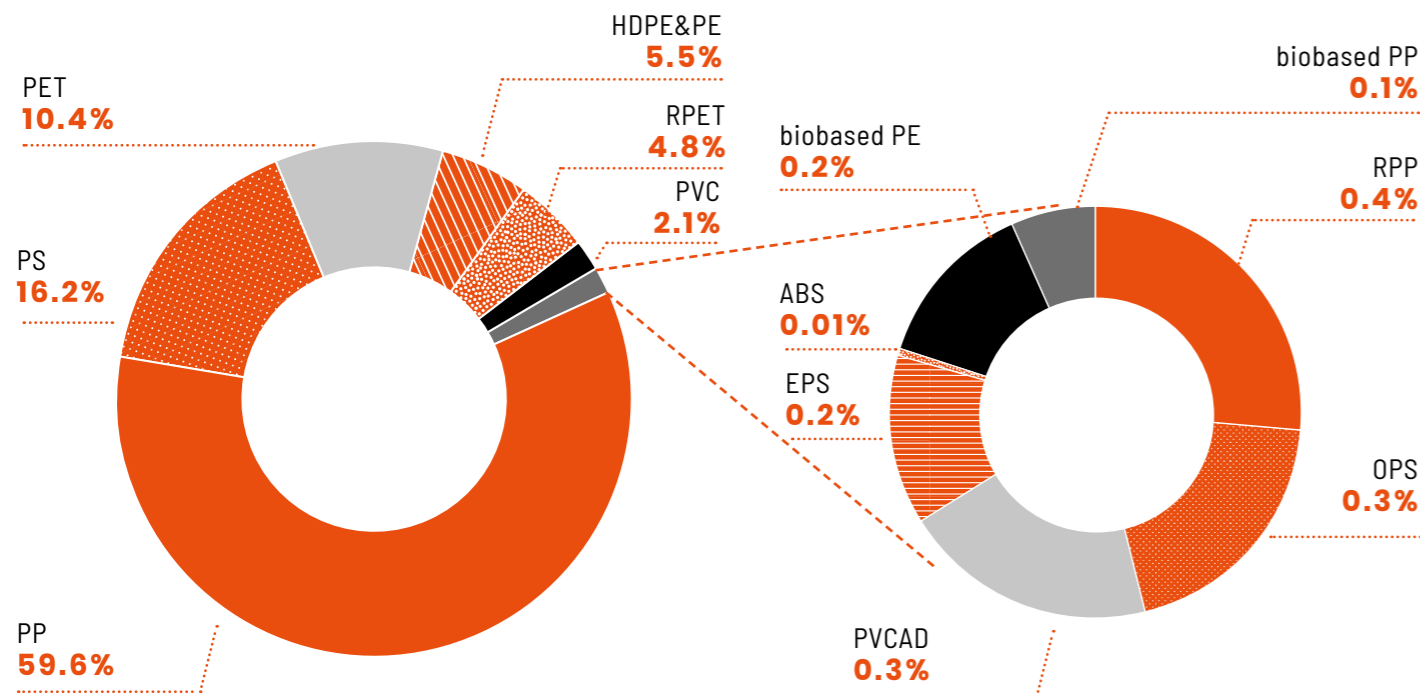
out waste. We apply our upstream innovation mindset to achieve three key circular economy innovation strategies: elimination, reuse, and material circulation. Governments around the world are adopting legislation targeted at tackling plastic waste. By embracing the power of upstream innovation, we are staying ahead of the curve.

We continuously work together with customers, suppliers, recyclers, universities, and other partners to develop innovative and circular solutions that have lower holistic environmental footprints and enable our customers to be more sustainable and deliver on their sustainability ambitions. These include a growing share of lighter, reusable, recyclable, recycled, bio-based and biodegradable packaging solutions.

ELIMINATING REDUNDANT OR PROBLEMATIC MATERIALS IN OUR PACKAGING

As of 2020, all our packaging solutions are technically recyclable. With paper and cardboard parts of our products constituting below 2% of the produced mass, the rest of our packaging is made of plastics that can be fully mechanically or chemically recycled.

POLYMER PROCUREMENT 2021



Guided by a “design for circularity” approach, in 2021 we continued our efforts to eliminate redundant or problematic materials in our packaging.

Over the past 12 months we placed several lighter solutions on the market that eliminated the need for more than 180 tons of polypropylene (PP) material in the form of small lids or ready meal containers, which were weight-optimized for their essential purpose.

Thanks to a substantial investment on an existing extrusion line in Szombathely, Hungary in 2020, over the past 12 months we were able to offer 10-

15% lighter foamed PP product to the dairy market. Such an approach to elimination also contributed to reduced emissions throughout the food’s life cycle, and to a reduced volume of waste and cost of waste management.

Additionally, following our strategic plans to cease expanded polystyrene (EPS) production at our site in Skieminovice, Poland, and to replace it with fiber-based technologies (among others), we reduced its use by 200 tons compared to 2020.

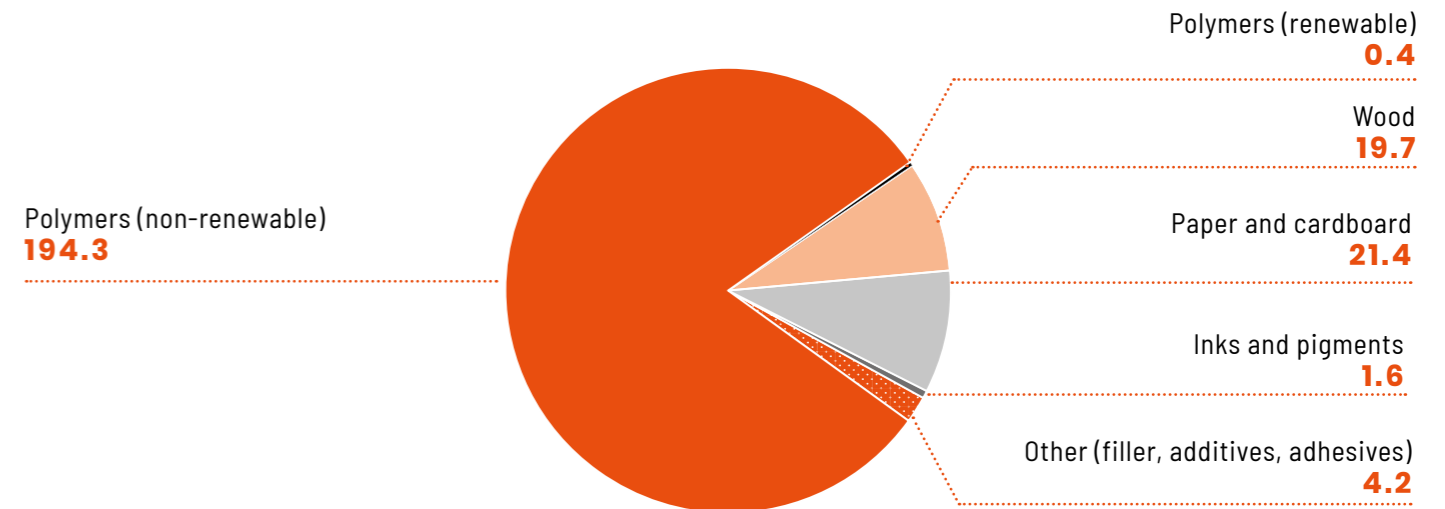
FIBER PRODUCT LINE



With our new range of molded fiber products, we meet the growing demand of the market regarding the increasing environmental awareness of our end consumers. Our pioneering molded fiber technology, based on cellulose, makes our trays renewable, recyclable, and biodegradable.

It is an excellent complement to the more mature rPET solutions to achieve a circular economy, reduce oil dependence in food packaging, and to regenerate natural capital, as this bio-based material can be safely returned to the biosphere.

MATERIAL CONSUMPTION IN 2021, KT



In 2021, 17.2% of our material procurement was composed of renewable materials proven to come from responsibly managed sources (for example, FSC or ISCC Plus certified). As a part of the CARE strategy, we focus our effort on increasing the share of bio-based materials in our polymer and fiber use, when it proves to be meaningful. In this context, we have set the target of using at least 10% polyolefins from bio feedstocks by 2025. As the first step in this direction, in 2021, we started production of 100% bio-based polypropylene ready meal trays from renewable resources at our site in Hämeenlinna, Finland, and replaced more than 300 tons of fossil-based PE with bio-based PE in milk closures in Ravensburg, Germany, supported by the ISCC certified mass balance certifications – a chemical industry standard for managing and tracing sustainability

characteristics of circular and/or bio-based materials in a complex value chain. At the same time, and in order to increase the amount of bio-based and renewable materials in our product portfolio, we are working on a new range of molded fiber products, which will be launched in 2022.

For the beverage service industry, we offer both single-use and reusable packaging solutions. To increase circularity in single-use cups, we introduced the “Circular Events” concept to keep plastic in a closed loop.

For reusable alternatives, our primary solution for waste-free packaging is the reusable and recyclable polypropylene cup.

CUP2REUSE



Polypropylene (PP) is generally considered a "tough" or non-breakable material with low density. This makes it a lightweight but robust material, contributing to a lower ecological impact while guaranteeing function. Furthermore, the food-certified material is flexible and can withstand extremely high and low temperatures. At the end of its life cycle, our polypropylene cups can be melted down entirely and recycled into new cups.

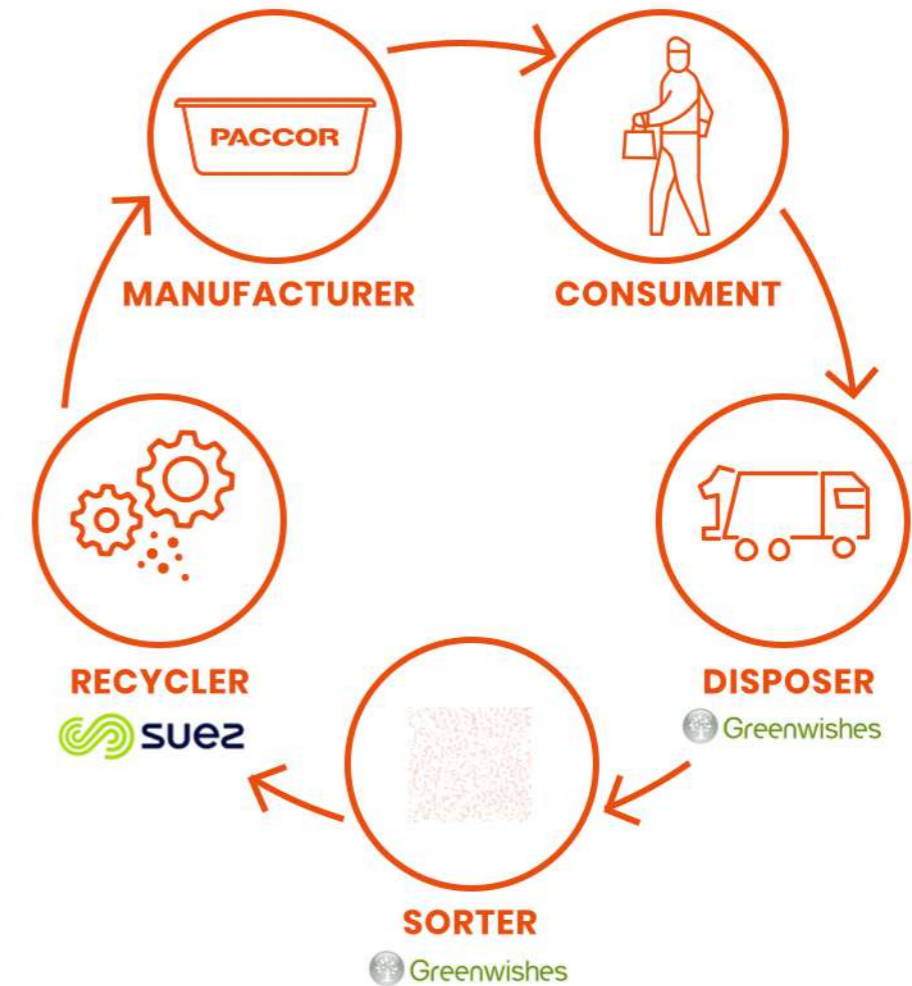
When comparing a reusable cup to a single-use cup made of alternative materials, one must consider multiple environmental impact factors. These include cleaning systems for reusable cups and the life cycle waste of a single-use cup. A study by The LCA Centre¹ looked at the Global Warming Potential (GWP) throughout the life cycle of both reusable and cardboard cups. It showed that waste-free cups reduce CO₂eq by 20-30%

after two uses and by 64-82% after 30 uses compared to popular, single-use paper cups that are not included in a closed-loop economy.

We had the greatest honor to be chosen as supplier for COP26, the United Nations Climate Change Conference that took place in Glasgow from 31 October to 12 November 2021, where more than 25,000 international guests attended, including world leaders from more than 100 countries. Our polypropylene reusable and recyclable cups were used by the attendees during that event. Each refill eliminates the need for a single-use polypropylene cup and its associated impacts on biodiversity, and keeps the original refillable cup in use and out of the environment. At the end of the event, our cups were collected, crushed and brought into further recirculation.

¹ECOCORE® ZERO WASTE CUP TM LCA – environmental impact study summary, 2020

CLOSED LOOP FOR PLASTIC PACKAGING IN RESTAURANT CHAIN



We have a long history of locally manufacturing 100% rPET products with highest quality for minimal environmental footprint. But that was not enough to achieve circularity on plastic. We also wanted to tackle the issue of collecting our products from consumption sites, such quick service restaurant chains, and reuse them in production.

So, we joined forces at the beginning of the year with Cojean, a forerunner for waste management in the fast-food industry, and Tri.O & Greenwishes, a proponent of the French recycling ecosystem, to implement the first closed loop for plastic containers in quick service restaurant chains.

Together with our partners, we firmly intended to move from aspiration to collective action to have a significant positive impact on the environment. Six months later, in June 2021, the first recycling stream was operational. A second one will follow soon for an estimated volume of 40-60 tons of PET collected at Cojean's restaurants and reused for Cojean's packaging, with a potential savings of 90-140 tCO₂eq.

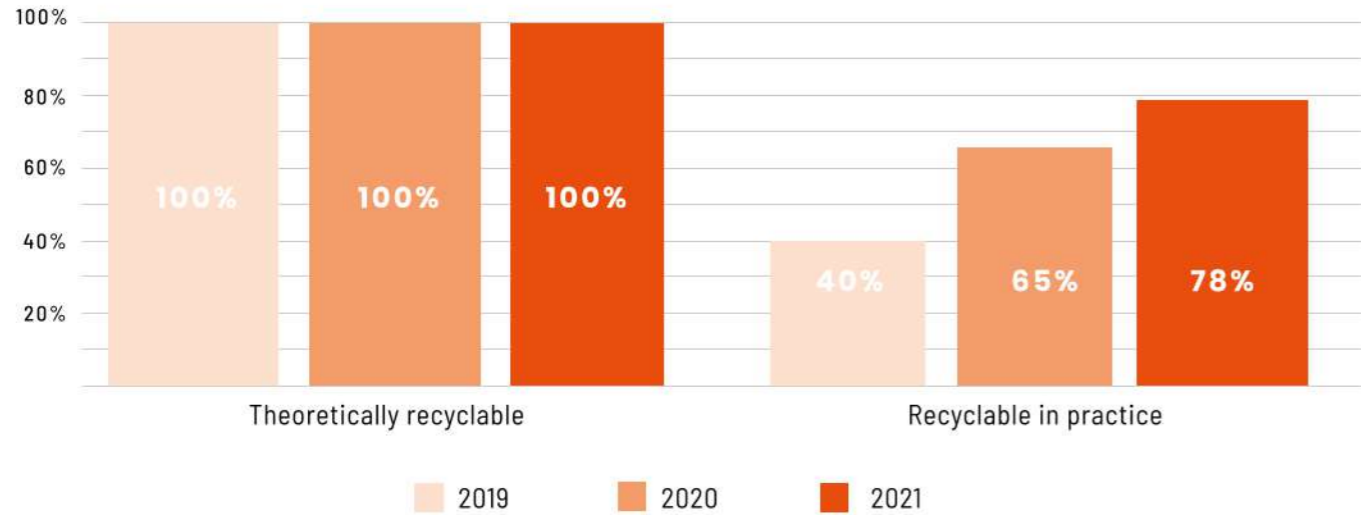
PROVIDING 100% RECYCLABLE SOLUTIONS BY 2023

Upstream innovation is crucial in facilitating recycling and goes hand-in-hand with developing downstream collection and recycling infrastructure. RecyClass, WRAP, CEFLEX and Petcore guidelines support us to ensure that our products are designed to be easily recycled when appropriate collection, sorting and recycling infrastructure is in place. We offer PP, PET, HDPE, LDPE mono-material solutions that can be easily collected, sorted and recycled in practice and at scale in many European countries. We use barrier materials which are

compatible with base material and additives and fillers that do not increase the density by more than 5%.

However, even though there is a technical possibility to recycle plastics mechanically or chemically, these opportunities are often hindered in reality by socio-economic factors of consumer behavior toward packaging waste, or due to a lack of infrastructure for collection, sorting, or cost-effective technology processing.

RECYCLABILITY OF PACCOR PRODUCTS



Based on our portfolio by material, recycling development in the region a product's sale, and our collaborations with the recyclers in the regions, we assessed the recyclability of our packaging portfolio in 2021 to be 78%² (based on our sales volumes), which was a significant improvement from 65% in 2020.

Our present and future efforts to achieve 100% recyclable solutions by 2023 are based on a twofold approach:

- Innovation and product design to increase the share of at scale recycled products in our portfolio.

- Increase alliances and social engagement to contribute to the development of waste handling and recycling in the regions of our sales and raise awareness on responsible use and disposal of plastics.

Following our innovation roadmap, we prioritize the most impactful changes across an entire packaging portfolio that will rapidly improve recyclability. In 2021 we launched several material replacement solutions allowing introduction of more commonly recyclable polymers, such as PET or PP, or more mono-materials in our packaging solutions.

²In our estimations, we took into account mechanical recycling only, considering it to be achievable if there is an established system for collection, sorting and processing of post-consumer waste in the region that covers a significant populated territory and processes at least 30% of the respective generated waste (by polymer) on the territory covered. A region is considered as Europe and the USA in total, irrespective to the country or state separation. The rates are based on the default recyclability assessments of Ellen McArthur Foundation, with adjustments based on our continuous dialogue with, and audits of, local waste receivers in regards to our portfolio, accounting for mono-material solutions, solutions with reduced pigment content, and when applicable, downcycling of the material from food-contact to other applications.

We further moved away from multi-material to mono-material packaging solutions in more than 2,000 tons of IML cups by replacing paper with PP labels.

We substantiate our research and efforts into alternative feedstocks and circularity of our products by continuously updating our product Life Cycle Analyses and Environmental Product Declarations.

In 2021 we actively collaborated and participated in industry-specific recyclability initiatives, such as the recycling challenges of styrenic plastics, for which we recently joined the Styrenics Circular Solutions (SCS),

a joint value chain initiative and unified driving force to make a polystyrene (PS) circular economy a reality in Europe.

Building on our previous fruitful collaboration, in 2021 we continued our participation in the HolyGrail consortium, under the Digital Watermarks Initiative HolyGrail 2.0, facilitated by AIM – the European Brands Association. As a partner of the initiative, we enable advanced sorting and recyclability of packaging, and provide granular data on packaging material flows, such as sorting, recycling and composting rates.

DUOSMART® NEXT GENERATION



PACCOR's DuoSmart® Tray can be produced from PP/rPP or PET/rPET with a cardboard sleeve. The banderole is linked to the tray without glue. In addition, it has been possible to develop a zipper solution that makes it easier for the end customer to separate the cardboard sleeve from the plastic tray. This new generation of trays is ideal for packaging meat, fish, ready meals, salads, and vegetables.

RECYCLABLE SINGLE-USE DRINKING CUPS



We continue with our mission of educating people about the value of plastic, and with making it clearer about what can be recycled to our end consumers, and at the same time obey timely to new obligations, such as the Single-Use Plastics Directive (EU) 2019/904 (SUPD) on marking specifications for beverage cups.

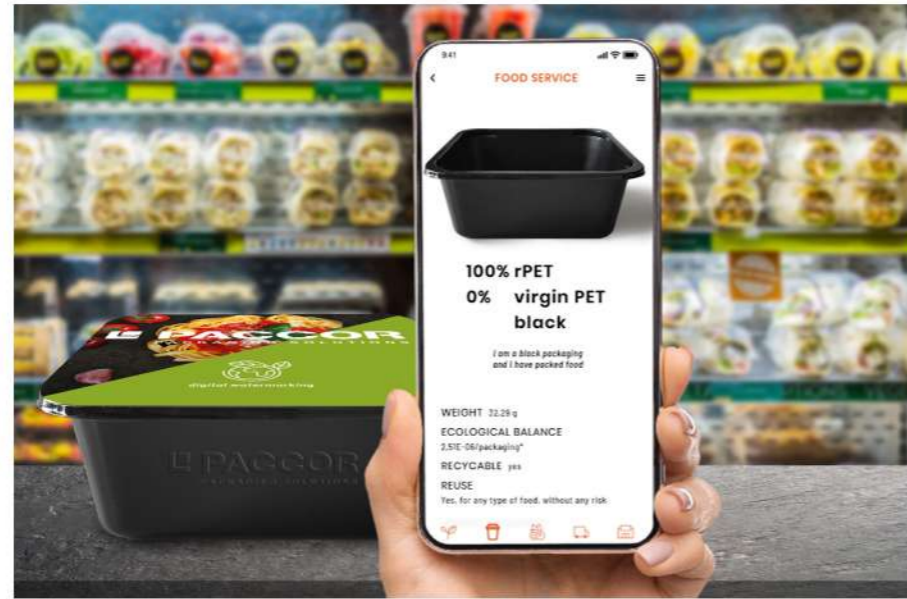
Since July 2021, we have offered breweries, fast food restaurants, and vending machine operators a complete range of drinking cups from 0.2 l to 0.5 l, with 75 and 95 mm diameter with the required EU marking in all the official languages in which the single-use plastic product is placed on the market.

We accomplished this with embossing, as it enables the EU marking without use of ink, which does not compromise full end-of-life recyclability and easy reuse of plastic material, and does not require any additional step in the production process.

For rPET cups, we have achieved a marking quality and legibility that is unique in the market.



PACCOR CLOUD SOLUTIONS (PCS)



Currently, only about 40% of plastic packaging is recycled in Europe. The rest ends up being incinerated and, unfortunately, some of it also ends up in the environment. For this reason, together with our partner Digimarc, we have given plastic packaging a voice – which values plastic and allows recycling of 100% of all used plastic packaging in a closed-loop recycling system. The system consists of a database, Digimarc's watermarks, and information retrieval.

PACCOR Cloud Solutions (PCS) is a database that enables recycling. Our packaging solutions with digital watermarking can be scanned, and specific product information can be read anywhere by using intelligent identification systems. Such a solution offers advantages for all stakeholders involved. Food producers can add food-specific information such as filling date and location and nutritional values. Retailers can scan the new, full-

surface watermarks faster at cash registers. Waste management companies can differentiate between food and non-food packaging in the sorting process. End consumers who want to purchase a packaged food product can see the exact characteristics of the packaging and its content by scanning the watermark, which informs not only about the correct recycling route, but also about the food product itself.

In addition to packaging and product features, information on transport routes, sales prices, discounts, menu recommendations, and more can be provided. Finally, the digital watermark on the packaging not only provides information about all the details of the product, but also serves to protect the economic value as it prevents counterfeiting of branded products. With the digital watermark, the origin of a product can be traced at any place and any time.



INCREASING RECYCLED CONTENT



Many countries are moving toward a circular economy for plastics, supported by taxation schemes in favor of post-consumer recycled (PCR) plastics. While in many countries this is still under discussion, countries such as the UK, Italy and Spain have already agreed to implement a plastic tax on all non-recycled plastic, sometimes as early as of April 2022 (UK). At PACCOR we want to be one step ahead of the regulations and bring PCR-based value propositions to the market.

This is why we launched a new materials strategy in 2021, along with our other goals to reduce unnecessary or problematic packaging materials and to achieve 100% recyclability of our products by 2023, to accelerate the transition to a circular economy in the coming years in support of PACCOR's business growth.

The materials strategy, which is now being implemented in all of our plants, will increase the share of PCR plastics in our products in the short and long term (2025). At present, PET is considered the only plastic type that allows true circularity in food packaging, as it can be made fully from recycled post-consumer content in food-contact applications, while not compromising on food safety or any other functional properties. We are continuously working to increase the amount of recycled PET (rPET) in our products, despite the many challenges in relation to availability, color consistency and price, by establishing new partnerships and exploring new business models. In addition to the creation of closed loops in restaurant chains (see case study: Close loop for plastic packaging in restaurant on page 31), our specialized recycling partners are collecting beverage and food plastic containers used during big assemblies, such as music concerts, shows, and sporting events. They are then crushed and transported back to our manufacturing sites to produce new cups made of 100% recycled material (rPET), closing the loop of our drinking cups. We call refer to this as "Circular Events".

At PACCOR, we go beyond what is usual and ordinary, and thanks to our innovative power, in 2021 we were able to develop a unique CCM technology at our plant in Mansfield, U.K., to run at least 30% rHDPE in our dairy closures. See more in the case study: The first post-consumer recycled (PCR) solution for the dairy industry.

At the same time, we continued to work hard to expand the mechanically recycled materials streams to polymers other than PET, e.g. recycled PP for non-food and we are proud to announce that our technology allows for integration of up to 70% recycled PP grade into all our non-food packaging solutions.

As complementary to the mechanical recycling and for other kind of polymers, such as: PE, PP or PS, chemical technologies are under development to increase the amount of PCR materials on the market and ensure a closed loop of plastics. The fact that these technologies are not at industrial scale yet made us one of the first packaging producers to be able to offer rPP solutions for food applications (see case study: Recycled Polypropylene in the ice cream industry, page 39).

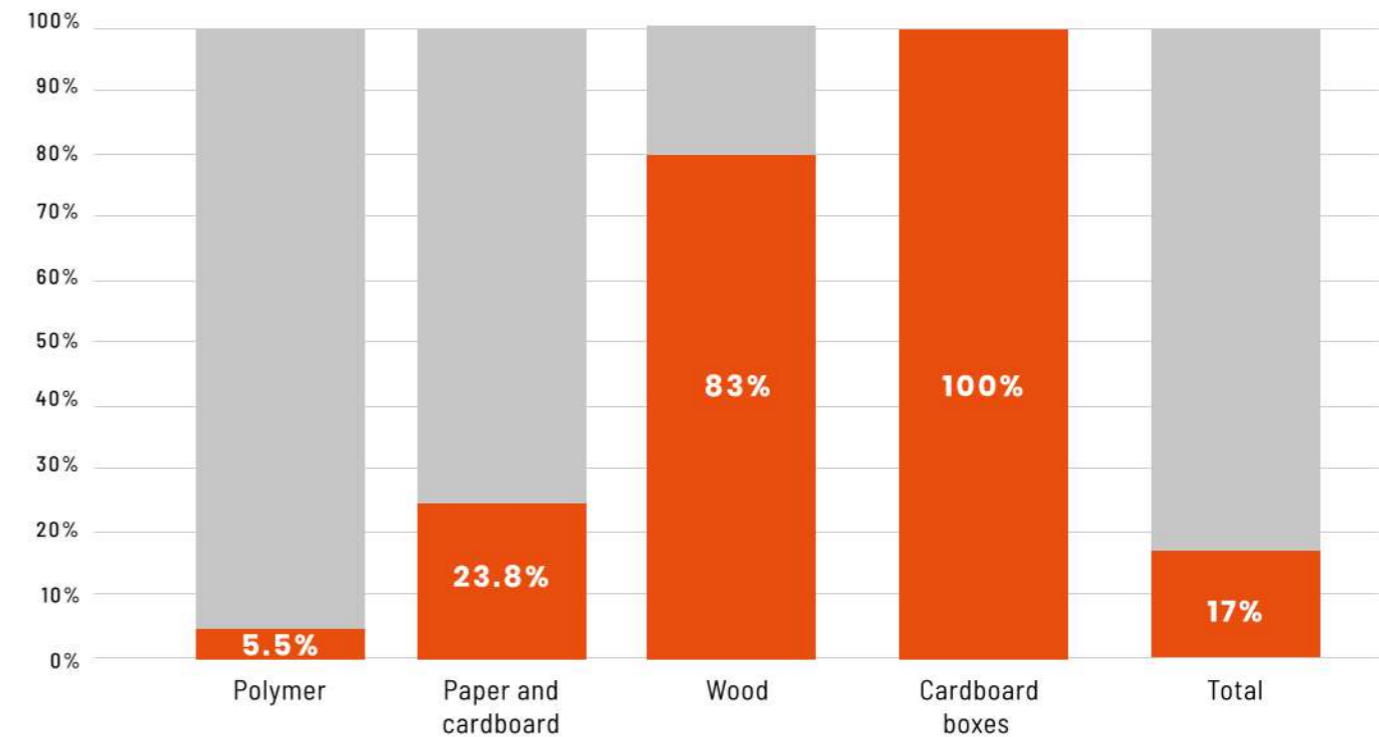
In circumstances where it provides an environmental benefit, and in alignment with plastic tax schemes, we will utilize post-industrial waste fraction from other legal entities, or from third parties (PIR), as complementary to PCR, but will never include internal virgin scrap from the same plant as part of the PCR use percentage.

The share of recycled content will be important information for our customers regarding tax schemes and their reporting to authorities. Therefore, distinguishing between post-consumer content (PCR), post-industrial content (PIR) and virgin is fundamental to us to ensure traceability, transparency, and comparability between different solutions.

At the same time, and in support of a decarbonized value chain in line with the commitments of the Paris Agreement, we are focusing on innovative materials and alternative (bio) feedstocks whose sustainability profile compared to non-renewable alternatives is clearly demonstrated from a holistic perspective. In this context, we have set a target of using at least 10% polyolefins from bio feedstocks by 2025. Our new materials strategy will help our customers offer a wider range of packaging solutions to the end consumer and help them achieve their sustainability goals and

commitments. Examples of our efforts in this area are the replacement of 330 tons of fossil-based PE by bio-based PE in milk closures produced at our plant in Ravensburg, supported by the ISCC Plus certification or the 100% bio-based polypropylene bowls for ready meals, reported in the case study on page 39. At the same time, we are preparing our new range of molded fiber products to be launched in 2022.

RECYCLED MATERIALS IN PROCUREMENT 2021



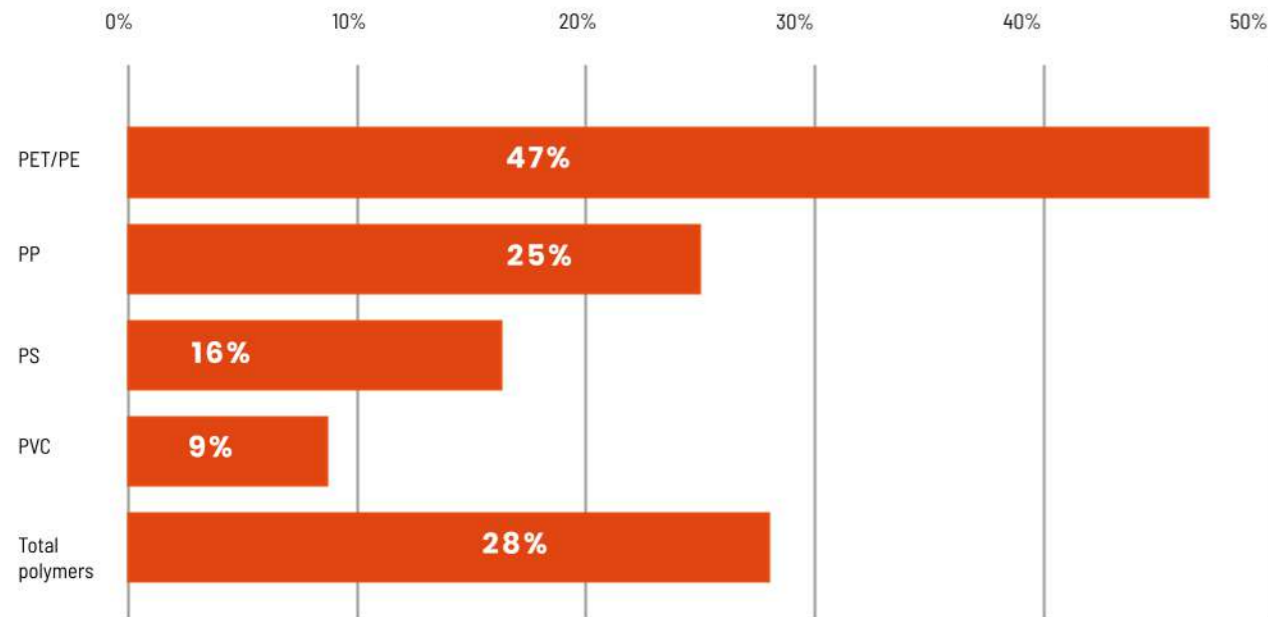
17% of the total procured materials this year were also sourced from post-consumer recycling. In 2021, the use of recycled polymers increased to 5.5% compared with 4% the year before.

Along with increasing the recycled content rates in procured materials, we strive to close the loops in our own processes and expand internal recycling of the plastic waste generated in our own operations.

Ensuring resources will never become a waste, our priority has always been to improve quality and better conversion of raw materials into final products, avoiding

creation of the waste in the first place, according to the waste management hierarchy. We are working on technology innovations that will allow for higher rates of recovery.

INTERNALLY RECYCLED POLYMERS IN 2020, AS A SHARE OF PROCURED VOLUMES



In 2021, we made significant improvements in the separation of thermoforming waste from different polymers, and reused the majority of our post-industrial waste either as raw materials in our own production, or converting it into valuable by-products for external use, in line with the concept of a circular economy. This allowed an increase of the internally recycled polymer rate from 21% in 2020 to 28% in 2021.

THE FIRST POST-CONSUMER RECYCLED (PCR) SOLUTION FOR THE DAIRY INDUSTRY



In keeping with our vision of leading the transition toward a circular economy for plastics and in line with incoming packaging tax regulations, PACCOR (Mansfield) UK has developed its unique CCM technology to run at least 30% rHDPE in our dairy closures. PACCOR is the market leader for this product, and supplies the UK industry, from small local dairies to large multi-nationals. It is our intention

to make this product the standard for supply, and post April 2022 we will only produce closures with a minimum 30% rHDPE content. This development reduces the volume of virgin HDPE used for our closure production by more than 1,000 tons per annum, and provides estimated carbon footprint savings of 1.3 ktCO₂eq per year.

RECYCLED POLYPROPYLENE IN THE ICE CREAM INDUSTRY



Since 2019, we have helped ice cream producers use recycled polypropylene plastic in their tubs. Our recently acquired site in Bydgoszcz, Poland has made it possible to offer fully recyclable IML ice cream tubes on shelves in a large part of Europe, made with recycled polypropylene plastic (rPP). Currently, it is not possible to produce food-grade rPP with any other form of recycling system but mass-balance chemical recycling schemes, for which our plant in Bydgoszcz, Poland holds International Sustainability and Carbon Certification (ISCC), ensuring transparent reporting of recycled and bio-based materials along

the value chain. The chemical recycling technology allows preservation of the same quality of the rPP stream as the original material. This makes it possible to transform unrecyclable plastic, which would otherwise be incinerated, to be turned into a valuable resource and to contribute to closing the loop on plastic.

In 2021, 804 tons of rPP was used in the production of the ice cream tubes, replacing the need of virgin material.

100% BIO-BASED POLYPROPYLENE BOWLS FOR READY MEALS



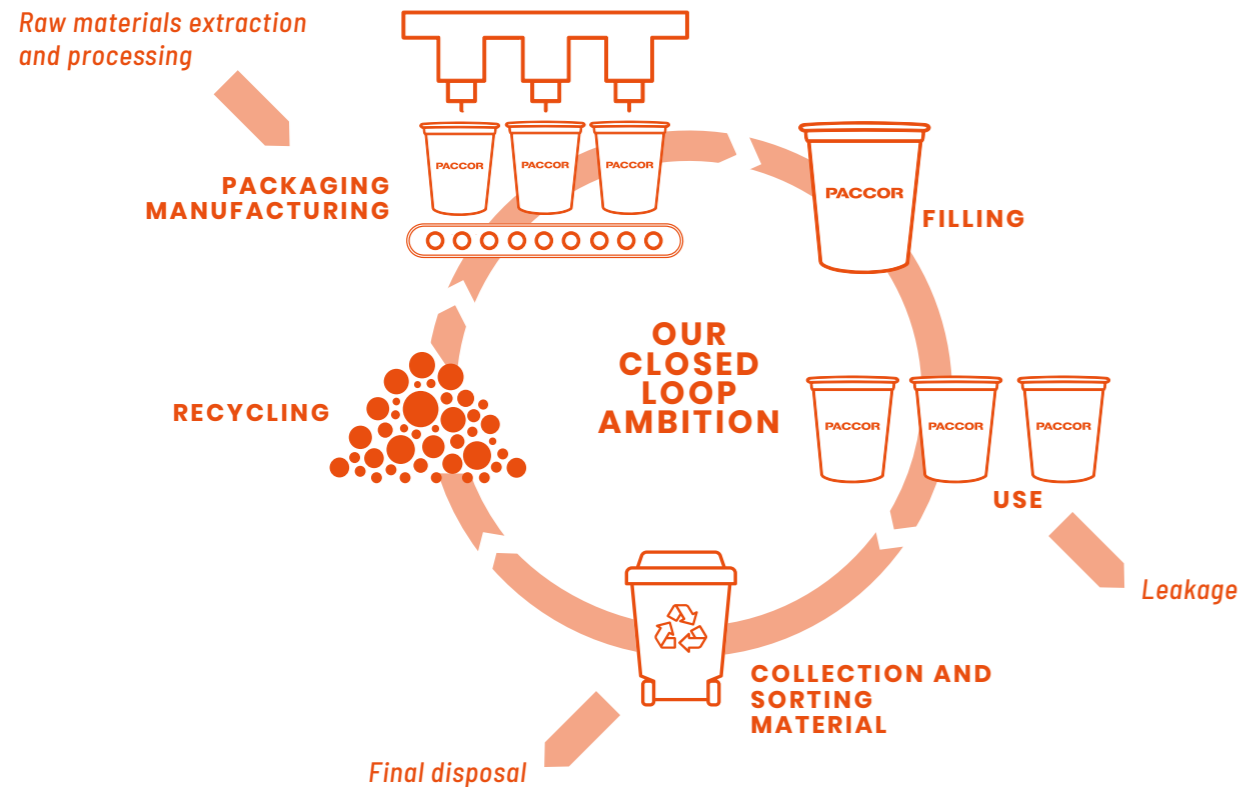
Our recyclable transparent bowl for frozen ready meals is one of a kind as it is made with 100% bio-based PP and was developed at our plant in Hämeenlinna for our customer Orkla, a leading supplier of branded consumer goods to the grocery, out-of-home, specialized retail, pharmacy, and bakery sectors in the Nordic countries.

Thanks to the replacement of virgin fossil by bio-based PP, we are demonstrating that decarbonization of plastic value chains is fully achievable, while

maintaining the same properties and recyclability of the packaging.

The material is composed from renewable resources and follows the ISCC certified mass balance principle – a chemical industry standard for managing and tracing sustainability characteristics of circular and/or bio-based materials in a complex value chain. In addition to our site in Finland, our production sites in Ravensburg, Germany, and Bydgoszcz, Poland, also hold ISCC certification.

LIFE CYCLE THINKING



Closing the material and energy loops is at the heart of a circular economy. Developing circular solutions, however, needs consideration of the impacts to validate their potential benefits and receive feedback for improvements. Moreover, on the journey toward a circular economy, significant parts of materials and energy lie in the linear perspective, and we do need to track them to keep a finger on the pulse. That is why we at PACCOR adhere to life cycle thinking as an important basis of our sustainability work. It encourages the development of more innovative, sustainable products as we continuously aim to reduce the overall environmental footprint of our product value chains.

Our assessment work, carried out both internally and by external specialists, is based on our life cycle assessment (LCA) database that we continuously update, and on commercially available life cycle inventory databases.

Our standard assessment method is based on ISO standards 14040/44, the internationally established and recognized frameworks that specify requirements and provide guidelines for life cycle assessment. We follow the Product Environmental Footprint (PEF) methodology for calculations. PEF is the harmonized multicriteria methodology for the calculation of the overall environmental footprint (including carbon) of products throughout their life cycle, developed and recommended

by the European Commission's Joint Research Center and other European Commission services. It takes into consideration existing approaches and international standards, such as, but not limited to, ISO 14040/44, ISO 14067, the Greenhouse Gas (GHG) Protocol, the International Reference Life Cycle Data System Handbook, and the Ecological Footprint Standards, in order to make the LCA studies more reproducible, comparable, and verifiable.

In 2021, full life cycle assessments were performed, among others, for expanded polystyrene (EPS) packaging, PP ready meal bowls, sushi trays, HDPE milk closures, all our drinking cups, and all DuoSmart® solutions, covering 29% of our product portfolio in terms of net sales. An Environmental Product Declaration (EPD) for DuoSmart® 926 dairy cup was published in January 2021 on the Environdec International EPD Portal³. LCA screenings were performed in 2021 for thermoformed vegetable/ fruits buckets and lids, dairy PP buckets and lids, and for dairy PS containers and meat trays in our current portfolio in order to further identify our opportunities for an improved footprint. In addition, we perform LCA screenings on all our new products as a directional tool for design in our innovation process, as well as on our major investment processes. More information on our life cycle assessment approach can be found on our [Position Statements](#) web page.

PLASTIC POLLUTION AND MARINE LITTERING



Our vision is to lead the transition in the plastic packaging sector to a circular economy by driving fundamental changes in the way we design, produce, dispose, and reprocess plastics. In full alignment with the EU plastics strategy, our circular economy approach aims to decouple economic growth from the consumption of finite resources and create economic, natural, and social capital for all stakeholders.

While PACCOR has no direct influence on the disposal practices of end users and the waste management industry, as a packaging company we are aware of and act on our responsibility toward nature and society. Our production is located mainly in Europe, and based on locations of our direct customers, we evaluate that the majority of leakage could be happening in this region. However, the final users of the packaging are present globally, and definite estimation of the leakage is challenging.

We recognize our "design for circularity" approach, as part of the C pillar of our CARE strategy, to be powerful to halt and reverse the impacts on ecosystems and therefore indirect biodiversity loss impacts we contribute to. This approach creates value in ways that rebuild biodiversity and provide other society-wide benefits, including helping tackle climate change, improving water quality, and reducing waste produced. Our "design for circularity" approach is based on designing offers that outperform current offers on the market in at least one of the following criteria: resource use (recycled content, light weighting, water, energy or waste efficiency), emissions to air or water bodies (climate change, acidification, eutrophication, reusability, recyclability), land use and transformation, and toxicity, without compromising food safety or food waste.

Since 2019 we have taken several actions to contribute to the ambition of reversing natural capital loss in this decade, in alignment with our signature to the Call to Action of the Business for Nature coalition and the Ellen MacArthur New Plastics Economy Global Commitment. Additionally, in 2021 we joined the Styrenics Circular Solutions (SCS), a joint value chain initiative and unified driving force to make a circular economy a reality for styrenic plastics, including polystyrene (PS), through innovative recycling technologies and partner-driven solutions.

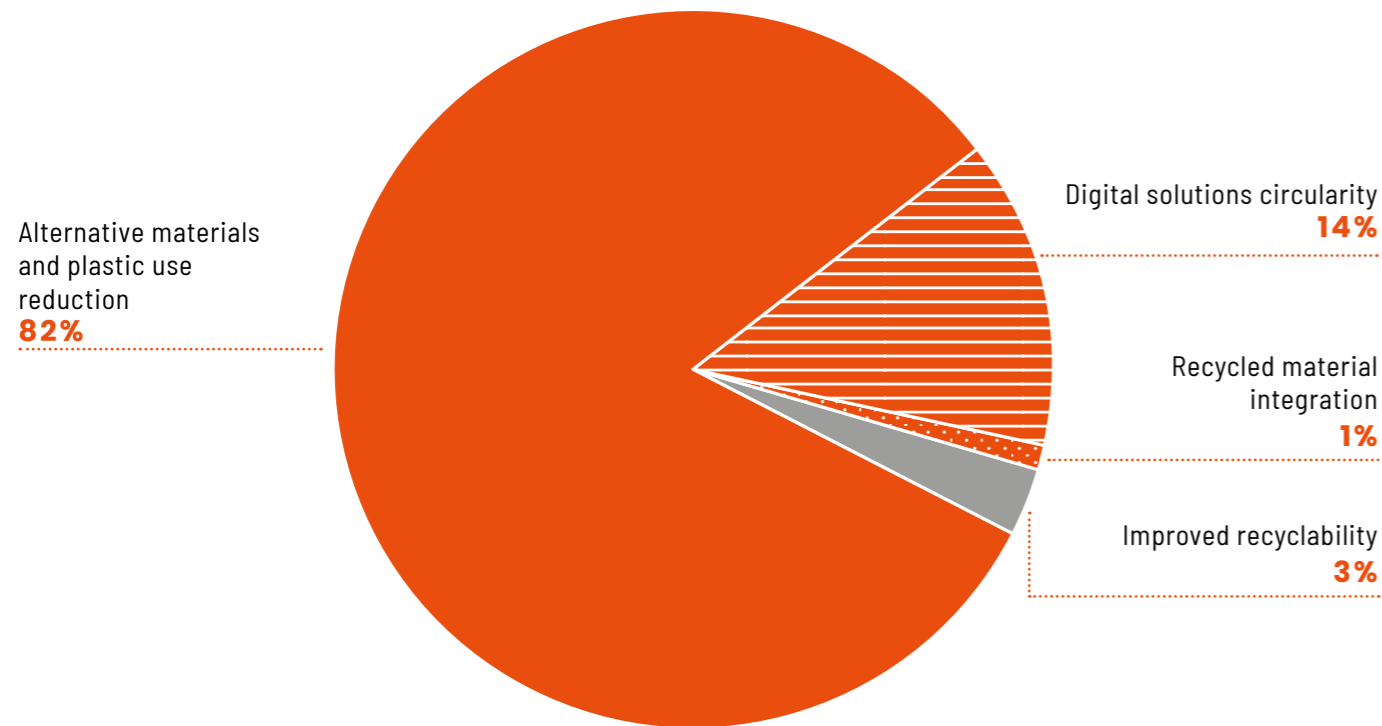
As a result, our efforts are focused on our product innovation for increased recyclability, increased recycling visibility, and activities aimed at preventing littering, including educational projects for local communities in the countries in which we operate.

At the same time, and in support of a decarbonized value chain in line with the commitments of the Paris Agreement, we are focused on innovative materials and alternative feedstocks whose sustainability profile when compared to non-renewable alternatives is clearly demonstrated from a holistic perspective, to ensure that elimination does not lead to other negative impacts on biodiversity or society, such as reduced food shelf-life resulting in increased food waste and greenhouse gas emissions. For examples of our activities in 2021 in this regard, including the new range of molded fiber products, please refer to the "Circularity" section of this report.

More information on our approach to marine littering prevention can be found on our [Position Statements](#) web page.

INNOVATION AND INVESTMENT

INVESTMENTS INTO SUSTAINABLE PACKAGING SOLUTIONS



We continuously develop new and specific solutions and offerings for our customers in close collaboration with them. We work with our customers from the design stage and throughout the supply chain to deliver innovative, differentiated and environmentally sustainable solutions.

Our design and engineering centers in Germany and the UK are key to create packaging solutions that are fit for a circular future. This cross-functional approach means we successfully steward and accelerate circular ideas from conception to marketplace.

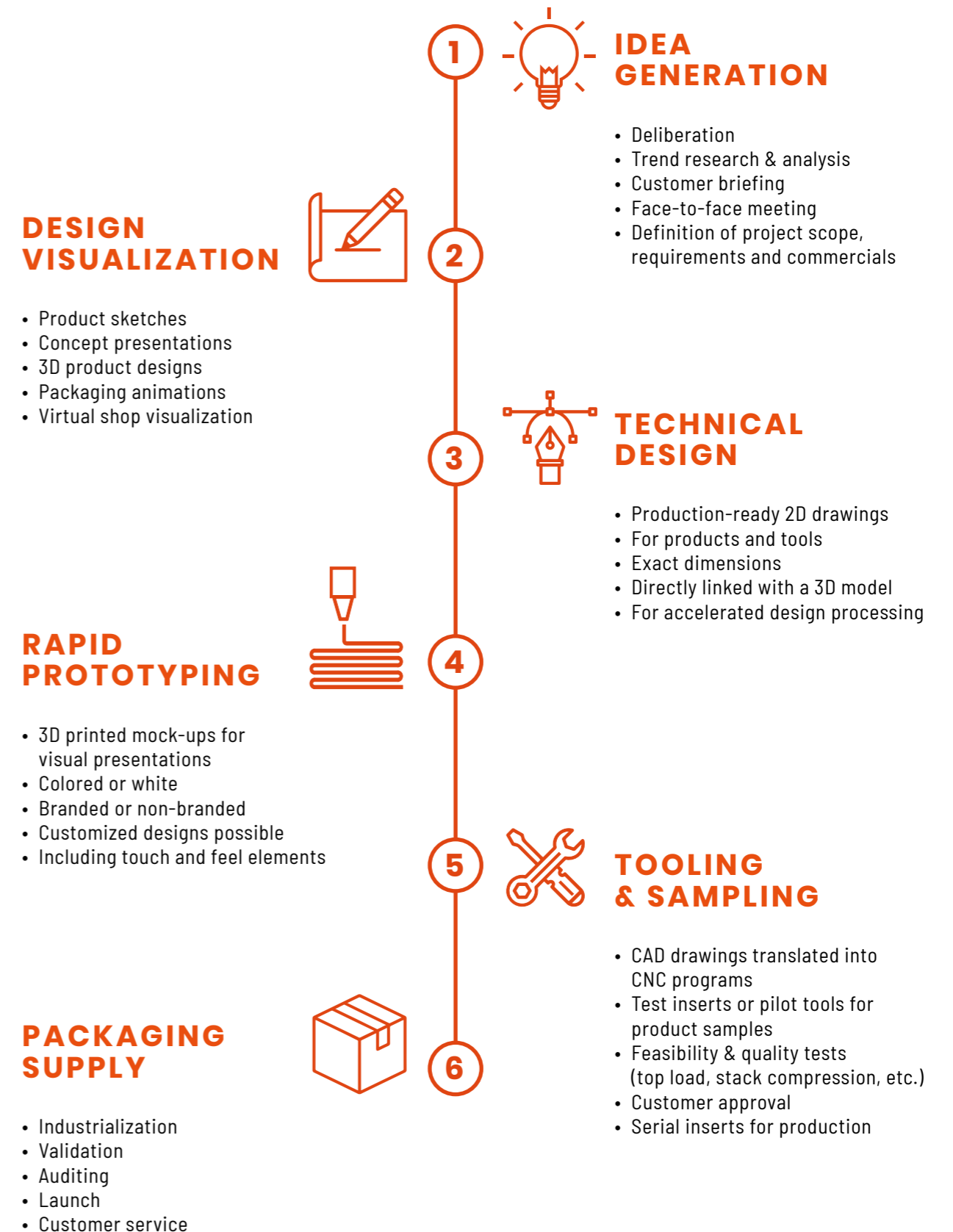
In 2021, our biggest projects concerned improved recyclability of our products, development of the processes to increase recycled or bio-based material

input, reduction of plastic material in packaging without compromising the performance, and boosting visibility of the recyclability of our products.

In 2021, our total investments into sustainable packaging and technology innovation amounted to over 2.2 M€. These investments were put into developments, trials, and equipment necessary to moving our circular vision forward.

More information about our Center for Development and Innovation (CDI) can be found on our [Service and Consulting](#) web page.

OUR CO-DEVELOPMENT PROCESS



Melis Çevik
Receptionist,
Istanbul, Turkey



For me, sustainability means working in a highly inclusive environment where people respect and care for each other.



Xavier España
Logistic Operator,
Barcelona, Spain



When I think of sustainability, I think of improving logistics, optimizing routes and all the measures that help reduce carbon footprint.

ALLIANCES



WE PARTNER ALONG THE VALUE CHAIN TO CREATE SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

KEY SUSTAINABLE DEVELOPMENT GOALS



APPROACH:

- Long-lasting and honest partnerships
- Create positive impact together
- Expand local community investment projects

2021 ACHIEVEMENTS:

- 100% of assigned employees completed compliance trainings
- PACCOR Supplier Sustainability Framework defined
- 100% Procurement employees trained on our new Vendor Policy
- 100% new suppliers screened on environmental and social criteria
- 100% suppliers acknowledged PACCOR Global Standard for Suppliers
- 22% of our sites ISCC Plus certified
- Joined Styrenics Circular Solutions (SCS) value chain initiative to drive PS circularity

By developing partnerships, we can work daily to deliver protection to essential products while minimizing the costs of managing excess or spoiling resources. We do this by adding value for every stakeholder: preserving resources, protecting nature, improving quality of life of communities, protecting food and goods for a wider population, getting our employees engaged and delivering returns that encourage investors to back our plans for the future.

At PACCOR, we have a clear view of what our customers and society will need and expect from us in the future, and are actively looking to collaborate with forward-thinking partners to take our innovations in all areas to the next level. Circular solutions are not just about new products - they are fundamentally about systemic supply chain changes.

In 2021 we reached out to more than 2,000 suppliers and 2,500 customers - brand owners and retailers - all over the globe to ensure the quality of our products rises above existing standards and contributes to a closed-loop business approach. By cooperating with other experts, we ensure the best technologies and offer safe and innovative solutions.

Our partnerships are selected based on specific criteria, such as if they fit with PACCOR's overall strategy, business potential, circular impact created, effective collaboration, and geographic scale.



CUSTOMERS

We partner with customers to provide breakthrough circular solutions that deliver economic value to all parties in the value chain. Our products are designed and manufactured with a focus on protection, speed and efficiency, brand differentiation and visual appearance, sustainability and customer experience.

It is our aspiration to holistically advise and accompany our customers. Mutual trust and understanding are the overall goal. If the standardized product range does not fit our clients' needs, we are happy to develop a customized solution that fits all the requirements. Furthermore, we give advice on how to be more sustainable on design issues and material options or on trimming unnecessary costs. Customers can also rely on us when it comes to questions concerning recycling processes, plastic labeling regulations, and logistics.

We value our partnerships with customers and aim to develop a long-term mutually beneficial relationship. We believe that questions, remarks, or suggestions by our customers deserve a swift response, which is why we want to respond to their case as quickly and effectively as possible. In 2021, our first response time was under 24 hours.

The effects of the global COVID-19 pandemic remained a challenge for some of our customers in 2021, typically in the foodservice segment working for concerts, events or festivals. The HORECA (HOTels/REstaurants/CAtering) segment were also affected by the global pandemic. This resulted in a customer retention rate of 0.9 and a decrease in customer numbers by 4.5%. We understand the situation of our customers in hospitality, believe in their ability to successfully recover, and hope to welcome them back soon.



SUPPLIERS

We aim to work with suppliers as partners.

Working with supply chain partners who share our values is fundamental to support a secure and circular supply of products to our customers. By engaging with our suppliers on their standards and practices regarding environmental, social and ethical issues, we not only make sure to identify and minimize supply chain risks, but also promote the need for greater transparency, improve performance across supply chains, and increase joint development opportunities.

In 2021, we defined a new Sustainable Procurement Framework in support of the delivery of the CARE strategy targets. The framework includes processes for risk management and the measurement and monitoring of supplier sustainability performance, including advanced contribution to our CARE targets for the 50 suppliers with material impact on our Resource Efficiency Program. The foundation of this is our recently updated Vendor Policy, which requires all our suppliers (new contracts or all existing purchase orders) to sign the PACCOR Code of Conduct for Business Partners (f.k.a. Global Standard for Suppliers) before engaging in

any business with us. The PACCOR Global Standard for Suppliers is composed of eight material Social Principles, including embracement of the Universal Declaration on Human Rights and the UN Guiding Principles on Business and Human Rights, 4 Environmental Principles and 6 Ethical Principles. We demand the highest ethics and integrity in all supplier relationships.

Further, we assess our suppliers on inherent risks, through use of a self-assessment questionnaire that covers Environmental (e.g. resource use, use of renewable energy, recycled contents used, pollution and emissions levels), Social (e.g. product security and labor conditions) and Governance (e.g. Business Integrity and Policies) topics. When appropriate, our suppliers can make use of a simplified procedure by sharing their certified performance indicators and scores. For suppliers operating in risk regions or industries, we measure and track their sustainability performance based on their policies, actions, results and on-site audits. The COVID-19 pandemic limited our audit visits, which are planned to resume in 2022 and will facilitate a proactive supplier risk management in our industry.

PACCOR SUPPLIER SUSTAINABILITY FRAMEWORK

ENTIRE SUPPLY CHAIN

- PACCOR Vendor Policy
- Code of Conduct for Business Partners
- Suppliers' inherent risk assessment (desktop)

HIGH-RISK SUPPLIERS

On-site audits

RESOURCE EFFICIENCY MATERIAL SUPPLIERS

Advanced collaboration

We have developed a screening and selection procedure regarding suppliers, and clearly communicate our intentions and expectations to all our suppliers through the PACCOR Code of Conduct for Business Partners (f.k.a. Global Standard for Suppliers). We screened 100% of the new suppliers we contracted with in 2021.

Supporting local suppliers is one of many possible means of engaging with local stakeholders and increasing the positive effect that we as a company can have. In 2021,

32% of our total procurement budget was spent on sourcing from suppliers in the same countries where our production sites or offices are located.

Based on quality, delivery, cost, innovation, and sustainability, we select high-performing suppliers that deliver the best possible raw materials, technology or services that add value to our business.



MEMBERSHIPS

Our involvement does not stop with our suppliers and customers. We engage with legislative and regulatory bodies, industry and trade associations, and non-government organizations, and participate in policy discussions relevant to sustainability within the plastic and packaging industry. We do this by sharing our expertise and knowledge on topics such as circular economy, recyclability, recycling technologies, bio-based materials, carbon reduction and food protection, and so contributing to ensure that public policy decisions are grounded on sound data and science.

Through our engagement in several associations in the EU, we have actively engaged with policy makers on transposition of the EU 2019/904 directive, more commonly known as the Single-Use Plastics Directive (SUPD), in its member states. Similarly, in the U.K. and Spain, we have actively engaged in the advocacy efforts of industry and trade associations related to the ongoing development and implementation of the U.K. Plastic Packaging Taxes.

In line with our Code of Ethics and our company Policies, we do not provide any financial contributions or endorsements to political parties or politicians.

In the table below we list the main associations we are a proud member of.

NAME OF THE ASSOCIATION	FOCUS	DATE OF JOINING	LEVEL OF INVOLVEMENT
MAVESZ	Hungarian Chemical Industry Association	1990	Regular member
MMSZ	Hungarian Plastics Industry Association	1990	Regular member
NVC	An association of companies addressing the activity of packaging throughout the supply chain of packaged products.	1990	Regular member
PAGEV	Plastic Packaging Producers Association	1991	Regular member
Anaip	Spanish Association of Plastics Industry	1992	Vice President
Cicloplast	Non-profit organization promoting the recycling of plastics	1995	Management
ASD	Packaging Manufacturers Association	2005	Involved in projects
Suomen Pakkausyhdistys	Finnish Packaging Association	2010	Board member
German Association for Plastics Packaging and Films	German Association for Plastics Packaging and Films, also including supporting members from various industrial sectors.	2010	PACCOR is involved in the working groups "Packaging cups" and "PET trays"
BPF Energy	British Packaging Federation - Energy	2017	Meeting attendance on subjects
ELIPSO	A professional association representing plastic and flexible packaging manufacturers in France.	2018	Administrator and constant participation in T2T / 3R / recycling projects and participation in Communication Committee
EUPC - European Plastics Converters	Senior Executives Forum	2018	Member of the Senior Executives Forum
Petcore Europe	Association representing the complete PET value chain in Europe	2019	Member of the Board of Directors and constant member of T2T project
Styrenics Circular Solutions	Joint value chain initiative to make a circular economy a reality for styrenic plastics through innovative recycling technologies and partner-driven solutions.	2021	Management

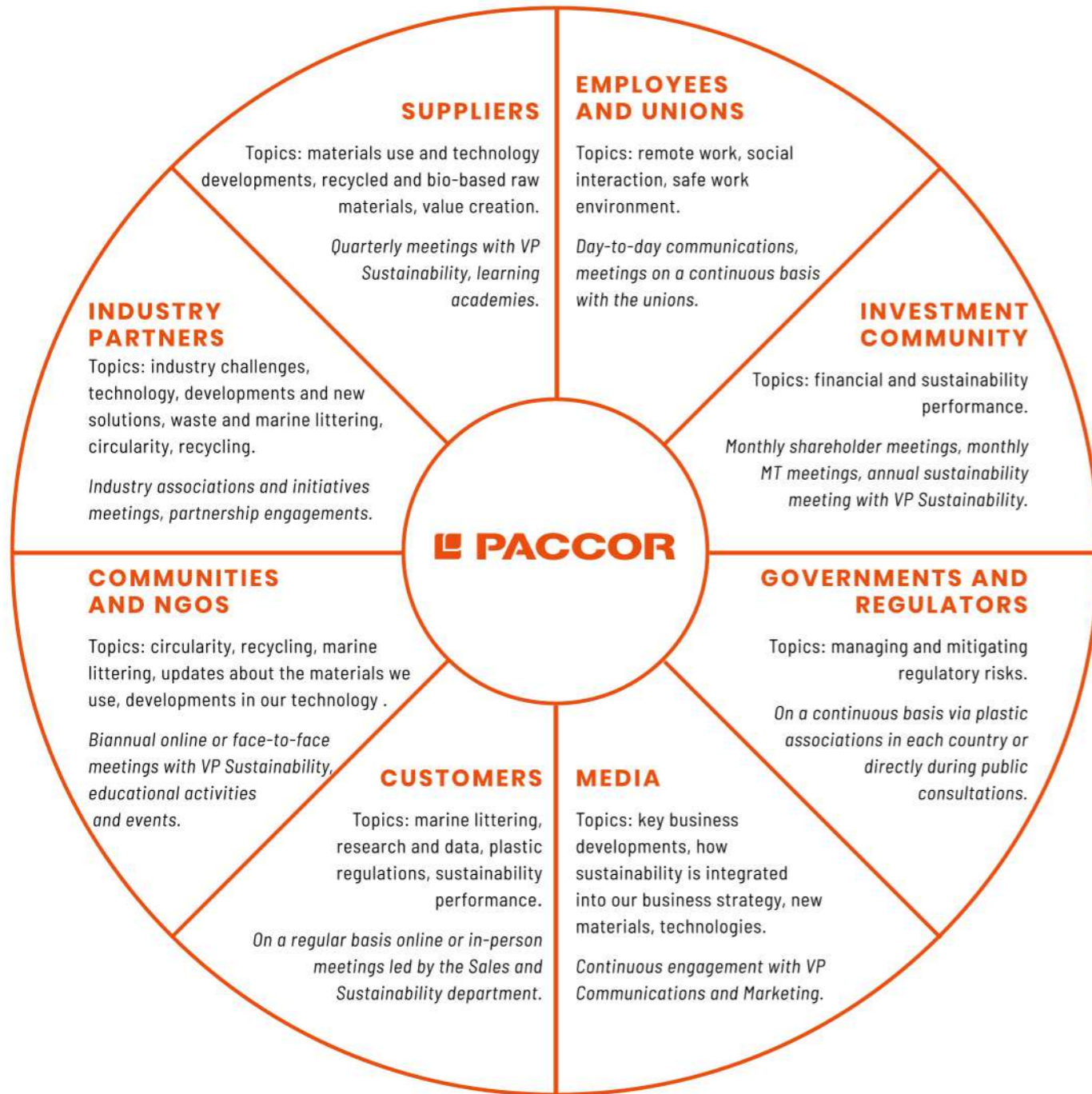
We recognize our impact on the communities in which we operate, and strive to increase our positive impact on the communities and support local and global initiatives. Some of the voluntary commitments and collaborative initiatives we believe in, and take a meaningful part in as PACCOR Group, are presented in the table below.

			
Operation Clean Sweep®, since 2019	New Plastic Economy, The Ellen MacArthur Foundation, since 2018	Business For Nature, since 2020	Circular Plastic Alliance, Since 2020
			
HolyGrail 2.0, since 2020	Styrenics Circular Solutions, since 2021	Forum Rezyklat, since 2021	Circopack, Pack4Food, since 2019



STAKEHOLDER ENGAGEMENT

Stakeholder input is key for us to understand our operating environment, and is relevant to the development of our strategic approach and business plans.



Stakeholder input is key for us to understand our operating environment, and is relevant to the development of our strategic approach and business plans. Through meaningful engagement, all stakeholders help us improve and deliver on our CARE strategy.

We engage with a wide range of stakeholders on a regular basis through workshops, fairs, and other dialogue events, building on our understanding of important societal issues. Our stakeholder network includes people we engage regularly with through our operations, and

those in public positions who influence our activities. For each stakeholder group, we have identified a key topic of engagement and are actively involved to guarantee their voices are heard, and are dedicated to translating their input into meaningful company strategies.

2021 brought with it continued challenges from the global COVID-19 pandemic. As an organization where care and protection are at the heart of our business, it was imperative that we did all that we could to support our employees, customers, and end consumers during that tumultuous year.

Based on the feedback we received in 2021, we developed a list of main focus areas for continuous action and elaborate communication. All of these became elements and roadmaps of our sustainability strategy CARE.

1 INCREASING VISUAL VIRTUAL EXCHANGE ENVIRONMENT

Based on pressing concerns from employees regarding remote work due to the pandemic, we increased visible exchange activities. We moved to virtual platforms with video capability during meetings, enabling us to bring employees from countries around the world together in more collaborative and interactive ways. We started with a "Workdate" system, which is an online networking tool that matches employees and organizes lunches and coffee breaks via video calls. This allowed us to remove silos, and to create greater personal connections which, in turn, facilitates better understanding of one another and the various backgrounds and perspectives we bring to PACCOR Group every day.

2 WORKING WITH STAKEHOLDERS TO HAVE BETTER INFLUENCE THROUGH ADVOCACY

Our employees and the Board urged us to actively participate with policy makers on the transposition of Plastic legislation, such as the EU 904/2019 Directive, or taxes in its member states. For this reason, we have increased our active engagement in the advocacy efforts of industry and trade associations related to the ongoing development and implementation of such schemes.

3 REINFORCED SAFETY

Additional concerns were specifically raised by the Board and by employees to improve safety. In our role as a responsible employer, we are implementing a Group-wide people and process safety management program on top of our product safety program, through which we strive to ensure that the highest safety standards are applied to our activities and sites. Our recently revised safety rules program is composed of ten key safety rules that must be applied across the entire Group with zero tolerance for non-compliance, and are supported by the Golden Principle that all our employees are empowered to immediately address, eliminate or control, and report any unsafe conditions or behaviors. The safety rules are part of our way of approaching and conducting all work activity. The purpose of the safety rules is to prevent fatalities or serious injuries to employees, contractors working for PACCOR, and visitors by ensuring a safe work environment and safe behavior.

In our role as a business partner, we screen and monitor our business partners through formal processes, of which health and safety is an integral part.

4 AUTHORITATIVE AND FACT-BASED COMMUNICATION REGARDING THE VALUE OF PLASTICS

Our customers, students, the Board, and employees brought to our attention that they have an urgent need for more research and available data on the benefits of plastics compared to other materials. They underline the role that PACCOR can play to contribute to the availability of data, new studies, and a clear communication strategy. To support the data-driven approach, we accelerated our life cycle assessment studies, with screening studies, several externally validated studies and one published Environmental Product Declaration⁴ (EPD) in 2021. To emphasize the importance and value of plastics, we contributed to several reports and recognized scientific publications on the value of plastics, either on an individual basis or together with universities or plastic associations.

5 INCREASED POST-CONSUMER RECYCLED AND BIO-BASED MATERIALS USE

Our customers, end consumers and other stakeholders, such as NGOs, raise concerns about marine littering and the circularity of plastic packaging. As one of our four core CARE pillars, circularity is greatly important to us. In 2020 we critically reviewed our performance and reflected on the limited high-level long-term orientation for the overall strategic aims and complete directional approach to our Post-Consumer resin and bio-based material usage. This was ultimately causing a lack of competitive advantage among our competitors and affecting the prospective connections with suppliers. This is why in 2021 we launched a new materials strategy, along with our other goals to reduce unnecessary or problematic packaging materials and to achieve 100% recyclability of our products by 2023, to accelerate the transition to a circular economy in the coming years in support of PACCOR's business growth. The materials strategy, which is now being implemented in all our plants, will increase the share of PCR and bio-based plastics in our products in the short and long term (2025).

THE PLASTIC MUSEUM



[The Plastic Museum – inaugurated to be recycled](#)

The first 100% recyclable Plastic Museum in the world was inaugurated on 8 May 2021, with Jose Luis Martínez-Almeida, Mayor of Madrid, Borja Carabante, Environment councilor for the Madrid City Council, and Dolors Montserrat, MEP of Partido Popular in the European Parliament. Located in Madrid, in Plaza de Juan Goytisolo, in front of the Reina Sofía museum, it received visitors of all ages and from all over the world, who learned the essential role that plastics play in our lives, through the different objects exhibited inside.

After 10 days, on 17 May, World Recycling Day, the Plastic Museum was disassembled to be fully reused and recycled. Floors, walls, and ceilings were dismantled and recycled into new material to create products labeled with "I used to be a museum". A key objective of the museum was to transform misuse and promote responsible practices, environmental awareness and a culture of reuse and recycling.

We are proud to have been one of the main sponsors of the project initiated by EsPlásticos.

Together with our partners and other agents in the sector, with this project we joined forces to generate fact-based debates around plastic materials.

Throughout its three rooms, the museum was presented as a transformative space, which seeks a change in the wrong or imprecise perception of plastic, a recyclable and sustainable material. In addition, it showed how essential these materials are and how they have transformed sectors such as health, food, construction, and mobility, among others.

The Plastic Museum can still be discovered online with this [video](#) and a [virtual tour](#).

ALLIANCES

COMMUNITY INVOLVEMENT

At PACCOR we operate factories around the world and value our relationships with local communities. Our approach to community engagement starts with the relations with neighboring stakeholders as part of our Emergency Response and Community Awareness procedures. Each of our sites makes sure key neighbor stakeholders are informed about our activities and are involved with the communities in which they operate. Members of the public are always invited to our sites to tour our production facilities and discuss plastic benefits and challenges.



COMMUNITY MEMBER



ENVIRONMENTAL RESPONSIBILITY



GOOD NEIGHBORS

At the same time, we are aware of the increasing demand of consumers on producers to make transformational changes and make the benefits of plastic materials sustainable in a world with finite resources. Recycled plastic targets set by companies are only one part of the equation. Consumer behavior, collection, recycling infrastructure, business model redesign, and regulation

all play key roles as well. At PACCOR, we are dedicated to continued engagement with consumers and lead our education activities in schools on the truths and myths about plastics, discussing benefits of plastics for society, and the ways to deal with the factors hindering recycling.

SCHOOL PROJECT IN POLAND

We are pleased to announce that PACCOR supported two students at school complex No. 6 in Jastrzebie-Zdroj, Poland, with an amount of 1,000€. Paulina Frątczak and Adrian Grzonka with their project "The influence of different breeding conditions of Gallera Mellonella larvae on the possibilities of recycling polyethylene from the natural environment" were recognized at several competitions in Poland, and awarded abroad at the 6th International Invention Innovation Competition in Canada, iCAN 2021.



THOUSAND HANDS FLOOD PROJECT

PACCOR Belgium employees joined the organization "1000 Hands" on a project to restore Prayon village in Liege, which was affected by heavy flooding in 2021. Over a weekend, our employees helped with cleaning up the village after the damage caused by the flood.



Lourdes Jiménez
Thermoforming Operator,
Barcelona, Spain



*To me, sustainability
is all about
eliminating spills and
waste segregation.*



Yves Caunegre
Group Director Innovation,
Soustons, France



*In my field of responsibility,
sustainability plays a
fundamental role in product
development and can be
seen as the main driver for
innovation.*

RESOURCES



WE ARE TRANSFORMING OUR BUSINESS AND DECOUPLING FROM RESOURCE CONSTRAINTS

KEY SUSTAINABLE DEVELOPMENT GOALS



TARGETS:

- Carbon neutral by 2050
- 15% carbon cradle-to-grave (Scope 1, 2, 3) intensity reduction by 2025 compared to 2019
- 10% energy intensity reduction by 2025 compared to 2019
- 100% renewable electricity by 2023
- 25% waste intensity reduction by 2025 compared to 2019
- 100% closed-process water loops by 2025

Our journey toward being a circular business requires our own processes to be exemplary. By creating a culture of care for the value of materials and maximizing their conversion into sustainable final products, we continuously reduce material waste and improve productivity. Our Resource Efficiency Program, which is composed of four areas, GHG emissions, energy, waste, and water, is a key accelerator to deliver on our CARE strategy and helps us increase our competitiveness.

In order to deliver on our sustainability agenda, we recognize that a clear and concrete performance measurement system is required. This need is met with our non-financial KPI reporting framework, and the Resource Efficiency performance indicators in particular. The six key areas of continuous monitoring are waste intensity and type, energy intensity and type,

2021 ACHIEVEMENTS:

- 12% carbon cradle-to-grave (Scope 1, 2, 3) intensity reduction compared to 2019
- 77% renewable electricity
- 46% waste intensity reduction compared to 2019
- 82% reusable waste out of total waste produced
- 4 zero waste to landfill sites
- 33% of our sites environmental management systems (ISO-14001) certified

freshwater intake intensity, and carbon footprint cradle-to-grave (Scope 1, 2, 3) intensity, for which targets are set.

Each of our units reports a clearly defined set of quantitative and qualitative data in a central reporting system, based on which the local and global performance is assessed. This sets the input for the sustainability strategy constructs and, when necessary, review and update of the action plans.

Our HSE&S management system, developed to lead the CARE strategy implementation, covers all functions, locations, and businesses. Six of our production sites are also certified with ISO 14001:2015 environmental management systems, and we are striving to increase the coverage.

ENERGY



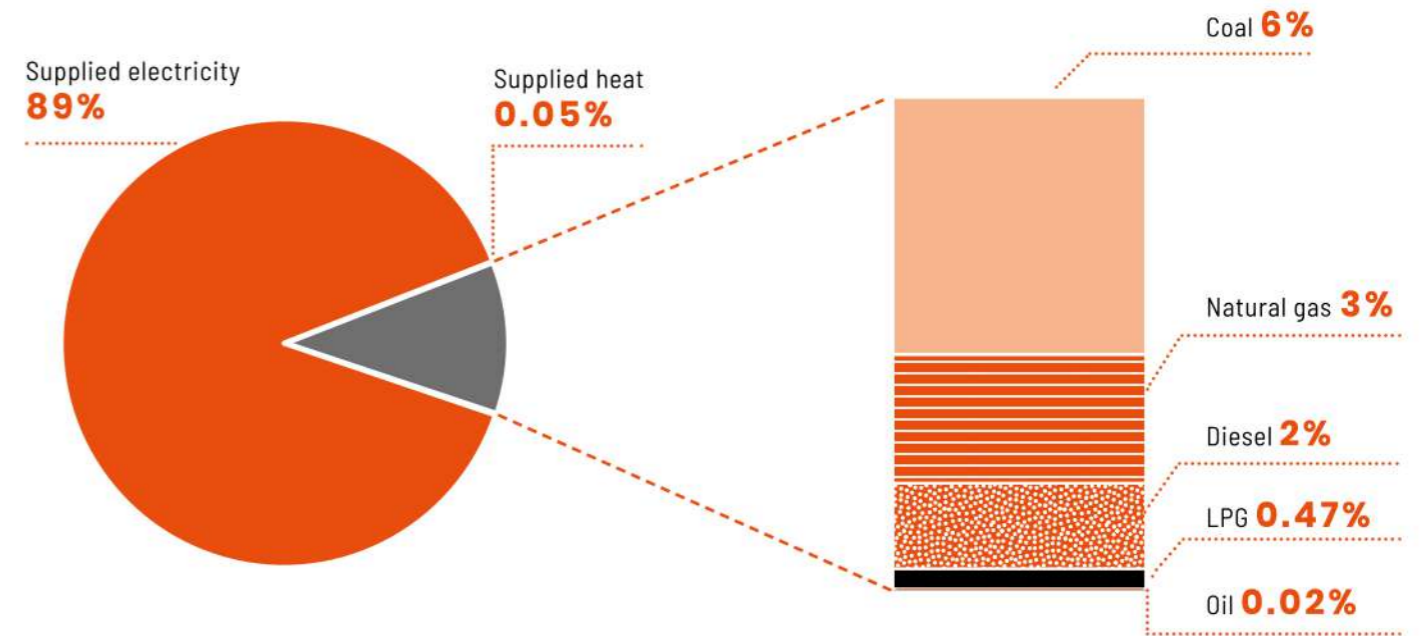
At PACCOR, we are committed to continuously reduce the use of limited energy resources to de-risk our value chain, which in turn delivers environmental benefits and generates cost improvements.

Our target is to reduce the energy intensity of our production by 10% by 2025 compared to the base year 2019.

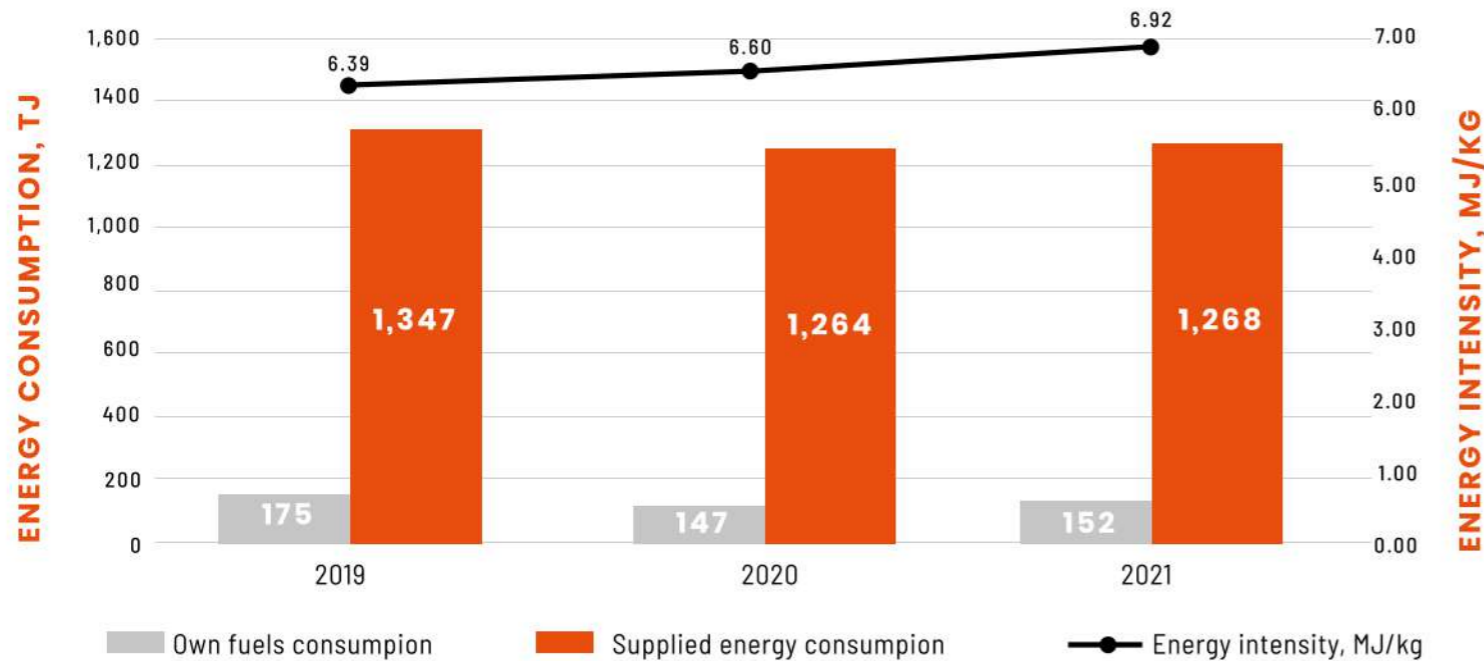
Along with this global goal, each of our locations considers the use of the best available techniques and sets annual targets for energy reduction, which contribute to the overall Group achievements.

The vast majority of our energy consumption is due to electricity use, adding up to 89%. Most of this electricity is used in production processes. Other energy carriers are also used at our locations for process and space heating, and warehouse transport. These are coal, natural gas, diesel, LPG, fuel oil, and supplied heat. We are working on discontinuing coal combustion, used as an energy source for expanded polystyrene (EPS) processing, which constitutes 6% of our energy use.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION BY SOURCE



ENERGY CONSUMPTION WITHIN THE ORGANIZATION



While the total energy consumption in 2021 was 5.5% lower than in the base year 2019, we observed an 8% growth in energy intensity compared to 2019 on the Group level, from 6.4MJ/kg to 6.9MJ/kg. While 10 of 18 of our production sites achieved energy intensity reduction, other sites unfortunately demonstrated an increase. Two of the highest increases were associated with the closure of production and respective disbalance between energy consumption and production volumes, and with installation of electric vehicle charging points at the site available for employee use.

We continuously implement and keep track of the improvement projects that facilitate our energy efficiency progress. In 2021, we identified and implemented more than 50 energy efficiency improvement projects at our sites, including an increase of cooling water temperature, recover of excess heat from compressors and general assets and process improvements to reduce leaks. Based on estimations in energy balances, optimization models, and on information received from our utility providers, our total energy savings across the Group in 2021 amounted to about 0.8 M€.

In addition to systematic energy management at our production and non-production sites, we have been working to create awareness, share good practices, and build competence around energy saving for all our employees. A central team of energy specialists led by

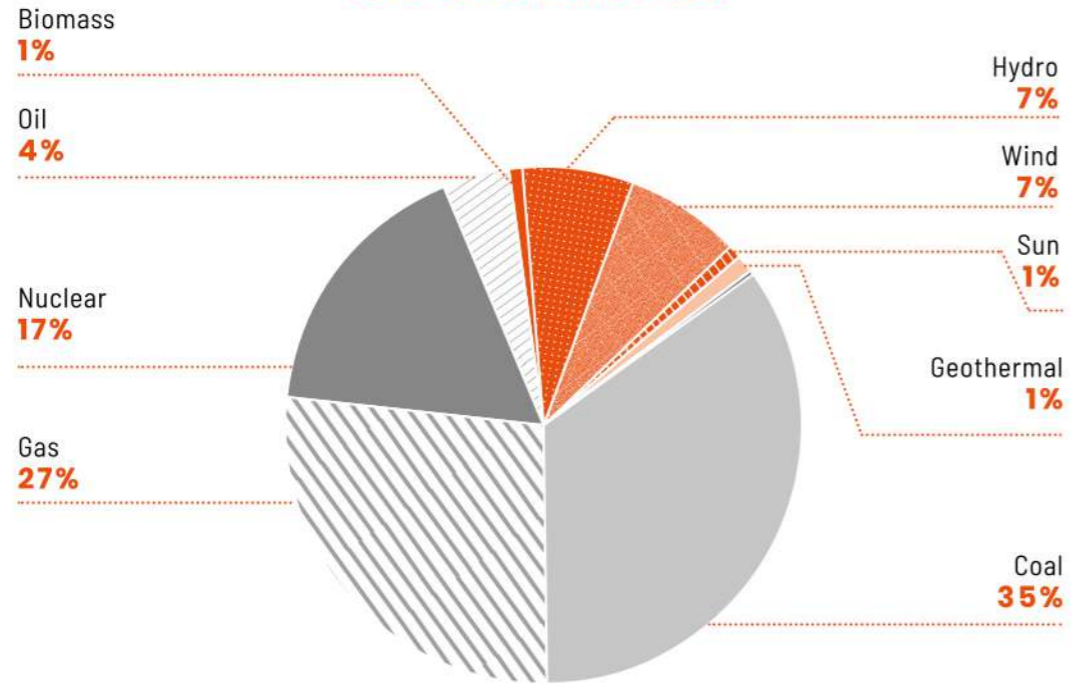
PACCOR's Operational Excellence Director is responsible for this.

Because we are moving toward renewable sources for the energy we use, we prioritize greener sourcing of electricity in the short term. Our renewable energy supply strategy has three focus areas: protecting our current renewable share, purchasing Certificates of Origins for electricity, and exploring commercially feasible on-site renewable energy generation. As of 2020, we have committed to increase our renewable electricity to 100% over the following three years, first of all through Certificates of Origin purchase. In 2021, we added new renewable electricity sources by building solar panels at our production facility in Oud-Turnhout, Belgium, in support of the transition to a low-carbon economy.

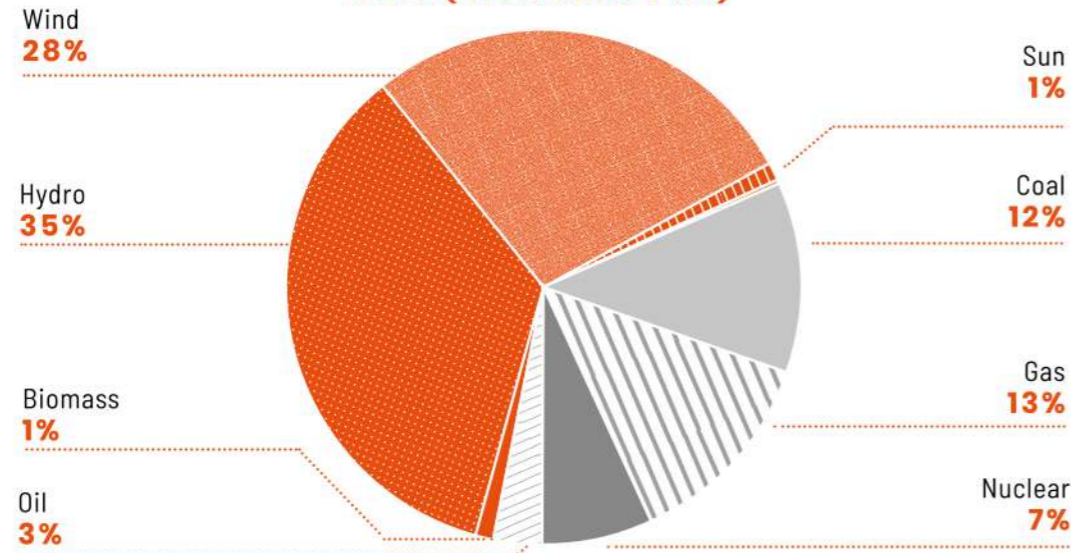
In 2021 we continued the transition of our production sites to all-renewable electricity supply. Five more production sites are now powered by green energy, in addition to 7 transitioned in 2020. A total of 77% of the electricity on the Group level is sourced from renewable sources, compared to 18% in 2019⁵. As of the end of 2021, 12 of the production sites use 100% wind and hydro power, which is in accordance with the Group action plan and fully in line with our outspoken commitment to 100% renewable electricity use across the Group by 2023.

⁵ Rates and shares restated, due to addition of the acquired sites in to the KPI

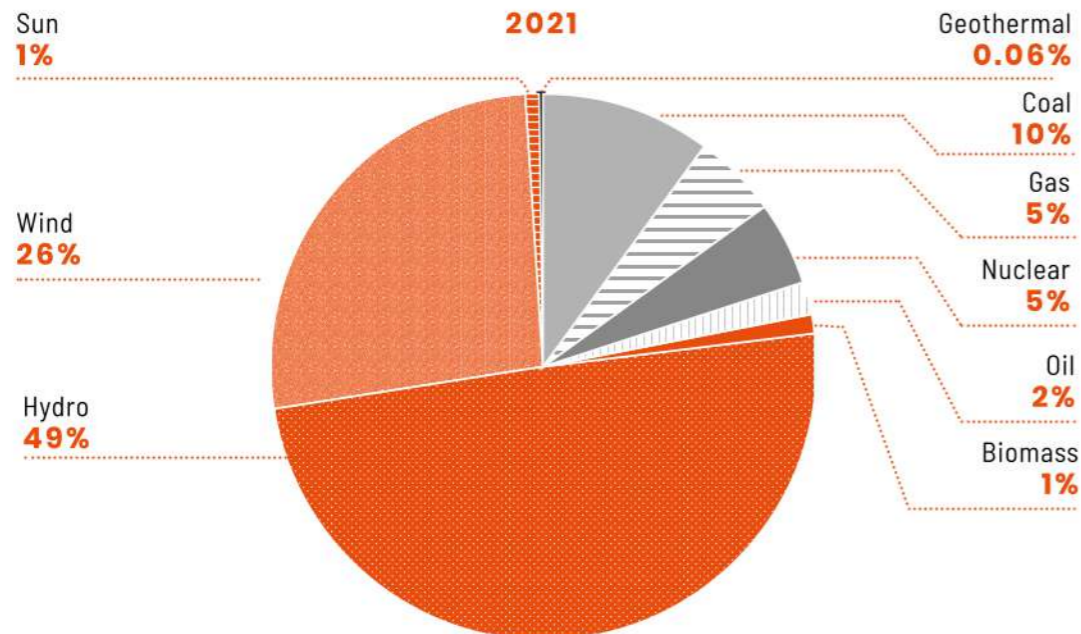
2019 (INCL. MIKO PAC)



2020 (INCL. MIKO PAC)



2021



CLOSING THE LOOP ON ENERGY USE AT PACCOR ROMANIA



With plastics forming our portfolio, we acknowledge that energy efficiency and green energy are among our top priorities. At PACCOR, we are committed to continuously reduce the use of energy resources to de-risk our value chain, delivering environmental benefits and generating cost improvements.

Our goal is a 2% energy intensity reduction in our own production year on year.

In 2021, our employees in Sfantu Gheorghe, Romania, designed and implemented a project to recover the excess heat from compressors and use it in replacement of external fuel and electricity purchase for the heating or cooling of all the production and offices areas.

This project realized an electricity savings of more than 4% at the site in just one year with limited investment, resulting in a yearly CO₂ emission reduction of 7,53t CO₂eq⁶ and 32,000€ cost reduction for the site.

ADDING RENEWABLE ENERGY SOURCES



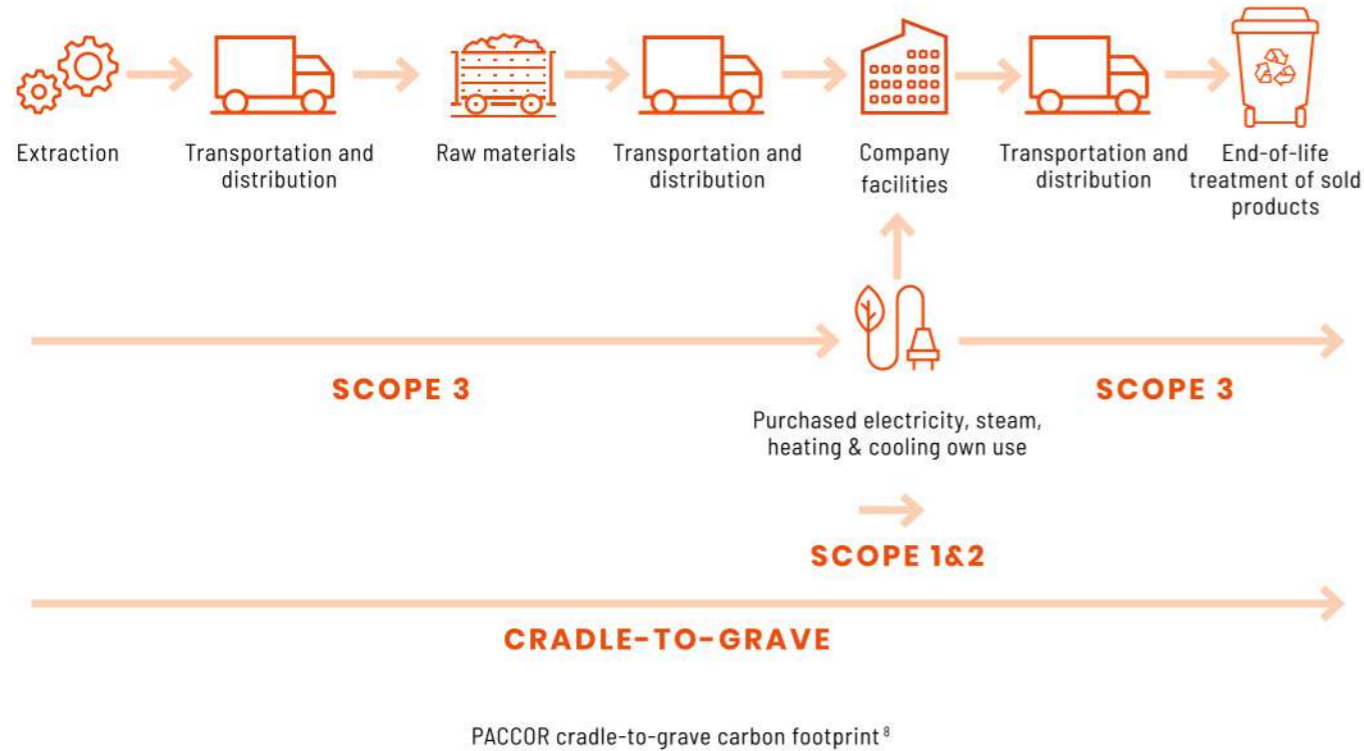
We have a detailed plan to become carbon neutral by 2050, which started with an announcement in October 2020 of a 100% renewable electricity commitment by 2023 and a commitment to provide updates on the progress. In 2021, our renewable electricity share was 77%, with 12 of 18 plants running on fully renewable sources. The renewable electricity is secured by guarantees of origin for renewable energy in accordance with the EU Renewable Energy Directive and in compliance with the quality criteria of the latest Greenhouse Gas (GHG) Protocol Scope 2 of application. In 2021, we worked with a local supplier and installed solar panels at our plant in Oud-Turnhout, Belgium. The panels will generate approximately 5% of the site's power needs in a sustainable way, regardless of the local power supply mix. The project will help save around 250 tons of CO₂eq. per year⁷. In this way, we are further contributing to implementation of UN SDG#7, on access to affordable, reliable, and sustainable energy, and of UN SDG#13, on urgent action to combat climate change.

⁶Scope 2 and 3

⁷Scope 2 and 3

EMISSIONS

At PACCOR, we fully support the objectives of the UN's Paris Agreement on climate change and our ambition is to become carbon neutral by 2050. We acknowledge the importance of a carbon footprint along the whole value chain as part of our ambition to lead the transition in our sector to carbon neutrality and a circular economy. Therefore, we look beyond our own operations and consider our whole life cycle, including suppliers, customers and end of life, to identify and mitigate problems.



In the shorter term, we have set a 15% reduction in cradle-to-grave emission intensity (measured in CO₂ ton eq. cradle-to-grave/ton product) by 2025 compared to the base year 2019, as an enabler for our final target to become carbon neutral by 2050. We have set our current target in line with the trajectory as suggested by available science-based target methodologies.

We will achieve climate neutrality by 2050 and 15% reduction in cradle-to-grave relative emissions by 2025 through innovative products and solutions, technology, and energy management, with:

- More raw materials that have a lower environmental footprint or are bio-based or recycled.

- Improved energy efficiency and improved fuel mix, based on use or generation of 100% renewable electricity at all our production sites.
- Reduced transportation of raw materials and final products, and use of lower emission transportation options.
- Improvements in product formulation to reduce footprint whilst maintaining performance during customer applications.
- Improvements in product eco-design to allow for full recyclability of our products at end of life.

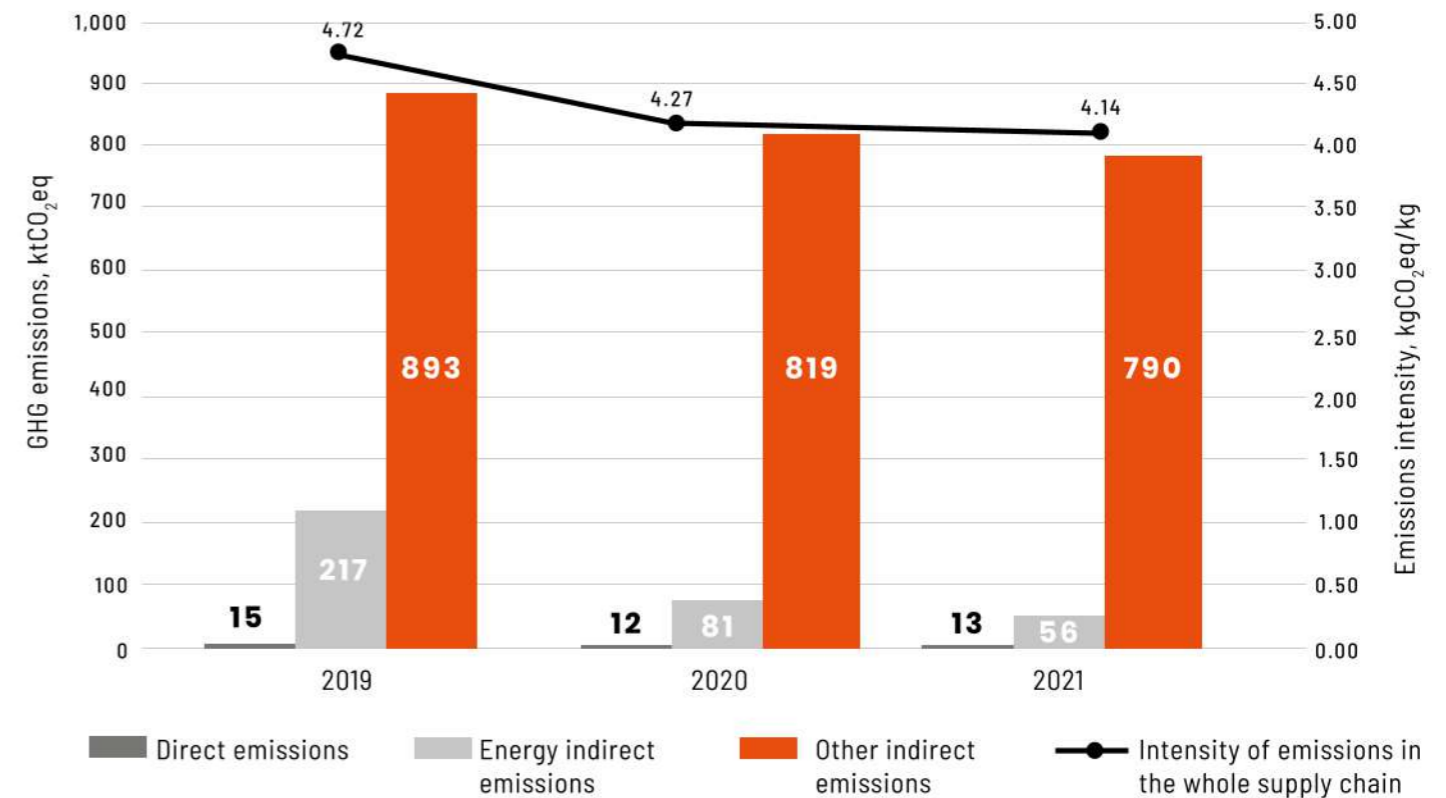
⁸ The complete list of GHG Categories included in PACCOR's cradle-to-grave carbon footprint can be found in Appendix A at the end of this report.

Moreover, we have introduced carbon footprint into relevant investment decisions, as well as merger and acquisition activities, to further drive awareness of the environmental and future economic impact, to make better informed decisions, and to strengthen our sustainable business portfolio as a result. We have introduced carbon footprint reduction in our travel policy for all employees by reducing unnecessary

travel, switching to alternative means of travel, and by offsetting CO₂ emissions related to traveling by plane.

To quantify and track our progress toward achieving our goals, we started measuring our carbon footprint along our entire value chain in 2019⁹. This constitutes the foundation for our improvement roadmap based on prioritized programs and resources to realize the biggest impact.

OUR CRADLE-TO-GRAVE CARBON FOOTPRINT PERFORMANCE



Total company GHG emissions in 2019 -2021, ktCO₂e

Continuing the achievements of 2020, our emissions in 2021 were reduced once again in both absolute and relative terms, which is a point of pride, especially due to the Groups overall growth. The highest reductions are observed in the emissions associated with our own operations. Here, the emissions in

absolute terms are 70% down when compared to the base year 2019, with emissions intensity dropping 66%. When considering the entire value chain, the absolute emissions were reduced by 24%, with emission intensity decreasing by 12%, from 4.72 kgCO₂e/kg in 2019 to 4.14 kgCO₂e/kg in 2021.

⁹ Our carbon footprint calculations are based on the Greenhouse Gas Protocol guidance. The presented total figures account for the greenhouse gases defined by the IPCC AR5 methodology, based on a 100-year timeframe, including NO_x and SO_x in the used emission factors. While we do not account for the process emissions other than VOCs, the nature of the production processes and applied technology do not assume significant process emissions of NO_x and SO_x, and no environmental permits have been exceeded by any of our sites in this regard.

2021 CARBON ACHIEVEMENTS

Our direct and indirect energy GHG emissions (Scope 1 and 2 respectively) together contribute 8% of our total value chain footprint, with the impact of electricity supply leading in these categories (6.5% of the total footprint). This is a drastic reduction compared to 21% in 2019, and the result of the ongoing action on renewable energy sourcing, which had already shown great results in 2020.

However, our carbon footprint along the full value chain is driven by impacts outside of the organization. Sourcing and manufacturing the raw materials we use, services and capital goods we purchase¹⁰, contributes over 80% of the impacts. The emissions associated with these categories decreased in 2021 by 9% compared to 2019. A significant contributor to this decrease is our program on reduction of emission-intensive inks and pigments in the products.

Another contributor along the supply chain are emissions associated with the end of life of our products,

contributing just above 7% to the total footprint. These emissions are mostly a result of the collection and sorting of post-consumer waste, and the release of carbon back into the atmosphere when the products are incinerated or landfilled. Emissions reduction in this category reflect the production volumes decrease. We continued to improve the recyclability of all our solutions and contributed to avoiding incinerating practices through the latest eco-design implementation and consumer educational activities.

The end-of-life category is followed by the impacts associated with the transport of the raw materials to our production sites and transport of our products to customers (together, 3.8% of the total footprint).

Other categories, such as business travel and employee commute, treatment of operational waste and wastewater, and leased assets, contribute only marginally (0.02-0.5%) to our total footprint.

PACCOR DIGITAL FAIR



Meeting customers in person and visiting trade fairs is essential to present sustainable packaging solutions. In order to reduce emissions related to the travelling needed to visit our trade fair booth, and to protect the health of our customers and stakeholders, we have developed and implemented a special concept – a virtual tour through a digitally built PACCOR world that gives every visitor informative insight into the company, product innovations, and our sustainability strategy.

Visitors can choose what interests them most and determine their own visit.

The digital world has been implemented with the latest technical means, and the experience is stunningly realistic.

Anyone can enter the [interactive world of PACCOR](#) and check out [its making-of on](#) social media

ACHIEVING A ZERO CARBON FUTURE

¹⁰ The group includes purchased goods and services, capital goods, and fuel- and energy-related activities included in Scope 3

WASTE



Our ambition is to be a circular business built on renewable energy and recycled resources, and to decouple material use from our growth. In line with this, we drive a resource efficiency agenda, and reduce our environmental footprint while our business strengthens.

In addition to our ambitious carbon emissions and energy reduction targets, we aim to decrease waste in our production and increase our efficiency in raw materials. These efforts benefit the environment and the community, as well as our business performance, by reducing operational costs, ensuring our license to operate, and lowering our environmental impact.

In order to deliver on our ambition to become a zero waste company by 2030, as a first step, we have set the target to reduce the total waste intensity in own operations by 25% by 2025 compared to the base year 2019.

To achieve this, we focus on avoiding generating waste at all our manufacturing sites, which is predominantly composed of production process waste. We achieve this primarily thanks to the development and implementation of a leading quality management system, followed by the internal and external reuse of all our obsolete material or waste, and then by recycling of the remaining waste streams to divert them from a landfill. When these solutions aren't available, we recover energy from the waste.

In 2021, 143 specific waste and material optimization projects were included in our project tracking system and implemented at our sites, providing environmental and financial benefits. For example, in 2021 we implemented initiatives to reduce printing waste from 3.2% to 2.1%

and to improve efficiency of PP/PS cups manufacturing, resulting in 150 tons of waste reduction per year at our site in Istanbul, Turkey. At all our production sites, our commitment to reusing and recycling obsolete materials and to promoting a circular economy continued in 2021 and at our site in Siemianowice, Poland, where we were able to significantly reduce our stock and reuse 844 tons of obsolete materials in replacement of raw virgin materials over the course of 12 months. We continue to value obsolete material or scrap by-products as precious resources also for use at other production processes within the PACCOR Group, as the PACCOR Waste Bazar case study shows (see page 70).

Throughout 2021 we continued to offer specific trainings on waste management for all our supply chain employees at each site who are directly involved in activities related to waste generation, handling, disposal or reporting. The training covered risk management related to waste generation, handling and disposal, the use of Personal Protective Equipment (PPE), housekeeping, waste hierarchy, waste reporting and legislation. The training will be repeated each year and is part of the introduction training program of all new employees.

Our progress is monitored monthly, and focuses on environmental impact and financial benefits. Performance data is gathered on-site and includes waste stream quantity and composition, the process in which it originates, the hazards of each waste stream, the current waste receiver, and the treatment method applied. Plant Managers are required to provide detailed explanation on the performance of the KPIs compared to set targets, by indicating highlights or lowlights and corrective actions when the performance is not as expected. When

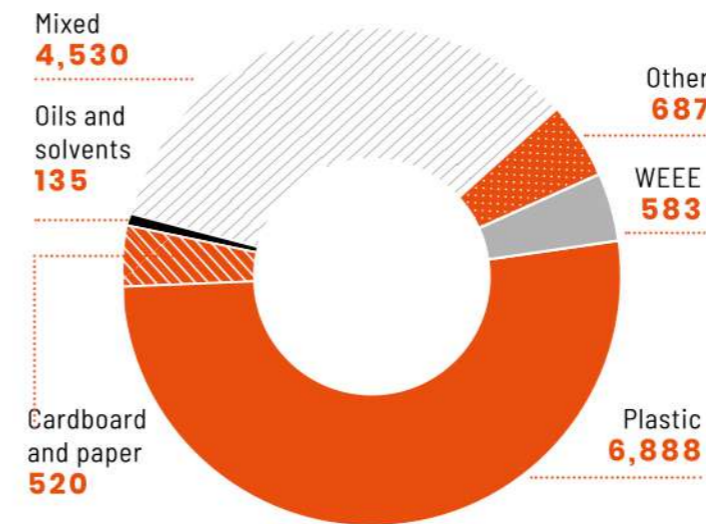
needed, internal and external audits are performed in support of improved action plans to minimize waste. By transparently disclosing our progress and initiatives on tackling waste, we hope to inspire others within PACCOR and across the value chain, as the more we all disclose and share, the more the industry will improve.

All our generated waste is disposed in accordance with local legal requirements. Hazardous waste is collected and managed by certified local companies holding valid

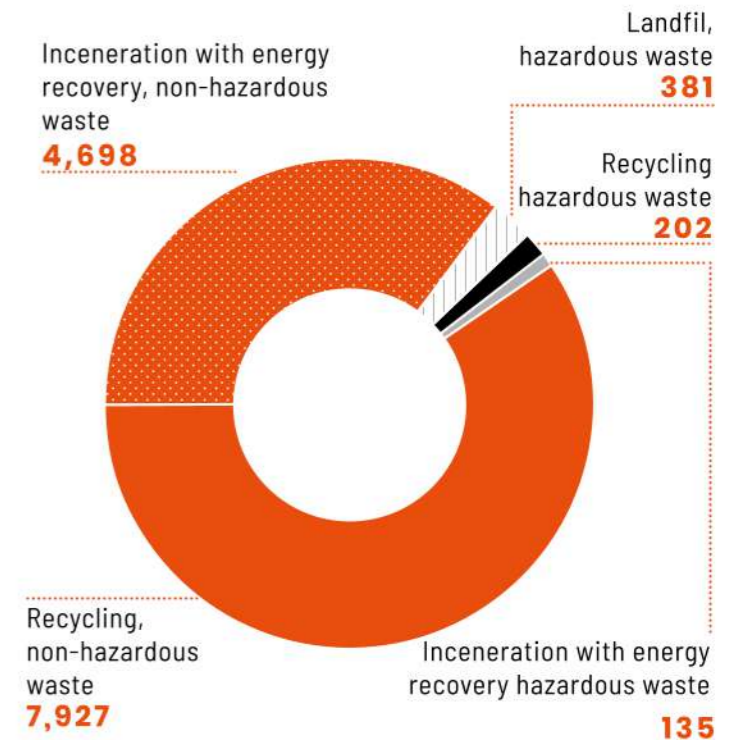
permits. At most of our sites, waste receiver companies are visited regularly, according to a yearly audit schedule.

Our meticulous approach has brought a drastic reduction in waste generation in both absolute and relative terms. In 2021, a total of 13.3 thousand tons of waste were generated at our sites¹¹, down 53% compared to 2019. Waste intensity was reduced from 0.12 kg/kg in 2019 to 0.06 kg/kg in 2021, a 46% reduction.

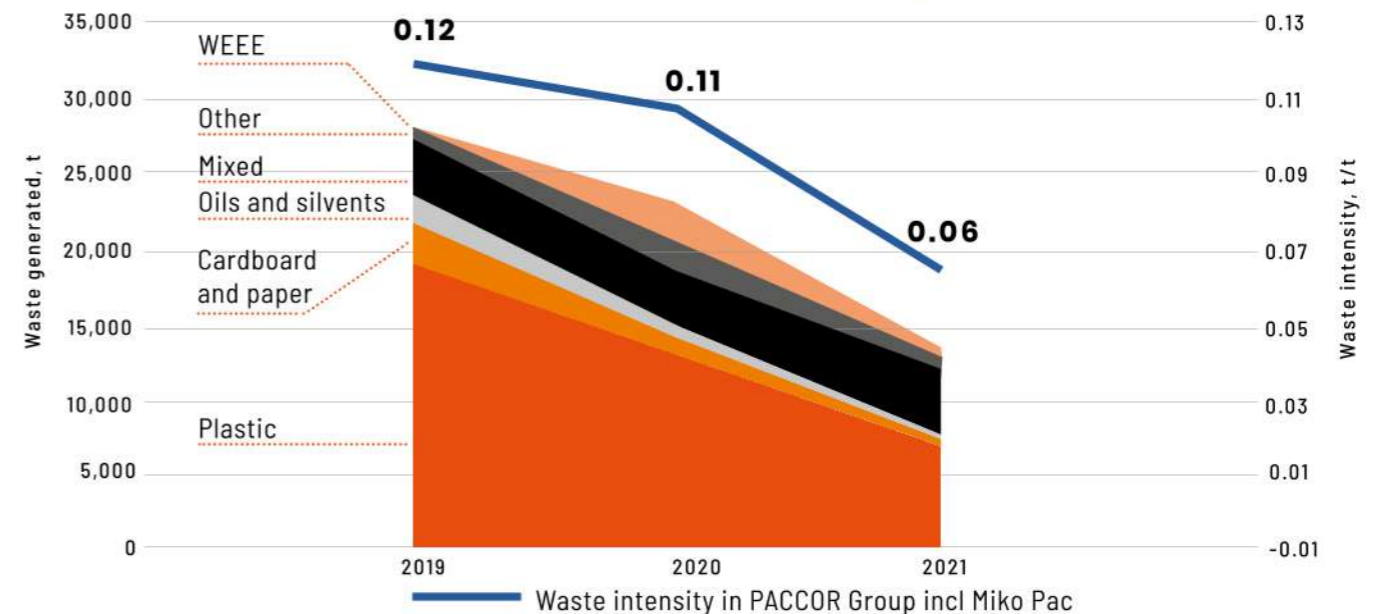
WASTE GENERATION IN 2021, T



WASTE TREATMENT IN 2021, T



WASTE GENERATION, T AND WASTE INTENSITY T/T

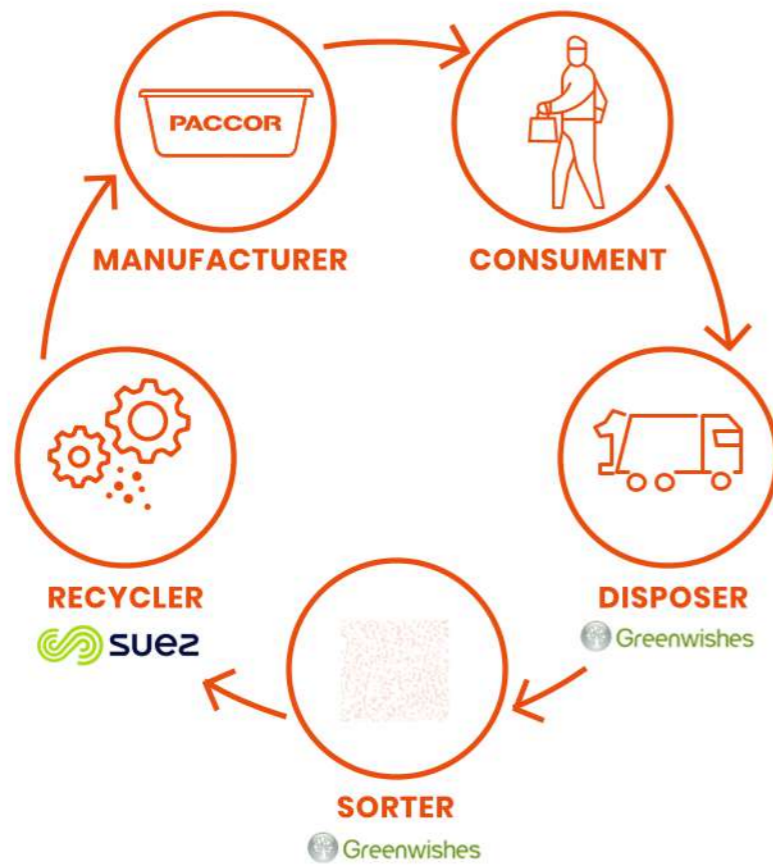


¹¹ Excluding technological material waste of polymers recycled in a closed loop. More information on our closed-loop polymer recycling can be found in the "Increasing Recycled Content" section of this report.

In 2021, 0.7 thousand tons of hazardous waste and 12.6 thousand tons of non-hazardous waste was generated. Non-hazardous waste was composed of the polymers, paper, and cardboard not suitable for internal recycling, and other mixed waste. Hazardous waste was composed predominantly of waste electrics and electronics, generated as a consequence of a site's refurbishment program. All generated non-hazardous waste was diverted from disposal and sent to third parties for recycling to be used as fuel, or for other means to generate energy. All hazardous waste was sent to incineration or to dedicated landfill facilities.

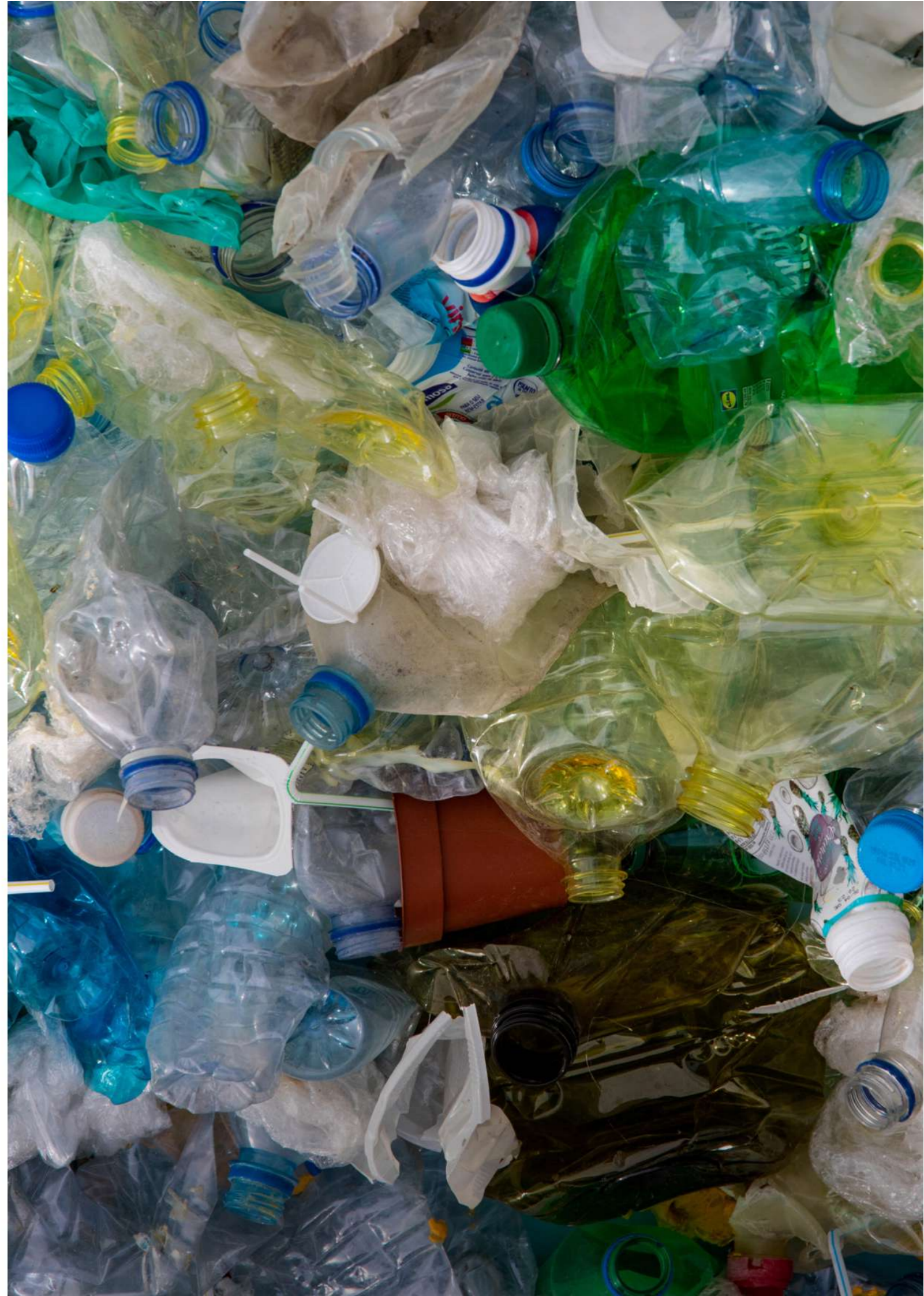
We recognize that our large waste related impacts occur downstream of our operation, in the end of life of our products after they serve their function. This is why part of our business intelligence efforts is focused on investigation of the destiny of our product upon disposal, and the potential impacts. Our main leverage over these impacts lies in designing and producing products ready for a circular economy. For more info please see the "Circularity" section (page 26) of this report.

PACCOR WASTE BAZAR



"PACCOR Waste Bazar" was created in May 2021 to support material transfer between factories and create incentives to reduce waste stock at all our sites. Materials older than 90 days with a full material description present at one PACCOR site are recorded in an internal e-system and offered at reduced price to all other PACCOR production sites. It provides an easily accessible platform to both sellers and buyers of obsolete or scrap materials

and reduces the lead time between the search for possible buyers and the actual use of materials. By providing real-time access to high-quality and convenient material, which otherwise would be discharged as replacement of virgin raw materials, PACCOR Waste Bazar promotes a circular economy through endless possibility of recycling without borders.



RESOURCES

WATER



We are committed to responsible water usage at all our production sites and offices, and recognize that a sustainable supply is essential to our business.

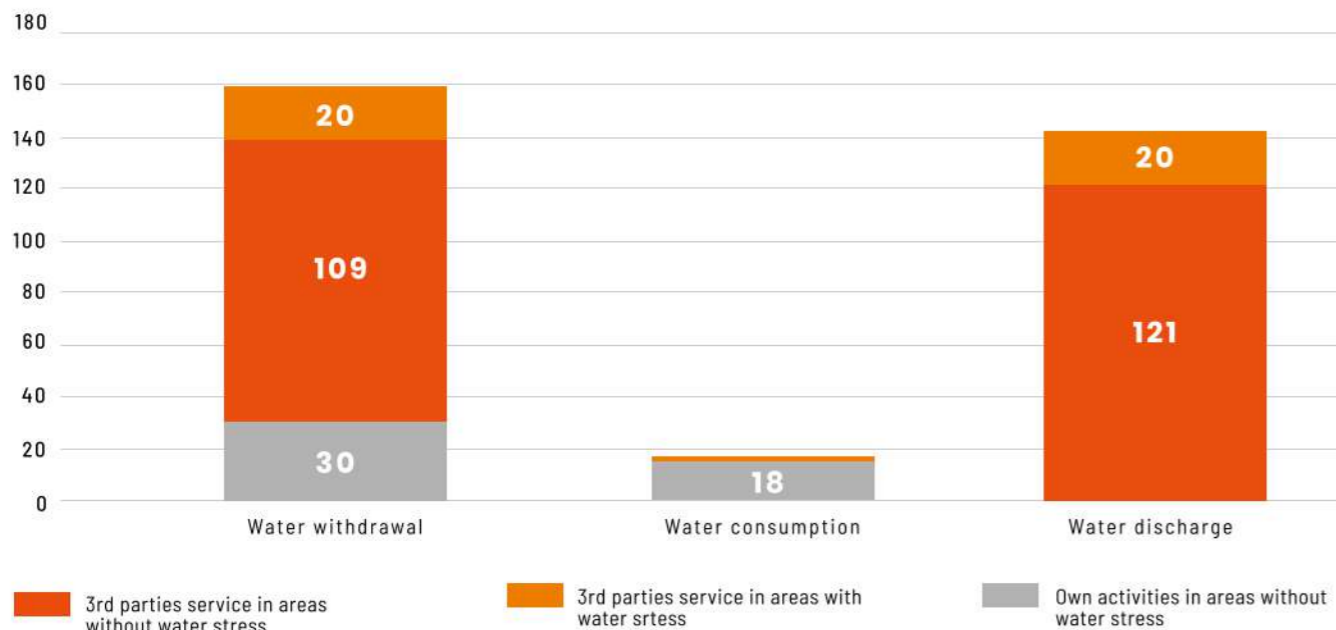
This is why in 2019 we set a clear target of achieving a closed-loop process for water systems at all our sites by 2023.

We rely on water for, among others, raw material production, product manufacturing, energy generation, cooling and sanitary facilities. While our operations are not considered to be high-intensity water-consuming facilities, we recognize there is potential for our locations to have an impact on local water bodies during extraction and discharge. Therefore, we operate according to a precautionary principle. We continuously evaluate the risks and our water-related impact. We strive to reduce the impacts to a minimum, by implementing good maintenance practices, containing our spills of resins/pellets through preventive maintenance of silos and loading/unloading stations and pipes, good operation procedures, training of employees and suppliers involved in raw material management, and secondary containment measures at all our factories.

While our company efforts contribute to minimizing the risk and impact on clean water sources, we can accomplish even more in collaboration with our partners. Our sites are part of Operation Clean Sweep® (OCS), a stewardship program of the Plastics Industry Association (PLASTICS) and the American Chemistry Council's Plastic Division, to achieve zero pellets, flake and powder loss in wastewater. In recent years, PACCOR Iberia has comprehensively consolidated the system to drastically reduce pellet leakage during operations. In 2021, investments have been made in filters for the drain systems and silos, and more importantly, PACCOR employees and polymer suppliers have been trained to properly handle silos, bulk solids, and bags of polymers at the facilities in accordance with OCS standards. Thanks to this, in 2021 PACCOR Iberia was one of only 17 Spanish companies certified with the OCS accreditation by the Spanish accreditation body AENOR.

All our sites discharge their wastewater directly in the municipal net, according to local permits, without any incidents of non-compliance. All our facilities are operating on location with local discharge requirements. As such, to the best of our knowledge and effort, no priority substances of concern enter natural systems as a result of our water discharge.

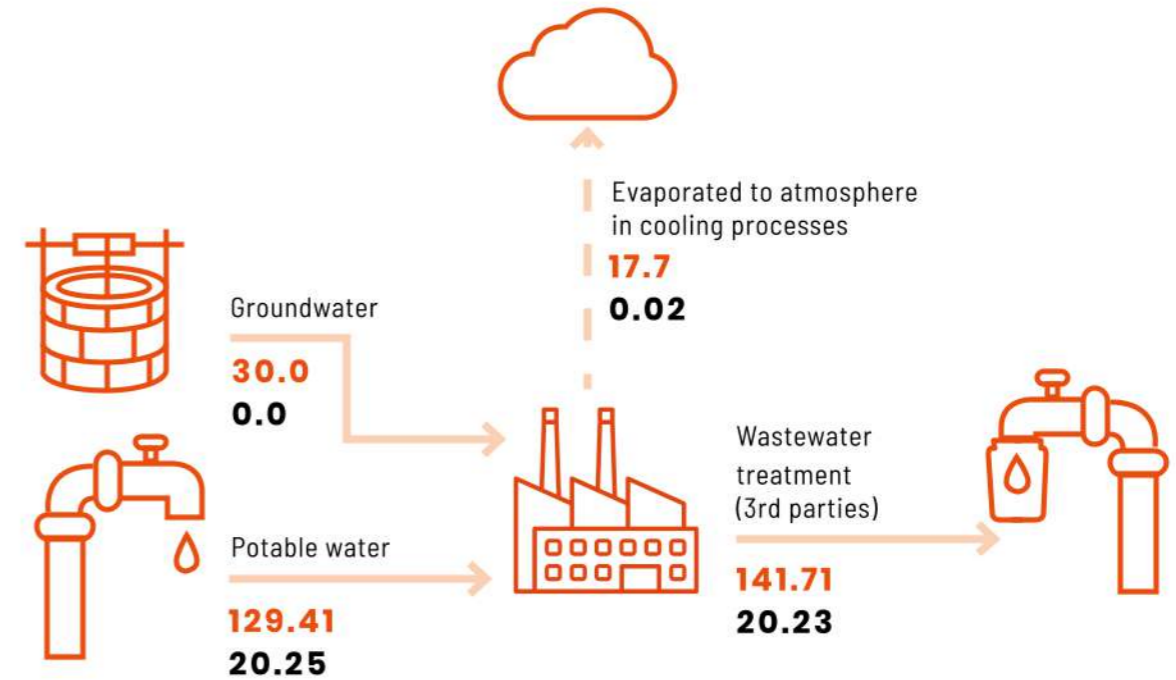
WATER WITHDRAWAL, CONSUMPTION AND DISCHARGE IN 2021



Our total water withdrawal in 2021 amounted to 159,000 m³ of fresh water, of which 81% was supplied by municipal providers, and 19% was withdrawn from ground water in Poland. Due to high rates of closed water loops in our cooling systems, the majority of process

water withdrawn (89%) is discharged after use back to the municipal net for treatment. The remaining (11%) is consumed in cooling towers and leaves our facilities evaporated.

WATER FLOWS 2021 IN THOUSAND M³ (IN AREAS WITH WATER STRESS)



To manage and improve our water use, in 2020 we introduced a more detailed and standardized water reporting process across all of PACCOR Group. Each of our sites maintains an inventory of the water balance and reports on a regular basis the withdrawal of fresh potable, surface and ground water, in order to reduce water use and treat wastewater.

For example, in 2021, with the urgent action to close the water loops in cooling processes and the strategic plan to replace expanded polystyrene (EPS) production in Poland by alternative fiber technology, the site water consumption was reduced by 21,720 m³ compared to 2020.

Our broad reach across geographies is one of the core strengths of PACCOR Group. However, not all the areas in which we operate have the same long-term security and availability of fresh water. While this is not an operational issue at any of our sites, we recognize that increased water stress¹² over time has the potential to impact our business and the communities we serve.

These considerations are especially important in areas with vulnerable communities. Therefore, we look beyond traditional water efficiency or regulatory compliance. In 2021, at all our production sites, we started to assess water risks and social impacts related to water sources and security of supply. For each of our production sites located in areas of concern, we started to develop water action plans, tailored to the local context, including how to improve water conservation and water reuse. For example, in Tangerang, Indonesia, since early 2021, we stopped extracting water from a deep well in the vicinity of our production and are now instead using and discharging water through the industrial estate network's treatment system.

Finally, all of our operation teams consistently share best practices for optimized water use during routine and non-routine tasks, and educate and engage employees on water conservation.

¹² Water stress areas are identified as areas with baseline water stress high (40-80 %) or extremely high (>80 %), based on the data from the World Resources Institute, Aqueduct Water Risk Atlas

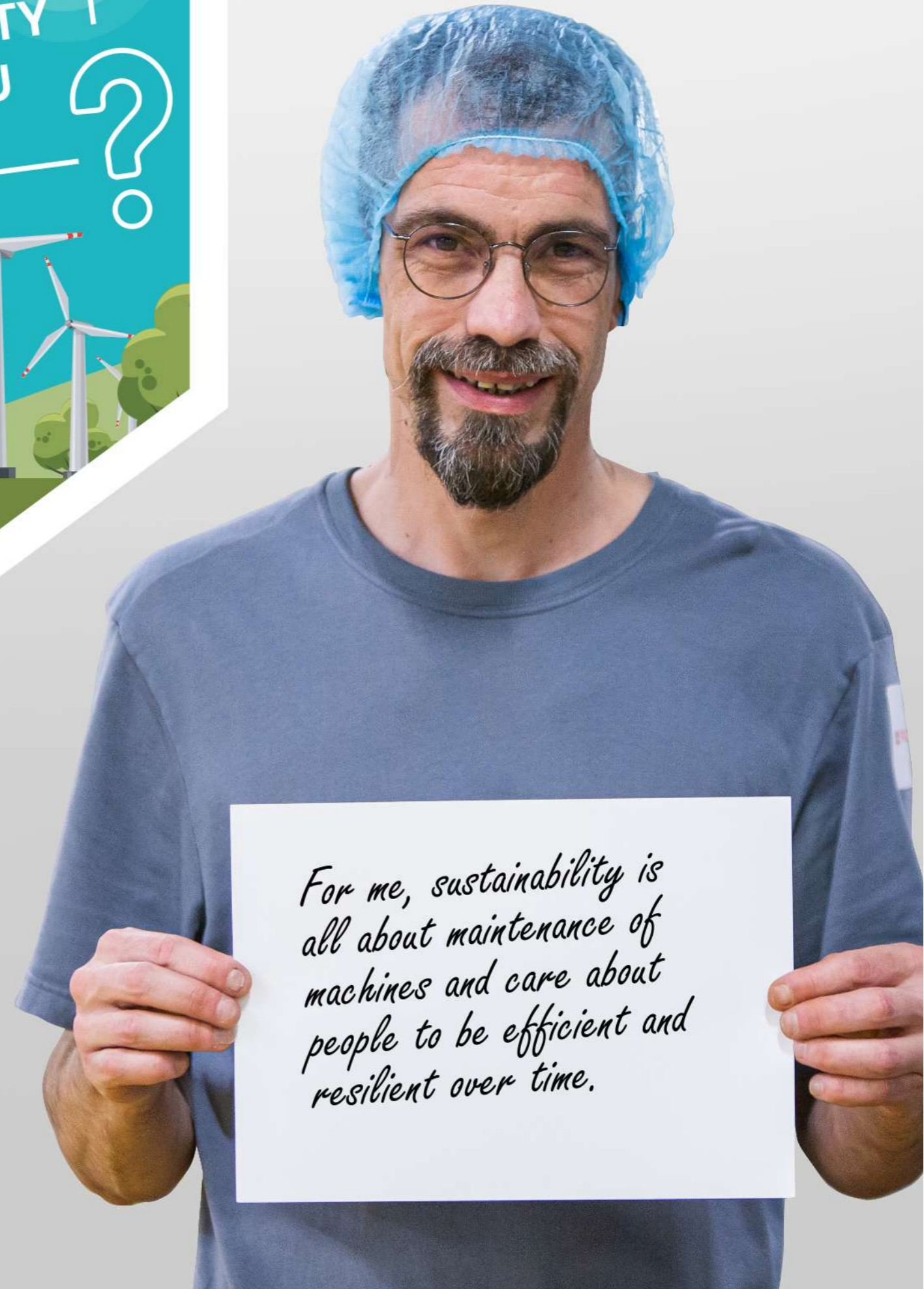
Magdalena Zaczkowska
Quality Assurance Specialist,
Siemianowice, Poland



*Sustainability can work
hand in hand with quality
management to achieve
continuous improvement and
innovation.*



Lionel Gomes
Team Leader Extrusion Department,
Soustons, France



*For me, sustainability is
all about maintenance of
machines and care about
people to be efficient and
resilient over time.*

EMPLOYEES



WE ARE BECOMING THE MOST DESIRED FIRM TO WORK FOR IN THE PACKAGING INDUSTRY

KEY SUSTAINABLE DEVELOPMENT GOALS



TARGETS:

- Top quartile in safety and occupational health
- Top quartile in employee engagement
- 100% employee community activity participation

2021 ACHIEVEMENTS:

- 6 nationalities and 50% females in top management
- Engagement survey covering 100% of PACCOR employees
- 20% of locations reported injury-free for more than a year
- Updated safety rules implemented at all PACCOR sites
- 60% of workforce trained in human rights policies or procedures
- Talent Intelligence HR Award recognition
- Green Teams framework defined

Our CARE strategy is about achieving our vision of leading the transition in our sector to a circular economy with a safe, committed, diverse, and capable workforce.

At PACCOR, we are committed to ensuring a safe and inclusive work environment for all our employees. We value the diversity of our workforce and are dedicated to promoting personal development. It is important to us that our employees feel included, heard, and respected, and that they know we recognize their efforts in increasing our business potential and are the driver of our sustainability agenda.

Our ambition is that by 2025, PACCOR will be a leader in creating a safe, engaged, fair and equal business where employees can contribute to the best of their ability, and which benefits society. We are confident we can realize this ambition thanks to our efforts in 2021 and onward.

THE MINDSET WE STAND FOR

Our values guide all our actions, decisions, and behaviors. Our workforce is culturally diverse, and we operate in a broad range of markets. This is why our clear values are so important for the future success of PACCOR.



SUSTAINABILITY:

We are not only taking responsibility for our employees, customers, and partners but also for society and especially our environment. To us, it is important to create a culture that enables everyone to shape the future with us.



INNOVATION:

Innovation is part of our DNA. Our employees develop new technologies every day for our products and solutions. Our mission is to create long-lasting and innovative packaging solutions with the overall goal of protecting what is worth being protected.



DIVERSITY:

PACCOR unites 3,969 employees, 37 nationalities. We know that these people from various backgrounds, experiences, skills, knowledge, and creativity make the difference. Diversity and inclusion are topics we not only promote through statements but embrace and live through real actions.



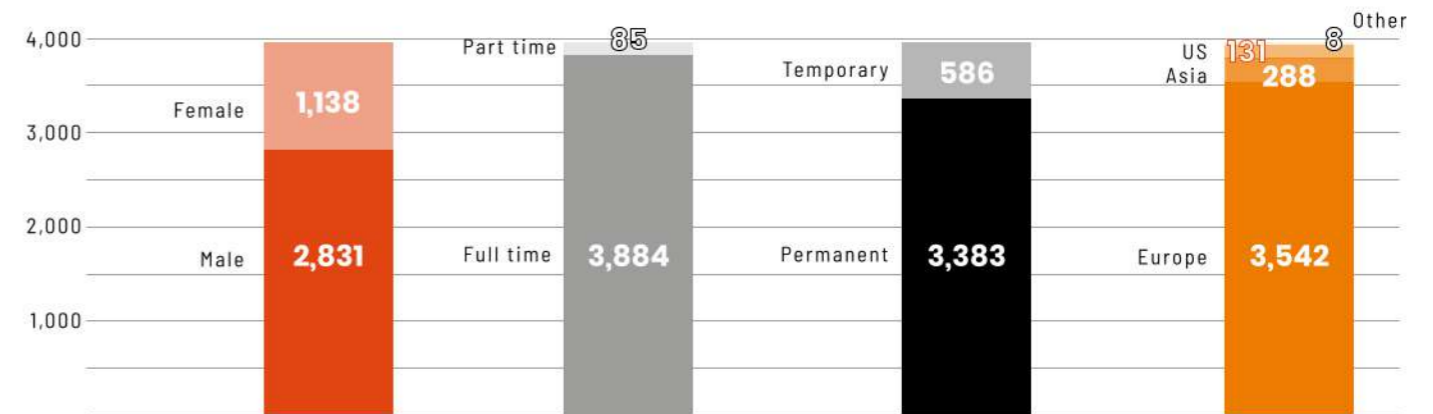
PERFORMANCE:

PACCOR leads the transition toward a circular economy with a safe, committed, diverse and capable workforce. Thus, we contribute to the protection of valuable products in the food and non-food markets and to a sustainable future we can be proud of.

DIVERSITY IS KEY*

We are a diverse group of 3,969 employees from 37 nationalities across Europe, North America, and Southeast Asia. Our Global Management team consists of 50% female members composed of six different nationalities. It is highly important to us that all employees have equal rights, possibilities and opportunities. Self-motivation and a willingness to learn and develop are key for career development.

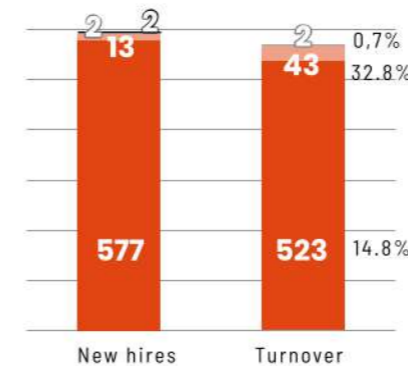
OUR EMPLOYEES (HC)



Based on our PACCOR Strategy, our mission statement, external trends, and internal feedback, we have created our people strategy. We are aware of the increasingly demanding job markets with changing attitudes and life plans of our current and future employees. Therefore, we have made a significant contribution to shaping an attractive culture that promotes performance and health. Our HR teams promote necessary changes in the company by harmonizing and integrating processes and instruments of HR management, a professional set of change management tools, and the active participation of all groups of employees.

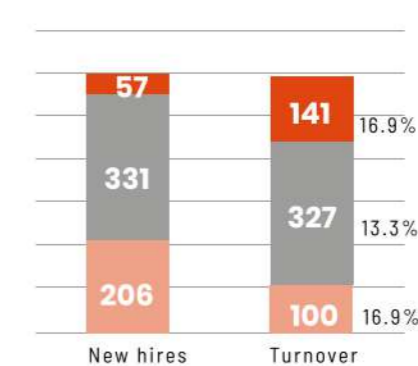
Today, employees less commonly stay with one employer for their entire careers, which is why we acknowledge that turnover can be higher than in the past. In addition, almost all labor markets in Europe have changed in recent years and it is becoming increasingly difficult for employers to attract suitable employees in sufficient numbers at the right time due to strong competition. This is why recruitment and retention are topics of strategic importance and are central elements in both our CARE Strategy and our people strategy.

BY REGION



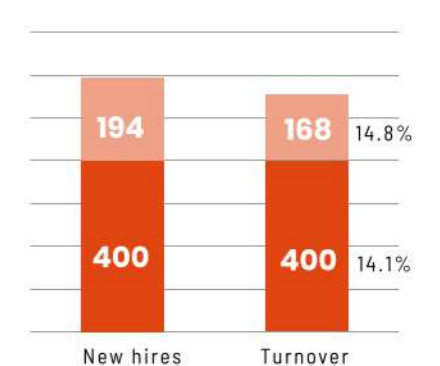
■ Europe ■ US ■ Asia ■ Other

BY AGE



■ Under 30 ■ 30-50 ■ Over 50

BY GENDER



■ Male ■ Female

In 2021, 594 new employees were welcomed by PACCOR, growing our team to 3,969 people. We saw a significant increase in employees as a result of the acquisition of Miko Pac. We experienced an increase in employment on

our site in Barcelona, Spain due to the incorporation of a new production line and a new timetable, and in France a social plan in 2020 affected the number of employees in 2021.

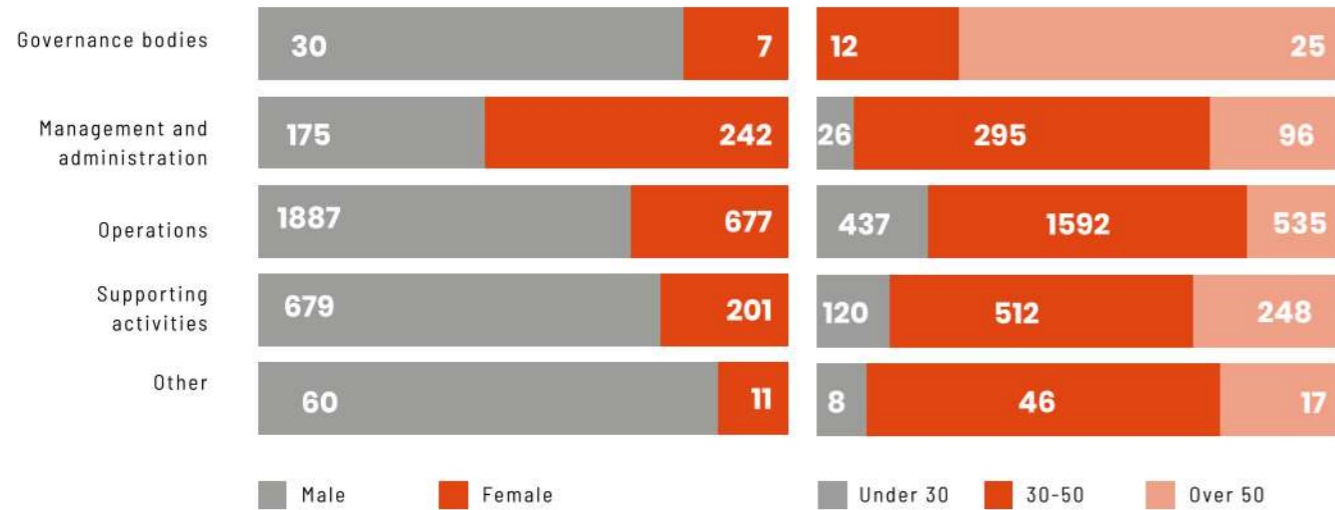
* The figures reported also include external temporary workers. The figures differ from those reported in the 2021 consolidated financial statements, where we only report internal workforce in accordance with the German Commercial Code (HGB).

INCLUSIVE WORK ENVIRONMENT*

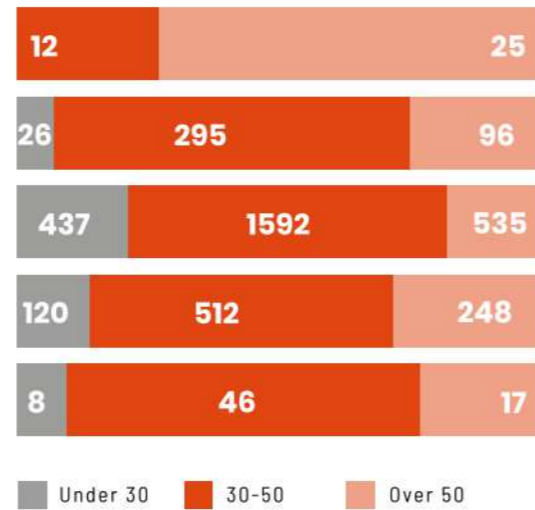
We consider diversity and inclusion to be an integral part of our strategy and our corporate mission. We are motivated to do more to promote inclusive and diverse teams because we know they will better understand customer demands and make our organization stronger and more innovative.



DIVERSITY BY GENDER



BY AGE



The power of diversity in backgrounds, ways of problem-solving, personal knowledge, gender, and culture fosters our growth and inspires the whole organization. Our corporate culture is best described as learning from each

other, understanding different perspectives, including them when creating solutions, feeling valued, and bringing inspiration by defining new paths. Overall, we want our employees to be proud of working for PACCOR.

WORKDATES AND COLLEAGUE TIME



Workdates and Colleague Time are two examples that demonstrate our everyday approach to diversity and inclusion:

- **Workdate** is an internal networking program to bring people from different countries, departments, and hierarchy levels together. The idea is simple – a digital algorithm matches participants at random and sends calendar invitations to local lunches or video coffee breaks with colleagues from other locations. This gives us the opportunity to get to know new people in the company, grow our internal networks and promote the exchange between employees.
- **Colleague Time** is a weekly interview format for our intranet to represent random employees from different countries, departments, and hierarchy levels to tell their PACCOR story and to give insight into their daily work life. The aim of the format is to increase identification with PACCOR by bringing different employees into focus and show that we are an international company with diverse backgrounds and experiences.

We are firm in our beliefs that everyone has equal opportunities and fair chances. The power of diversity in cultural backgrounds, gender, age, ways of problem-solving, personal experience and knowledge fosters our growth and inspires the organization. While self-motivation and willingness to learn and develop is key, we take pride in how inclusion shapes our work.

At PACCOR, inclusion entails learning from each other, understanding different perspectives, and utilizing them to create not only customer value, but also feeling valued as an employee. Appreciating differences leads to inspiring new ways forward, as an individual, as a team, and as a company. We believe it is important that our management teams increasingly reflect the diversity of our overall workforce. Today, we have six different

nationalities represented in the Group Management Team with 50% female members.

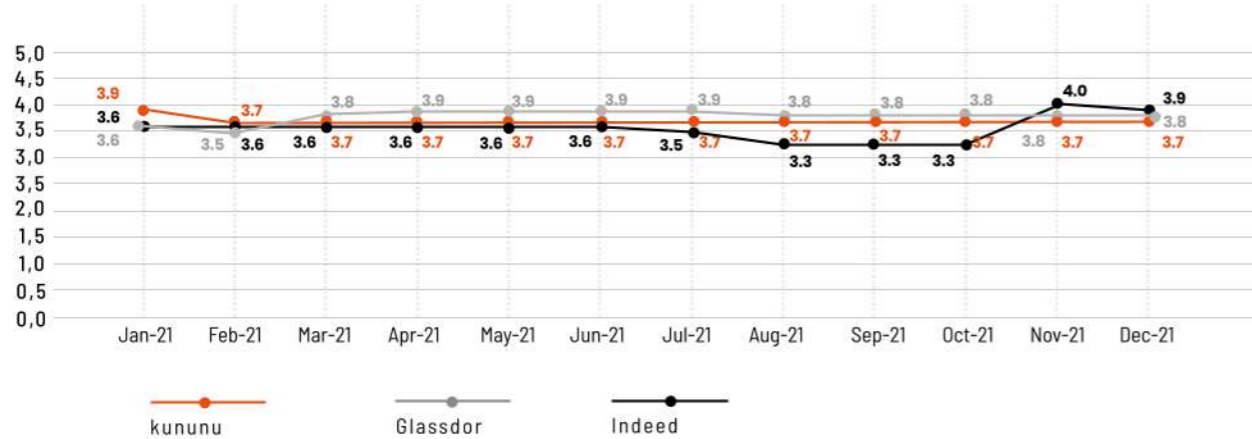
Our commitment to inclusion and diversity is reported in our Code of Ethics, which states that we respect and value all employees, irrespective of age, gender, race, religion, or sexual orientation. In 2020, our Code of Ethics, including how to maintain a respectful and inclusive workplace, and how to identify and report potential harassment and discrimination, was distributed to 100% of our employees and tailored trainings were performed comprehensively during 2021.

In 2021, there were zero incidents of discrimination reported by current, former or prospective employees.

* The figures reported also include external temporary workers. The figures differ from those reported in the 2021 consolidated financial statements, where we only report internal workforce in accordance with the German Commercial Code (HGB).

A GREAT PLACE TO WORK

In 2021 we received over 120 external reviews on employer review platforms. The three most important portals (Glassdoor, Indeed and kununu) achieved an average score of 3.80. We love feedback, and take every review seriously. We show our appreciation to those who express their positive, as well as negative criticisms, and those who are self-critical and accept suggestions for improvement. We try to constantly improve through the anonymous feedback of candidates and employees to make our work environment even more attractive.



Continuously measuring and improving our internal culture and engagement is fundamental for us. We recognize the importance of involving our colleagues from production and work councils, as well as trade unions, in discussing and preparing our yearly employee survey, as they make an important contribution to the success of PACCOR.

In 2020, a digital survey was rolled out in nine languages for all our employees and contained twelve questions

on the topics of leadership, people, and structures and processes. The above-average participation rate of 61.1% makes us proud, and shows us that many of our colleagues want to actively participate in the change and shaping of the future of our Group. We are now approaching this as part of a serious and stringent follow-up process in which we will look at Group-wide and country-specific development areas and best practices. The survey proved to be a valuable part of the continuous improvement of our organization.

WE HAVE BEEN AWARDED FOR OUR UNIQUE CULTURE



In 2021, PACCOR became the proud bearer of both the kununu OPEN COMPANY and TOP COMPANY seals of approval. The leading employer rating platform in German-speaking countries, kununu awards seals of approval to employers who have a high willingness to engage in dialog.

The characteristics of an OPEN COMPANY are when a company actively calls on its employees to rate on kununu, comments on existing ratings, or provides insights into day-to-day work in the form of a kununu company profile.



The TOP COMPANY status can be achieved only through good ratings from employees and applicants, an overall rating of at least 3 points, and at least 6 ratings are required. PACCOR currently has an overall score of 3.7 and is pleased about the positive feedback from its employees and applicants. We see the award as confirmation of our open and appreciative approach to our employees and applicants.

HUMAN RIGHTS



As part of our core principles and in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), we are committed in our operations and across our value chain to respecting all internationally recognized human rights as set out in the International Bill of Human Rights and in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. An official modern slavery policy is specifically issued for our operations in the UK.

We respect all human rights equally and take all human rights impacts seriously, and have prioritized human rights issues, in accordance with the UNGPs, which potentially pose the most severe negative impact through our activities or business relationships. Our most relevant human rights issues, which are health and safety in our value chain and connected communities, work conditions for our employees, discrimination and harassment in our operations, and modern slavery in our supply chain, have not changed since the acquisition of Miko Pac in 2021.

At the same time, we expect all our business partners to respect human rights and apply equivalent principles, and make this a requirement in the screening procedures of future suppliers. 100% of our significant investment agreements¹³ and 100% of our contracts with major suppliers contain a human rights clause. All suppliers

are required to sign the PACCOR Code of Conduct for Business Partners (f.k.a. Global Standards for Suppliers) before starting any partnership with us.

Last year there were no PACCOR operations and, to the best of our knowledge, no suppliers of PACCOR, that were considered to have significant risk for incidents concerning child, forced or compulsory labor, or violation of worker rights to exercise freedom of association or collective bargaining.

Our commitment is led from the top. The PACCOR Board is responsible for ensuring that our company operates in line with our core values, including our commitment to respect human rights. The day-to-day responsibility for the company's human rights performance lies within PACCOR's legal group, which works intensively together with PACCOR businesses and other functions. All employees must confirm they understand our Code of Ethics, which includes human rights topics, and participate in online training on the topic. Various internal policies at Group or local level are in place and include topics such as modern slavery, discrimination and harassment, and gender pay gap.

In 2021, 60% of our workforce, including all top leaders across the Group, were trained in our human rights policies and topics.

¹³ Significant investment usually means a capital investment in an equipment project to be amortized over 5 years or more.

CARE FOR EACH OTHER



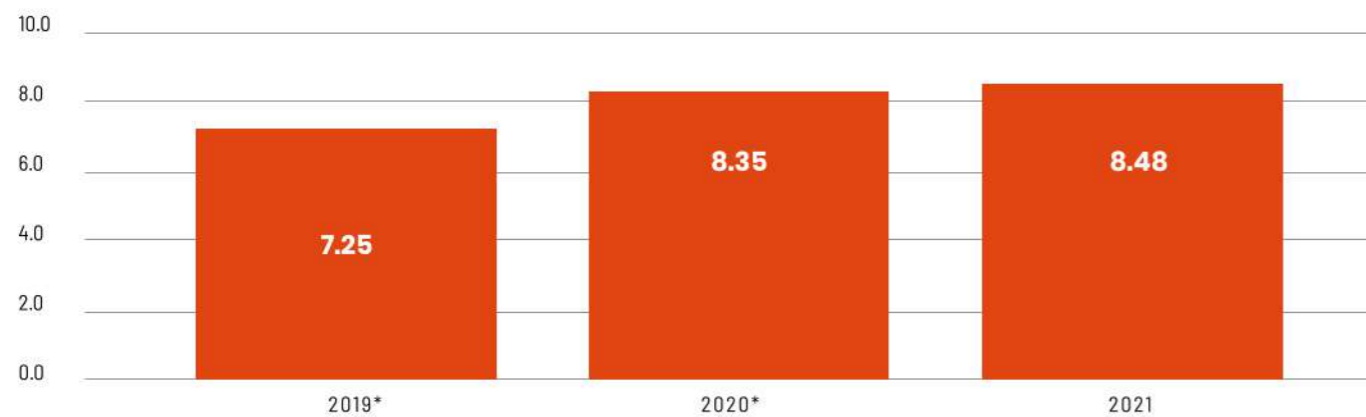
Our vision is to achieve zero injuries and harm by achieving a leading level of HSE standards, performance and capability. As one of our core values, health and safety underpins our commitment to creating a safe workplace and delivering leading safety performance. In order to deliver sustainable performance and strengthen our commitment-based safety culture, we invest in visible safety leadership and employee engagement initiatives, including implementation of an integrated HSE management system.

Our HSE management system drives continuous improvement in all aspects of HSE, including Group-wide standards, performance reviews, root cause analyses of incidents or near misses, training, annual site improvement plans, and internal and external audits. It also includes learning across the organization through dedicated safety learning calls and best practice sharing. Our corporate HSE&S management system covers all workers, locations and functions, and is globally certified with OHSAS 18001 standards, with ongoing transfer to ISO 45001.

Improving safety performance is based on having robust processes in place and being consistent in applying and improving these processes at all our locations. Our core safety processes focus on people, process safety, and product safety. We provide legally required medical insurance to support the non-occupational health of our employees.

Our safety performance is regularly tracked and reported monthly, including thorough checks to ensure data quality. Our main KPI for people safety is the total reportable rate¹⁴ for employees and contractors. We report lost-time incidents¹⁵ to local authorities. In 2021 there were zero fatalities as a result of work-related injury or ill health, nor were there any cases of recordable work-related ill health or high-consequence work-related injury, either among PACCOR workers or external workers. There were 66 recordable work-related injuries, all among PACCOR employees. In 2020 we introduced an integrated KPI system to monitor and report the rate of recordable lost-time incidents, and as a result of the system being operational for a full calendar year in 2021, we reported a small increase. 20% of our locations have been reportable injury free for more than a year.

RATE OF RECORDABLE LOST-TIME INCIDENTS



*2019 and 2020 numbers do not include Miko Pac, which was acquired in 2021.

¹⁴Based on one million hours worked.

¹⁵Recordable work-related injuries, based on one million hours worked.

The main causes of injuries in 2021 were wrong work method (32%), omission/attention (29%), and safety rules negligence (14%). To mitigate such risks, we focused on technical solutions, and improved work instructions based on updated risk analysis. In some cases, we had to take disciplinary action due to negligence of safety rules or non-use of Protective Personal Equipment (PPE). An HSE committee at each plant thoroughly investigates every lost-time incident, involving external experts when necessary. Results of the investigations are used to develop corrective actions, to enhance occupational health and safety thereby minimizing risks and hazards, update work procedures and training programs, and to revise our risks and hazards assessments.

Additionally, in Q3 2021 we launched "PACCOR:cares", PACCOR's umbrella term for all our safety initiatives, which introduces the safety mission for the Group – our safety identity. As part of PACCOR:cares, ten revised safety rules, which apply to and are mandatory for everyone working in and for PACCOR, including employees, contractors and visitors while traveling and at customer and supplier premises, were defined and are under implementation at all production and non-production sites. The rules are supported by the Golden Principle, empowering everyone to address, control and report any unsafe conditions or behaviors at any time. We strictly demand workers to remove themselves from work-related hazards or hazardous situations, without reprisals.

We are introducing standardized practices for safe work for our contractors as well, including management and evaluation procedures. Our contractors participate in safety trainings and are informed of appropriate safe behavior before visiting our premises.

All our personnel and plant managers are trained on safety on a yearly basis by means of external trainings, according to local requirements. A training on PACCOR:cares, specifically on the ten rules, was defined in 2021 and launched in early January 2022. The training includes an obligatory yearly online training for all employees, including new hires, as well as a tailored training depending on an employee's function and work tasks. A training on 10 key safety rules is also part of the standardized visitors practice for everyone visiting our sites.

Additionally in 2021, we developed and rolled out across the entire Group COVID-19 guidance and requirements regarding employee health and safety, enabling a successful management of our response to the pandemic. Our global COVID-19 health and safety guidelines included:

- Workplace guidelines
- Guidelines for commercial teams, including customer visits
- Safe work from home
- Travel guidance

We encourage and empower all our employees to actively contribute to creating and implementing a positive QHSE&S culture. QHSE&S review committees, composed of a plant manager, maintenance manager, safety responsible, work council or employee representative, are established at all our sites for inclusive discussion on the health and safety systems evaluation and improvement. The committees follow local regulations regarding frequency of meetings. Our Code of Ethics clearly states that retaliation is not allowed. Any issue can be brought to the attention of a union representative.

Security at PACCOR is focused on securing the safety of people, information, assets, and critical business processes against willful security risks on-site and while traveling. The level of standardization of procedures, processes and training for personnel dealing with security at all our facilities will continue to increase.

PACCOR
PACKAGING SOLUTIONS

PACCOR:cares

PACCOR SAFETY RULES

TRAINING AND PERSONAL DEVELOPMENT



Being a strong organization driven by innovation makes us resilient and helps us grow within our dynamic business environment, but we can only realize our potential if we facilitate our employees with the right jobs and let them work to the best of their capabilities. So, if we want our business to grow, we must help our people to grow – capability building is a major part of our business strategy.

We value the insights of our people and strive to continuously develop. Following our first Group-wide engagement survey, we conducted several leadership activities to further communicate the survey results and the following action plan to all employees. Additionally, we specifically follow up with our leaders on country-specific development needs and best practice sharing to enhance the learning from each other.

A central element of our people strategy and performance culture is sustainable leadership. The goal of sustainable leadership is to achieve continuous performance improvement across the organization by gradually improving executives' abilities to develop their own competencies, as well as those of their employees. In 2021, working toward this goal, we organized several workshops on different people and leadership topics based on the needs and feedback from the organization.

Taking the next step in our learning journey and in achieving our ambitious business plans requires continuous development. An essential part of this is to

conduct regular feedback sessions with employees. To support the personal learning at work we have created "development talks", where we discuss job requirements and success factors. This will also support the continuous learning of our people and help us recognize the overarching learning topics for the organization.

Since 2019, we have carried out yearly trainings for 100% of our procurement workforce to identify environmental, social, and ethical risks in our supply chains, and to develop sustainable procurement strategies to mitigate these risks. Our aim is to ensure long-term employability of all our employees, increasing our internal knowledge and expertise, while providing security and stability for our employees.

In 2021, the Sustainability department also provided a comprehensive training program that included face-to-face or online workshops to all new hires and current sales function employees on our CARE strategy topics, with specific focus given to recent and upcoming updates in regulatory frameworks in the plastics sector, as well as life cycle assessment methodology.

In this report, you can find more information regarding trainings carried out in 2021 on human rights, waste management, and H&S. Furthermore, we continue to offer event-based training programs such as new employee inductions, onboarding, management training and tailored skill-based courses.

TRENDENCE AWARDS



We are truly happy and overwhelmed to have won 1st place in the category "Talent Intelligence HR" with our project "Data-driven Talent Acquisition @PACCOR" at the Trendence Awards in Berlin on 27 September 2021, as recognition of our hard work in becoming the most desired firm to work for in the packaging industry.

Every year, the Trendence Institut in Germany honors companies in different categories that demonstrated top performance in their HR work.

Marcel Rütten received the award on behalf of PACCOR: "The award is a great appreciation for the work done by all colleagues involved and shows that we don't have to hide as an employer."

With the project, we not only implemented our new Talent Acquisition Suite SmartRecruiters

in all countries simultaneously in record time, but also digitized and standardized the entire recruiting process in the Group. In addition, we simultaneously developed a career page that reflects the new employer brand in the best possible way and appeals to all target groups from a wide range of countries, job families and experience levels. A special feature is that all elements of the Candidate Journey have been designed in such a way that the entire process can be analyzed down to the last detail with the help of precise data, and thus continuously improved.

Besides PACCOR, global players such as McDonalds, Deutsche Post, ThyssenKrupp, Würth, and other renowned companies were also awarded.

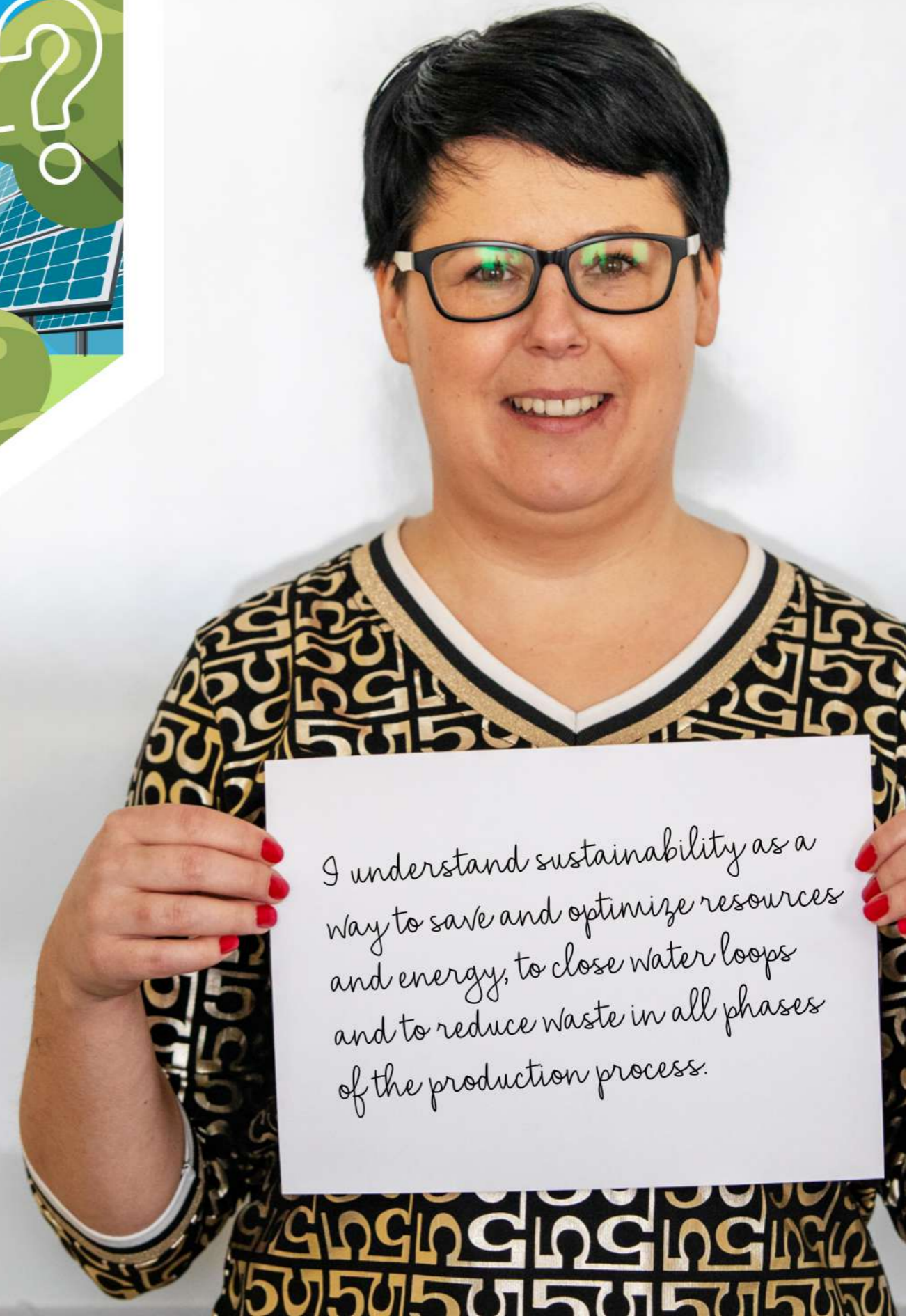
Renaud Chasseloup,
Process & Methods Engineer,
Auneau, France



A sustainable packaging manufacturer like PACCOR requires its own processes to be exemplary. We optimize operations to reduce environmental impact.



Justyna Korbeń
Production Planning Specialist,
Skierniewice, Poland



I understand sustainability as a way to save and optimize resources and energy, to close water loops and to reduce waste in all phases of the production process.

LABOR MANAGEMENT RELATIONS



We expect from our Executive Board, Management Team, our employees, and our partners to carry out their activities with our high standard of ethics, integrity, and professionalism. This entails that, at a minimum, we expect compliance with all laws, regulations, and procedures, while acting in the interest of PACCOR and in line with our values and principles, and with a caring eye for the environment, local communities, and each other.

We fully recognize and respect our employees' rights to freedom of association, assembly and collective bargaining. In 2021, 67% of our employees were covered by collective bargaining agreements. Significant operational changes that could affect employees are communicated in accordance with local legislations and therefore varies per site from 1 to 8 weeks. The notice period and provisions for consultation and negotiation

are specified in collective agreements or in the applied national labor code.

Our employees have the opportunity to voice their ethical concerns or seek advice. The HR department is the primary point of contact for requesting information, making claims or sharing suspicions. In addition, a whistleblowing reporting tool (PACethics Helpline) was implemented in the course of the year and has been activated for use by internal and external stakeholders since November 2021. This system makes it easy for employees, suppliers, customers, and other business partners to report any suspected policy violations, inappropriate behavior, and illegal or unethical practices.



ABOUT THIS REPORT

The Sustainability Report 2021 is PACCOR's annual sustainability report reflecting our performance in calendar year 2021. A previous sustainability report for calendar year 2020 was published on 29 June 2021. Some information reported in the Sustainability Report 2020 is subject to restatement, and the reader is advised to consult the current report for current information on these points. The reasons for the restatement (in order of the effect) are recalculation of the base year for the KPI due to the organizational scope change in acquisition of Miko Pac, update of the GHG emission factors for financial spent groups on the corrected inflation rate, and update of the primary data with higher quality. The following information is subject to restatement:

1. Energy consumption within the organization and energy intensity, years 2019 and 2020: section Resources. Total restatement effect: 14% for 2019 and 18% for 2020 in terms of total energy consumption within the organizations; -2.2% for 2019 and -1.5% for 2020 in terms of energy intensity.
2. Emissions of greenhouse gases (Scope 1, 2, 3) and emissions intensity, years 2019 and 2020: section Resources. Total restatement effect: 10% for 2019 and 14% for 2020 in terms of total Scope 1 emissions; 14% for 2019 and 53% for 2020 in terms of total Scope 2 emissions; 12% for 2019 and 15% for 2020 in terms of total Scope 3 emissions; 12% for 2019 and 18% for 2020 in terms of total value chain emissions; -1% for 2019 and +22% for 2020 in terms of intensity of emissions in own operations; 20% for 2019 and 10% for 2020 in terms of total emissions intensity.
3. Share of renewable energy in the electricity mix on the Group level, years 2019 and 2020: section Resources. Total restatement effect: +1% for 2019 and -6% for 2020.
4. Waste generation, waste treatment and waste intensity, years 2019 and 2020: section Resources. Total restatement effect: +4% for 2019 and +5% in 2020 in terms of total waste generation and treatment; -10% for 2019 and -12% for 2020 in terms of waste intensity.

PACCOR does not seek external assurance for the current report but reserves the consideration to do so for future reporting periods. This report has been prepared in accordance with the GRI Standards: Core option.

For any questions regarding this report, please contact:
 Sonja Teurezbacher
 VP Group Communications and Marketing
communication@paccor.com

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ESG FACT SHEET

ENVIRONMENT

Indicator	Unit	2019	2020	2021	% change 2019-2021
Circularity					
Theoretically recyclable products	%	100	100	100	0
Recyclable products	%	54	65	78	44.4
Renewable materials in procurement	%	15.1	16	17.2	13.9
Post-consumer recycled materials in procurement	%	11	16	17	54.5
Post-consumer recycled materials in procurement of polymers	%	6	4	5.5	-8.3
Share of portfolio covered by LCA (share based on net sales)	%	2	40	29	1350
Investments into sustainable packaging solutions	€ mln	4.1	5	2.2	-46.3%
Energy *					
Fuels consumption within the organization*	TJ	175	147	152	-13.1
Supplied energy*	TJ	1347	1264	1286	-4.5
Total energy consumption*	TJ	1522	1411	1438	-5.5
Energy intensity*	MJ/kg of product	6.4	6.6	6.9	8.3
Share of renewable energy in the electricity mix*	%	17	65	77	352.9
Emissions *					
Scope 1 GHG emissions	ktCO ₂ eq	14.6	12.1	12.9	-11.5
Scope 2 GHG emissions	ktCO ₂ eq	217.4	81.3	55.9	-74.3
Total GHG emissions within the organization	ktCO ₂ eq	232.0	93.5	68.8	-70.3
GHG emissions intensity, Scope 1 and 2	kgCO ₂ eq/kg of product	0.97	0.44	0.33	-66.0
Scope 3 GHG emissions	ktCO ₂ eq	892.5	819.5	790.4	-11.4
Total GHG emissions cradle-to-grave	ktCO ₂ eq	1124.5	913.0	859.2	-23.6
GHG emissions intensity, cradle-to-grave	kgCO ₂ eq/kg of product	4.7	4.3	4.1	-12.4
VOC emissions	t	20.1	21.4	4.5	-77.6
Waste *					
Total waste generation	kt	28.1	23.0	13.3	-52.7
Hazardous waste generation*	kt	1.9	2.6	0.7	-63.2
Waste generation intensity	kg/kg of product	0.12	0.12	0.06	-50.0
Waste sent to open loop recycling*	kt	26.3	15.9	8.1	-69.2
Waste sent to incineration with energy recovery*	kt	1.3	5.2	4.8	269.2
Waste sent to landfilling*	kt	0.4	1.9	0.4	-69.2
Waste sent to mass incineration*	kt	0.1	0.1	0.0	-100

*Values for 2019 and 2020 should be compared with caution due to the classification changes in the reporting system and major plant restructurings causing non-process waste to be reported

Water

Total water withdrawal	1000m ³	196	188	159	-18.9
Water withdrawal in areas with water stress	1000m ³	29	29	20	-31
Water consumption	1000m ³	38	37	18	-52.6
Total water discharge	1000m ³	158	152	141	-10.8
Water discharge in areas with water stress	1000m ³	30	29	20	-33.3

*Estimated from water bills in 2019

Management systems

Share of manufacturing sites with ISO14001/ISO50001 certifications	%	47	53	33	-29.8
Share of manufacturing sites with SEDEX (Supplier Ethical Data Exchange)/SMETA (Sedex Members Ethical Trade Audit) certifications	%	93	93	83	-10.8
Share of manufacturing sites with ISO9001/BCR (Global Standard for Food Safety) certifications	%	100	100	100	0

SOCIAL

Indicator	Unit	2019	2020	2021	% change 2019-2020
Employment*					
Total employees	Head-counts	3416	3260	3969	16.2
Total employees	FTE	2690	2521	3905	41
Share of female employees	% FTE	25	27.2	29%	16
Share of female employees in management and administration	% FTE	23	24	58%	152.2
Turnover rate**	% FTE	6	5.7	14.3	140

* The figures reported also include external temporary workers. The figures differ from those reported in the 2021 consolidated financial statements, where we only report internal workforce in accordance with the German Commercial Code (HGB).

**Not measured in 2019

Occupational health and safety

Total high-consequence injuries	-	0	0	0	0
Total recordable injuries (lost-time incidents)*	-	38	42	66	73.7
Total recordable injuries among employees (lost-time incidents)*	-	38	41	66	73.7
Rate of recordable injuries per 1 mln hours worked*	-	7.25	8.35	8.48	17
Total work-related illness	-	0	0	0	0

*Values for 2019 and 2020 should be compared with caution due to the classification changes in the reporting system

Sustainability in the supply chain					
New suppliers assessed on social and environmental criteria	%	30	100	100	0
Share of suppliers who are signatories of the PACCOR Global Standard for Suppliers	%	100	100	100	0
Share of contracts with suppliers containing a human rights clause	%	100	100	100	0
Share of procurement budget allocated to local suppliers	%	28	33	32	14.3

Customer satisfaction					
First response time	h	<24	<24	<24	0
Customer retention rate*	-	n.a.	0.9	0.9	n.a.

*Not measured in 2019

GOVERNANCE

Indicator	Unit	2019	2020	2021	% change 2019-2020
Production volumes	kt	206.3	178.7	207.7	0.7

Governance bodies					
Total people on Management Team	Head counts	9	10	10	11.1
Female members on Management Team	%	31	50	50	61.3
Governance body oversight of the sustainability strategy	Y/N	Y	Y	Y	n.a.
Frequency of Board update on ESG issues	Frequency	Monthly	Monthly	Monthly	n.a.
Board oversight of climate strategy	Y/N	Y	Y	Y	n.a.
Code of Conduct, anti-discrimination, anti-harassment policies	Y/N	Y	Y	Y	n.a.
Anti-corruption, anti-bribery policies	Y/N	Y	Y	Y	n.a.
QHSE&S policy	Y/N	N	Y	Y	n.a.
Business Partner Code of Conduct, including suppliers	Y/N	Y	Y	Y	n.a.
Modern Slavery Act 2015 (U.K.)	Y/N	Y	Y	Y	n.a.

Regulatory compliance

Confirmed incidents of corruption	0	0	0	0
Completed legal actions regarding anti-competitive behavior and violations of anti-trust and monopoly legislation	0	0	0	0
Incidents of non-compliance with environmental laws and regulations	0	0	0	0
Incidents of non-compliance with socio-economic laws and regulations	0	0	0	0
Substantiated complaints concerning breaches of customer privacy	0	0	0	0
Incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products and services	0	0	0	0
Incidents of non-compliance with regulations or voluntary codes concerning information and labeling of our products	0	0	0	0

APPENDIX A: GHG EMISSIONS METHODOLOGY AND ASSUMPTIONS

Scope	Scope defined	Comment
Scope 1	Fuels for space heating and production	Calculations are based on the primary data for fuel consumption
	Fuel: warehouse transport	Calculations are based on the primary data on the number and drive of warehouse transport in use at the sites, users estimates the average number of hours of use per day, and assumptions on the fuel consumption per hour in consideration of representative equipment. For one location, primary data on amount of fuel used was available and utilized. Electric and hybrid vehicle energy consumption is included in Scope 2.
	Fugitive emissions	Calculations for cooling agent emissions are based on the primary data on cooling equipment (charge and type of cooling agent) for the reporting years 2020 - 2021, extrapolation of the values on base year 2019 based on the production volumes, and default IPCC rates of cooling agent leakage. In minor cases when data on space cooling equipment was not available, the assumption is made based on the floor area cooled (m2) and performance of representative equipment.
Scope 2	Electricity	Calculations are based on the primary data for electricity consumption and applicable electricity mixes. For three locations, no data on the electricity mix is readily available, and the average county-based grid mix is used.
	Heat	Calculations are based on the primary data for heat consumption and applicable heat source(s).
Scope 3	Category 1: Purchased goods and services	Calculations are based on the primary data for raw material purchase by material group (kg), water consumption (m3), and services purchase (EUR). For a few sites with unknown water consumption in 2019, an extrapolation from 2020 was implemented based on production volumes (estimated not to exceed 30% of the total water consumption in 2019).
	Category 2: Capital goods	Calculations are based on the primary data for capital expenditures, expert estimation of the share of expenditures spent on goods vs services and project management, and expert assessment of the goods category split by CAPEX spent category.
	Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	Calculations are based on the primary data for fuel consumption for space heating and production, electricity and heat consumption, and estimation of fuel consumption for warehouse transport (see Scope 1. Fuel: warehouse transport).
	Category 4: Upstream T & D	Calculations for transportation of raw materials to production sites are scoped on supply of resins as the most contributing and most documented supply of raw materials. Calculations are based on the primary data on the volume of supply and the GIS defined distance for road transportation from tier 1 suppliers. In a case of purchase from bulk distributors, the distribution from the base of the distributor is accounted. When several supply locations are aggregated, the supply volume is split equally between them. When the supply location is unknown, the default distance is estimated on the level of average freight distance in Europe 2018 (EuroStat).
	Category 5: Waste generated in operations	Calculations for transportation of sold product to customers are based on the primary data for production volumes, return rates and average registered GIS defined distances of transportation per production site, as well as the expert assumption on average distance to warehouses, and share of product warehoused.

Scope	Scope defined	Comment
Scope 3	Category 6: Business travel	Calculations are based on the primary data for volumes of waste generated by fraction and/or waste stream type, and the waste treatment practice applied. It is assumed that for the separated waste fractions the waste is handed over to third parties with the material definition and no sorting is required.
	Category 7: Employee commuting	Calculations are based on the primary data for number of employees (head count based) per site, and the internal expert assumption for average distance of commute per site. For 2020 and 2021, additional assumptions are incorporated to reflect work from home due to the COVID-19 pandemic. The assumption is made on the primary data for number of employees not directly involved in production (head count), an estimated lockdown starting on 1 April 2020, and occupancy rates thereafter.
	Category 8: Upstream Leased Assets*	Calculations are based on the primary data on the expenses for the low value and short-term leases (IFRS16.3), and expert estimation of shares of the objects of lease. Finance and capital lease assets operated by the company are included in Scope 1 and 2.
	Category 9: Downstream T & D	Not included. The downstream transportation and distribution beyond supply of products to the direct customer are not owned or controlled by PACCOR, and any assumptions are judged to be of high uncertainty. Supply of products to the direct customer is included in Scope 3 Category 4.
	Category 10: Processing of sold products	Not included. Processing of sold product is not owned or controlled by PACCOR, and any assumptions are judged to be of high uncertainty.
TOTAL	Category 11: Use of sold products	Not included. Use of sold product is not owned or controlled by PACCOR. While it is not expected that use of the PACCOR product itself would result in considerable emissions, any further assumptions are judged to be of high uncertainty.
	Category 12: End-of-life treatment of sold products	Calculations are based on the primary data for the materials of sold products and geographic market of sales, and the assumed end of life. The end of life of the products is identified based on internal research when available, and on regional statistics for plastic packaging (PlasticsEurope and EPA) when not available.
	Category 13: Downstream leased assets	Not included. No downstream leased assets are owned or controlled by PACCOR
	Category 14: Franchises	Not included. No franchises are issued by PACCOR
	Category 15: Investments	Not included. PACCOR does invest with the objective of making a profit in third parties, and does not provide financial services.
TOTAL		The Greenhouse Gas (GHG) Protocol, a corporate accounting and reporting standard is used. Year 2019 is taken as the base year for the calculations as the earliest available higher certainty metrics, and the most relevant for the company's sustainability strategy construct. Operational control is chosen as the consolidation approach to emissions. Used emissions factors are sourced from publicly available DEFRA conversion factors, and life cycle accounting emission factors derived from the Ecoinvent 3.6 and EXIOBASE databases. Emission factors are chosen and/or derived for the most relevant temporal reference (2019, 2020, and 2021 respectively), or the closest to it when not possible. Included greenhouse gases are defined by the IPCC AR5 methodology, based on a 100-year timeframe. Biogenic CO2 emissions are excluded from the assessment scope.

APPENDIX B: ENTITIES INCLUDED INTO REPORTING

THE FOLLOWING ENTITIES ARE INCLUDED INTO THE CONSOLIDATED FINANCIAL STATEMENTS.

PACCOR Packaging GmbH

PACCOR Deutschland GmbH

PACCOR (Ravensburg) Deutschland GmbH

Atlas Rigid North America Inc

PACCOR NA Inc

PACCOR Packaging NA. Inc.

PACCOR International Holdings SARL

PACCOR France SAS

PACCOR Turkey Ambalaj Sanayi A.S.

PACCOR Finland Oy

PACCOR Netherlands BV

PACCOR Hungary Kft

PACCOR Lietuva UAB

PACCOR Polska Sp. Z o.o.

PACCOR Romania SRL

PACCOR Serbia d o.o.

PACCOR Ukraine LLC

Daisy UK Holdco Ltd (struck-off in 06/2021)

PACCOR UK Limited

PACCOR (Mansfield) UK Limited

PACCOR Bulgaria JSC

Sofioplast 96 JSC

PACCOR Iberia S.A.

Immobiliaria Frank Lloyd SL

PACCOR Singapore Pte. Ltd

PACCOR Belgium N.V. (f.k.a. Miko Pac N.V.)

PACCOR (Bydgoszcz) Poland S.p. z.o.o. (f.k.a. Miko Pac S.p. z.o.o.)

PACCOR (Saint Grégoire) France SAS (f.k.a. Miko Pac France SAS)

PACCOR-Hordijk Verpackungen GmbH (f.k.a. Miko-Hordijk Verpackungen GmbH)

PT. Innoware Indonesia

All the entities are included into the scope of the current sustainability report.

TAKING SUSTAINABILITY TO THE NEXT LEVEL



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