

EFFICIENT BY DESIGN CIRCULAR BY NATURE

SUSTAINABILITY
STRATEGY &
REPORT 2022



ABOUT THIS PUBLICATION

This publication sets out how Schoeller Allibert works to fulfil its purpose of accelerating sustainable supply chains. Sustainability has always been at the heart of Schoeller Allibert's business model, and our sustainability strategy has been designed to drive progress on the topics that are most pressing for society, the environment and our business.

The Schoeller Allibert sustainability strategy was developed in 2021 based on a materiality assessment carried out together with KPMG Advisory N.V., including extensive consultation, and the first results were published a year later. This publication reports on the progress during 2022.



FIND YOUR WAY TO SUSTAINABILITY



THE SCHOELLER ALLIBERT SUSTAINABILITY STRATEGY:

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Innovation for a
circular economy

Designing and innovating
reusable packaging systems to meet the world’s need for
sustainable and circular solutions.
- 30

Future proof planet

Enabling the transition to a
low-carbon economy and helping to shape a greener future.
- 39

Integrity at heart

Respecting and valuing our
employees and all our stakeholders, and living up to the highest
standards of ethics and governance.

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ACCELERATING SUSTAINABLE SUPPLY CHAINS

Elizabeth Nugent, Chief Commercial Officer,
member of the Leadership Team Sustainability Committee

Schoeller Allibert has a long history. Since the beginning, the company has been focused on driving efficiency in supply chains, and paving the way to a sustainable and circular future. This sustainability report demonstrates that these two strengths are inextricably linked, as we work towards creating a world where circular solutions are the smartest choice.

We are experiencing turbulent times for the global economy. The last three years have shaken many of our assumptions and demonstrated the vulnerabilities of international supply chains. While some pressures have now eased, the lesson remains: it is crucial to invest in making supply chains and economies more

efficient and resilient. Making the shift to reusable packaging systems equipped with smart digital technologies is a crucial step in that direction.

And with Schoeller Allibert, you don't have to choose between commercial performance and sustainability benefits.

Our reusable packaging solutions increase efficiency, reduce total cost of ownership and support data-driven decision-making, all while preventing waste and helping to reduce carbon emissions.

This is what we meant when we developed our renewed purpose this year: *accelerating sustainable supply chains, through innovative, reusable solutions, which are efficient by design and circular by nature.*

As a provider of packaging, storage and logistics solutions, we are able to drive impact by improving our own ways of working, as we demonstrate throughout this report. But we also have the power to fuel an important transition. We can increase our impact exponentially by partnering with companies across a huge range of sectors and industries and enabling them to reduce their own emissions.



I want to thank all of Schoeller Allibert's staff, customers and other stakeholders for their commitment to our purpose, vision and mission. By working

together we can have a significant impact to make the world's supply chains more sustainable.

TOWARDS A CIRCULAR FUTURE

Britta Wyss Bisang, *Global Sustainability Director*

We're now entering the third year of Schoeller Allibert's sustainability strategy, and I'm proud of the progress we can demonstrate in this report. We are using ever more recycled materials; our emissions continue to decrease; and the shift to renewable energy is well underway. With two years of results reported, we can conclude that our strategy is creating an impact and meeting the needs of our many and varied stakeholders.

Schoeller Allibert has always been ahead of the curve on sustainability. This is reflected in our ambitious targets and KPIs, which anticipate much of the mandatory reporting that is on the horizon, and in the fact that we are constantly looking for ways to go even further. For example, this year we committed to the Science Based Targets initiative. This will help

to increase our alignment on decarbonization with customers and partners who share the same commitments.

In this year's report we also introduce two new KPIs related to the use of water. Schoeller Allibert uses comparatively little water to make and recycle its products, and the addition of these new KPIs will aid comparison across

different types of packaging, storage and logistics products.

The results presented in this report reflect a collective effort by hundreds of staff and partnerships with many more internal and external stakeholders. Step by step, together, we are making sure that circular solutions are the smartest choice.



ABOUT SCHOELLER ALLIBERT

Schoeller Allibert has been accelerating sustainable supply chains for more than 65 years through the creation of innovative, reusable packaging, storage and logistics products and solutions that are efficient by design and circular by nature. Today, we are a global market player and the European market leader.

OUR PURPOSE

Accelerating sustainable supply chains, through innovative, reusable solutions, which are efficient by design and circular by nature.

OUR VISION

A world where reusable, circular solutions are the smartest choice.

OUR MISSION

We will advance the use of reusable packaging systems.

Our reusable packaging solutions have a long lifespan, reducing the total cost of ownership and environmental footprint for our customers.

We will continue to set new standards for sustainable packaging, storage and logistics products.

Our innovative products reduce waste, are fully recyclable and will increasingly be made from recycled materials.

We will drive smart digital solutions.

Our digital technologies enable data-driven decision-making for our customers, enhancing supply chain efficiency and circularity at a global scale.

€600 MILLION
TURNOVER



12
FACTORIES



50+
COUNTRIES
SERVED



>1,800
EMPLOYEES



10,000+
CUSTOMERS
WORLDWIDE

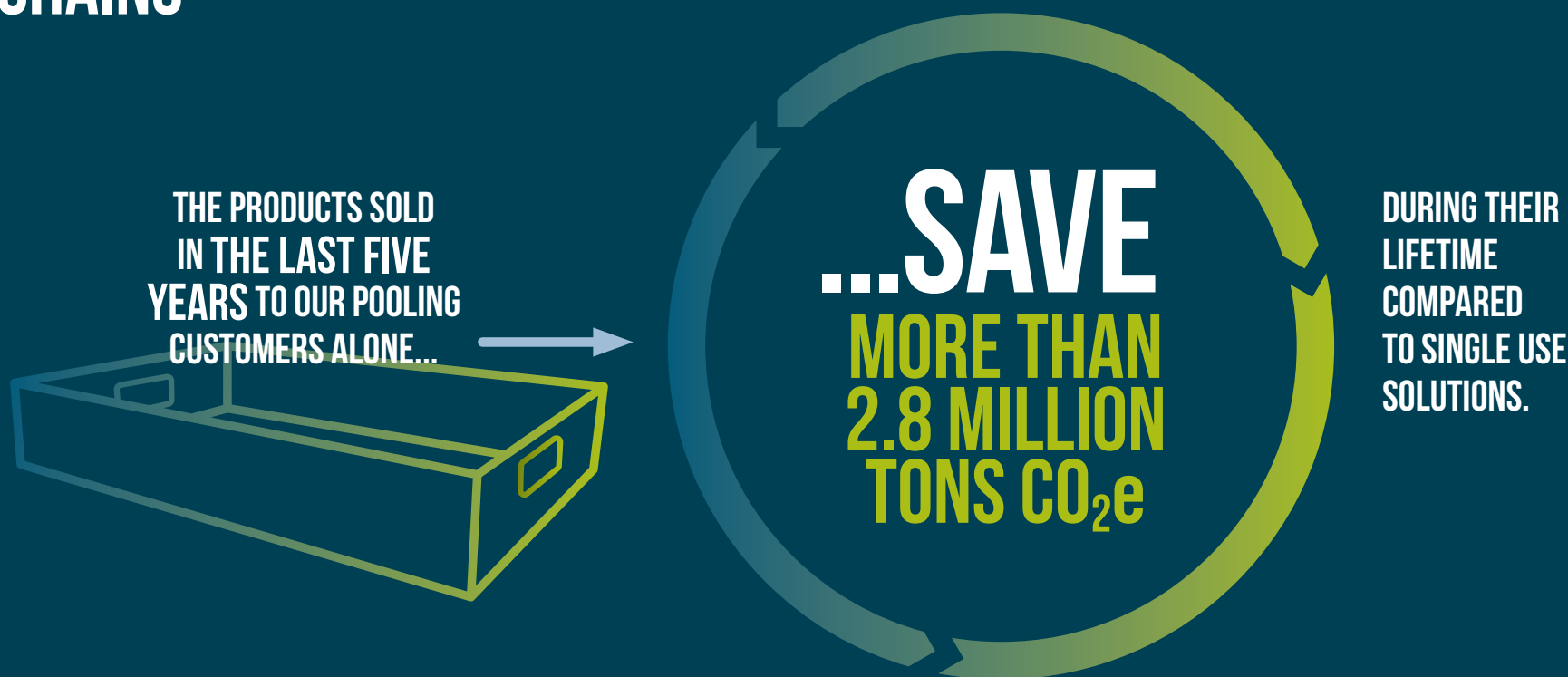
INCREASING PRODUCTIVITY AND SAVING CARBON IN CUSTOMER SUPPLY CHAINS

Schoeller Allibert takes responsibility for reducing the carbon footprint of its own operations. But we have an even bigger impact by enabling many

of our customers to decarbonize their supply chains – by developing packaging, storage and logistics products that are efficient by nature and circular by design.

Our products are strong, durable, lightweight and can be reused for five to 15 years, before being 100% recycled.

And even more...>

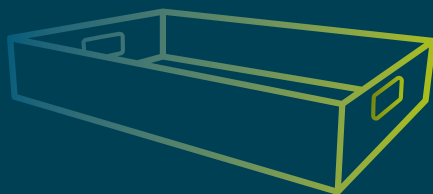


IS 2.8 MILLION TONS A LOT OF CARBON? Yes, it is! This is the amount of carbon emitted by about 1,7 million roundtrips by plane from Amsterdam to New York. Or the same carbon emitted by producing 578 million black cotton t-shirts!

AND EVEN MORE...

The avoided emissions are calculated based on the Foldable Small Container,¹ sold from 2018 to 2022 to Schoeller Allibert's pooling customers. This represents around 30% of our revenue, but other customer supply chains also benefit from carbon savings thanks to our reusable products.

An example² from the beverage industry shows that the carbon footprint of returnable glass bottles that are sold and transported in a reusable crate is at least 2.5 times smaller than that of cans, and 4.5 times smaller than that of single use glass bottles that are transported in single-use packaging.



¹ The avoided emissions are calculated based on the difference in greenhouse gas emissions between reusable packaging (Foldable Small Containers) and single use solutions. We rely on the calculation of avoided emissions per trip (in tons CO₂e) over the lifetime of a crate (10 years) as calculated in the Fraunhofer study on the carbon footprint of packaging solutions (February 2018).
<https://www.stiftung-mehrweg.de/de/nachhaltigkeit/studien>

² AB InBev. (2021). 2021 Environmental, Social & Governance Report.
https://www.ab-inbev.com/assets/pdfs/ABINBEV_ESG_2021_Final.pdf

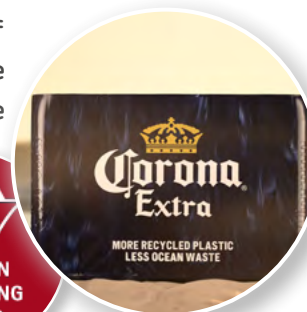
HIGHLIGHTS 2022

We launched our new purpose, vision and mission:

Efficient by design, circular by nature.

- Our rental programme grew by more than **30%**, empowering more customers with the digital insights generated by SmartLink® (see page 27).
- Scope 1 and 2 emissions reduced by **46%** (see page 32).
- We helped our customers save more than **2.8 million tons CO₂e** (see page 7).
- We committed to set company-wide emission reduction targets in line with the **Science Based Targets Initiative (SBTi)**.
- 5,200 TREES were planted in our partnership with Tree Nation (see page 37).
- The Corona 20-pocket beer crate was named **WINNER** of several awards, including the New Material category of the **German Packaging Awards 2022** (see page 29).
- Use of recycled materials increased to **30%** (see page 26).

Schoeller Allibert achieved a Circulytics score of A-. Circulytics is a digital tool from the Ellen MacArthur foundation that is designed to measure company performance on circularity. (see page 26)



MARKETS AND PRODUCTS

Our packaging, storage and logistics products are efficient by design and circular by nature.

MARKETS



AGRICULTURE



AUTOMOTIVE



BEVERAGE



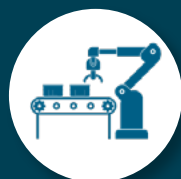
CHEMICALS



COSMETICS &
PHARMA



FOOD AND FOOD
PROCESSING



INDUSTRIAL
MANUFACTURING



POOLING

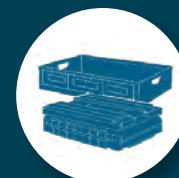


RETAIL



SYSTEM
INTEGRATORS

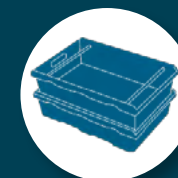
PRODUCT GROUPS



FOLDABLE SMALL
CONTAINERS



STACKABLE
CONTAINERS



STACKABLE / NESTABLE
CONTAINERS



DOLLIES



BEVERAGE CRATES



PAILS



FOLDABLE LARGE
CONTAINERS



RIGID PALLET
CONTAINERS



PALLETS



INTERMEDIATE
BULK CONTAINERS



ROTATIONALLY
MOULDED PRODUCTS

Handheld

Bulk

LOCATIONS

EUROPE

Austria
Belgium •
Czech Republic
Finland
France •
Germany •
Hungary
Italy
Latvia
Netherlands (HQ) •
Norway
Poland •
Romania
Russia
Serbia
Spain •
Sweden
Switzerland •
United Kingdom •
Slovakia
Turkey

ASIA

China
Hong Kong
India
United Arab Emirates

MIDDLE AMERICA

Mexico

NORTH AMERICA

United States •

AFRICA

South Africa

Working worldwide:
12 production sites (•)
and 21 sales offices.



EFFICIENT BY DESIGN, CIRCULAR BY NATURE

Schoeller Allibert is accelerating sustainable supply chains through innovative, reusable solutions. Our reusable packaging systems reduce waste, are fully recyclable and are increasingly made from recycled materials.

REUSABLE PACKAGING IS AT THE TOP OF THE WASTE HIERARCHY

Reusable packaging sits at the top of the waste hierarchy because it prevents waste, making it the most preferred option.

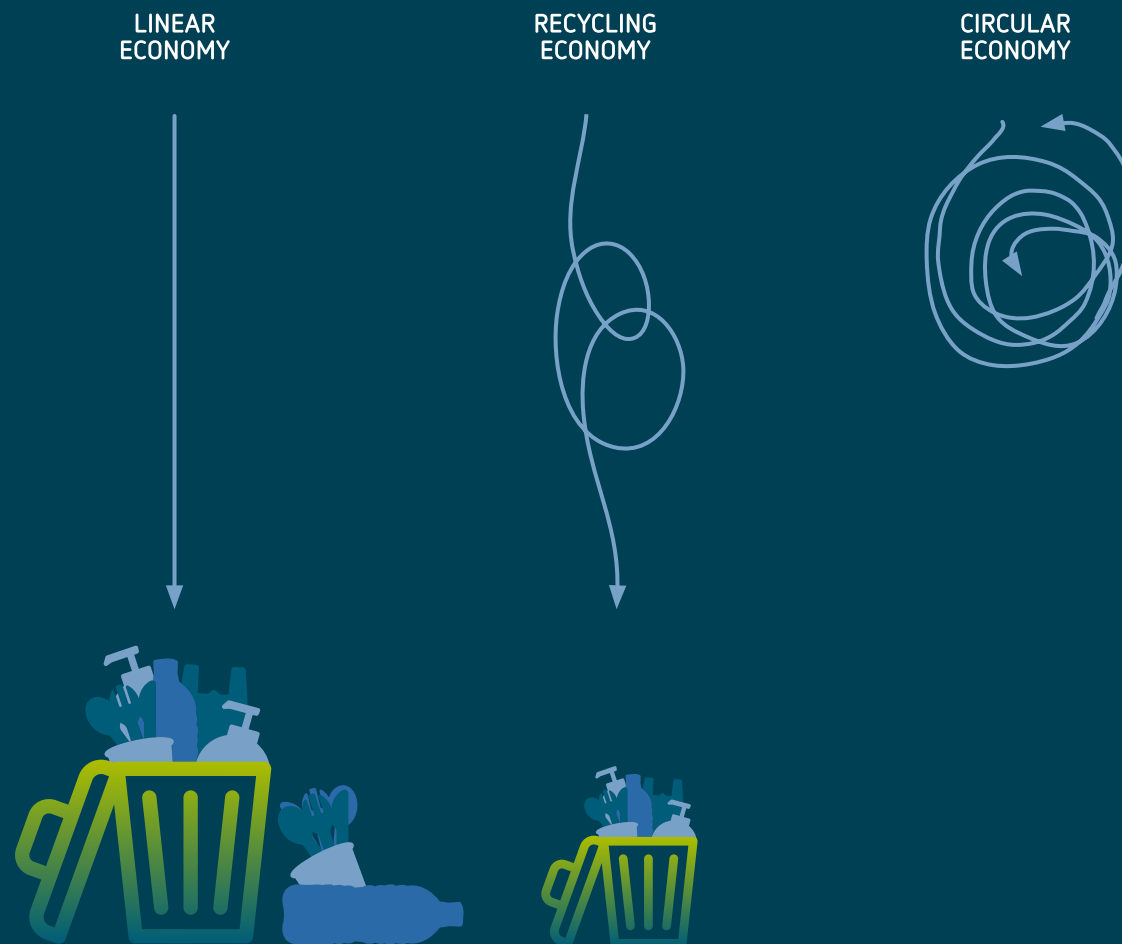
Prevention means that no packaging waste is created - a truly sustainable choice.

The waste hierarchy is a longstanding and valuable concept promoted by the European Union. It is used to evaluate the best ways of reducing and handling waste in order to protect people and the environment while conserving resources and minimising energy consumption. A shift from material recycling to product reuse is beneficial because it ensures that more value is preserved. This means we need to design products that keep materials in use for as long as possible before they eventually get recycled, rather than relying on recycling alone.



WE CANNOT RECYCLE OUR WAY OUT OF THE WASTE PROBLEM

To protect the world's resources and ensure a liveable future on our planet, it is crucial that we work towards a **circular economy** – where waste is eliminated, and products and materials are kept in use. We need to move away from a linear economy, where raw materials are extracted, used, and then discarded as waste.



WHY IS IT IMPORTANT TO KEEP MATERIALS IN USE BEFORE THEY ARE RECYCLED?

Keeping products and materials in use for as long as possible must be prioritized over systems based only on recycling.



Recycling is a common strategy to deal with waste in a way that maintains (some of) its value. However, **recycling relies on systems being in place for collection**; in reality, these are not always in place or readily used. In the European Union in 2020, only 64% of packaging waste and only 58%³ of waste in general was recycled.

Those materials that are collected need to be **transported** to a recycling facility.

Every recycling process uses a significant amount of **energy and resources**, such as water.

Even those **single-use products** that do get recycled will **quickly end up as waste**. According to the American Forest & Paper Association (AF&PA), corrugated cardboard boxes can be recycled *until 5-7 times*. After that, the cardboard fibres are too damaged.⁴

Schoeller Allibert's **reusable packaging systems** stay in use for five to 15 years, before eventually being recycled. This makes the **most efficient use of natural resources**.

In addition, Schoeller Allibert is working to make this recycling process as lean and efficient as possible. There are grinders at several of our factories to grind old crates into small plastic flakes, which then are directly used for the production of new crates. Only a small volume of water is needed to wash the crates before recycling.

³ Eurostat. (2022). Recycling rate of packaging waste by type of packaging.
https://ec.europa.eu/eurostat/databrowser/view/cei_wm020/default/table?lang=en

⁴ American Forest & Paper Association. (2018). Here's how to recycle your cardboard boxes.
<https://www.afandpa.org/news/2018/heres-how-recycle-your-cardboard-boxes>

THE DIFFERENCE BETWEEN SINGLE-USE PLASTIC AND REUSABLE PACKAGING SYSTEMS

Single-use plastic is one of the world's biggest waste problems. In the USA, for example, just 4% of single-use plastic produced in 2021 was recycled.⁵

The single-use plastic problem, however, is a world away from the closed-loop system for plastic reusable packaging systems, which are circular by design. The products created by Schoeller Allibert and used by thousands of companies in their supply chains are light weight but designed to be strong, durable and easy to clean, so they can stay in use for up to five to 15 years. When crates do reach the end of their life, they can be collected to create a closed-loop recycling system. At Schoeller Allibert, we take back old crates to create new,

high-quality products for another lifecycle of use.

TRANSPORT PACKAGING IS LESS VISIBLE – BUT CRUCIAL FOR WASTE PREVENTION

While the focus of public attention is usually on consumer products such as plastic bags or drinks bottles, a huge amount of waste is also created by single use transport packaging – the packaging used by businesses to transport goods, that is usually not seen by the consumer. In Germany, almost a

third of all packaging is transport packaging – and this transport packaging consists (by weight) of 9% plastic, 22% wood, and 69% paper and cardboard.⁶ These figures are presented in a study by the German NABU (Nature and Biodiversity Conservation Union) and underline the importance of addressing the waste issue across all materials and of moving to reuse systems to prevent waste in transport packaging. The NABU study also presents other valuable insights. For example, it shows that the waste prevention potential of reusable transport packaging is about 4:1. This means that for one ton of reusable transport packaging introduced into the market, four tons of waste can be prevented.

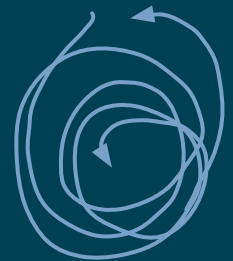
SINGLE USE PACKAGING



Unreliable collection
Loss of energy,
water & resources



REUSABLE PACKAGING



Strong and durable

Stays in use for
five to 15 years

Collected to create
a closed loop

⁵ Greenpeace USA. (2022). Circular claims fall flat again. <https://www.greenpeace.org/usa/reports/circular-claims-fall-flat-again/>

⁶ NABU. (2022). NABU-Studie zu Transportverpackungen. <https://www.nabu.de/umwelt-und-ressourcen/ressourcenschonung/einzelhandel-und-umwelt/32297.html>

REUSABLE PACKAGING IS SUSTAINABLE PACKAGING

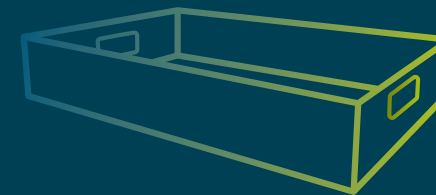
A study by Zero Waste Europe shows that reusable packaging systems produce significantly less emissions than the alternatives.

Reusable packaging is strong and durable, and designed for a long life. It is also lighter than alternatives such as wooden crates, and can be folded and unfolded repeatedly. This reduces storage space and the associated emissions from transportation.

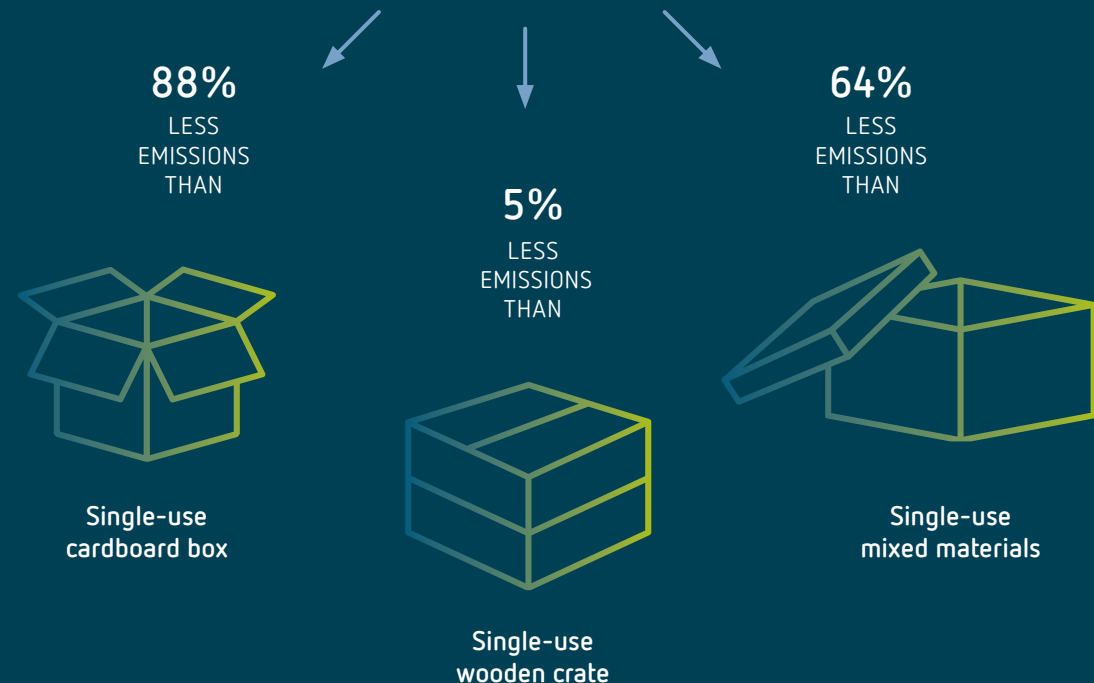
Zero Waste Europe, a civil society network organization, compared 32 Life Cycle Assessment (LCA) studies to evaluate the impacts of single-use and reusable packaging.⁷ 72% of the studies analysed found positive results

for the environmental impact of reusable packaging compared to single-use. For all types of packaging, the production phase was found to have the greatest impact; but as reusable packaging stays in use for many more cycles, the production emissions per functional unit are significantly lower.

*More on Life Cycle Assessments
on the next page >*



REUSABLE PLASTIC CRATES

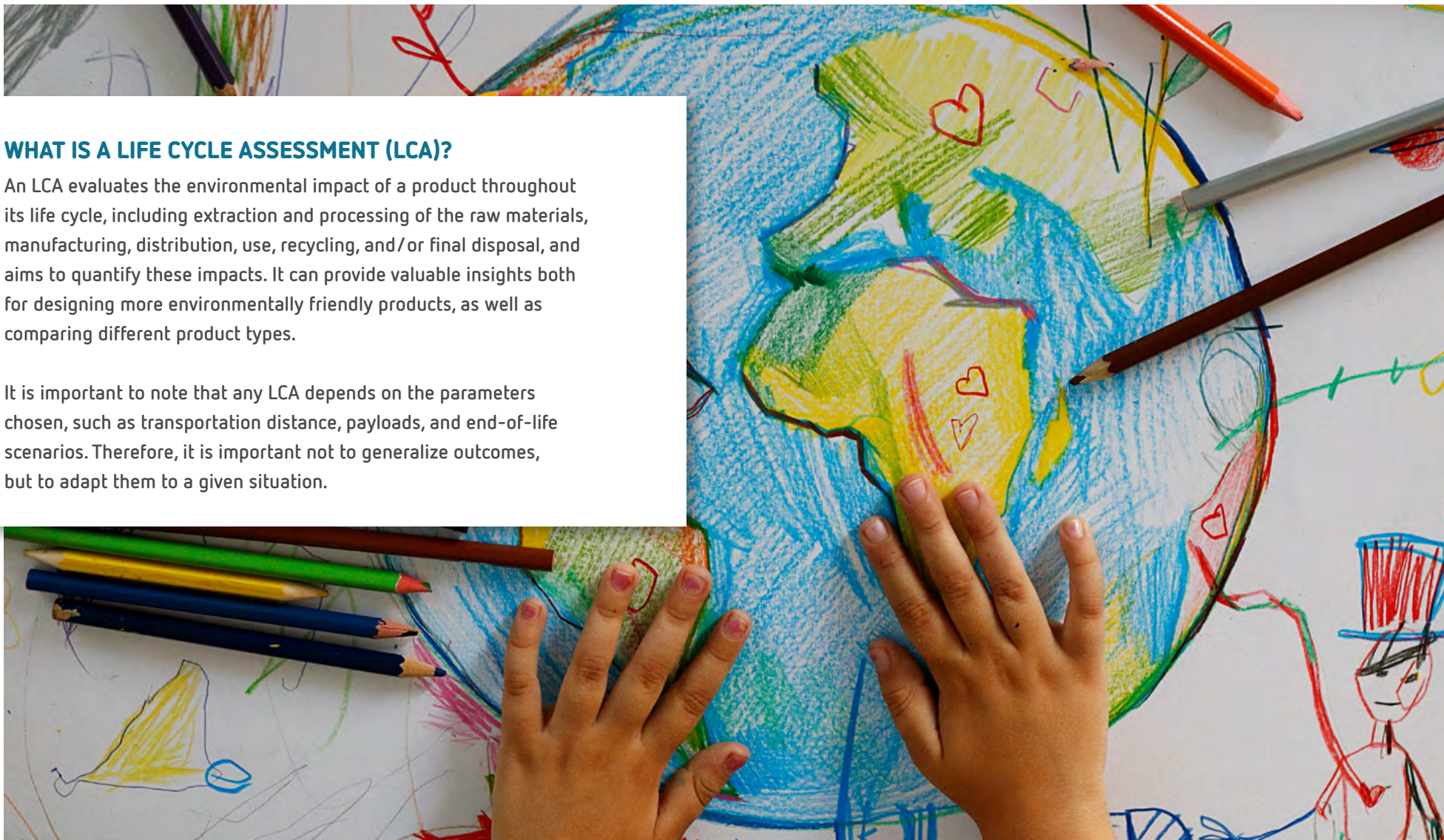


⁷ Zero Waste Europe (2020). Reusable packaging vs single-use packaging.
https://zerowasteurope.eu/wp-content/uploads/2020/12/zwe_reloop_report_reusable-vs-single-use-packaging-a-review-of-environmental-impact_en.pdf.pdf_v2.pdf

WHAT IS A LIFE CYCLE ASSESSMENT (LCA)?

An LCA evaluates the environmental impact of a product throughout its life cycle, including extraction and processing of the raw materials, manufacturing, distribution, use, recycling, and/or final disposal, and aims to quantify these impacts. It can provide valuable insights both for designing more environmentally friendly products, as well as comparing different product types.

It is important to note that any LCA depends on the parameters chosen, such as transportation distance, payloads, and end-of-life scenarios. Therefore, it is important not to generalize outcomes, but to adapt them to a given situation.



MEASURING EMISSIONS OVER A LIFE CYCLE

CASE STUDY - Schoeller Allibert works with EcoChain to develop Life Cycle Assessments comparing how our containers compare to single-use alternatives in typical situations.

EcoChain compared the emissions produced over a life cycle of ten years in a typical use-case for our Magnum Optimum foldable large container, compared with the alternative of using wooden pallets and cardboard boxes.

The assessment found that even though the Magnum Optimum scenario emits about 20% more carbon in year one (due to the more carbon intensive production of the reusable packaging), this scenario already performs better from year two onwards, producing less carbon emissions than wooden pallets and cardboard.

Over a span of ten years, emissions were nearly 25% lower for the Magnum Optimum scenario. When looking only at the carbon emissions over the life cycle of the packaging (excluding the freight), the carbon emissions were nearly 60% lower for the Magnum Optimum scenario.

More on the assessment specifications on the next page >

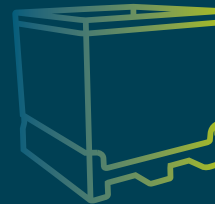
OVER A SPAN
OF TEN YEARS
NEARLY 25%
SAVINGS

CO₂e EACH TRIP

- 97 Return transport
- 558 Transport outward

CO₂e ONCE PER 10 YEARS

- 334 Production



Reusable
Magnum Optimum

6,884 CO₂e

9,140 CO₂e

CO₂e EACH TRIP

- 26 End-of-life treatment
- 543 Transport outward
- 345 Production



Single-use
packaging

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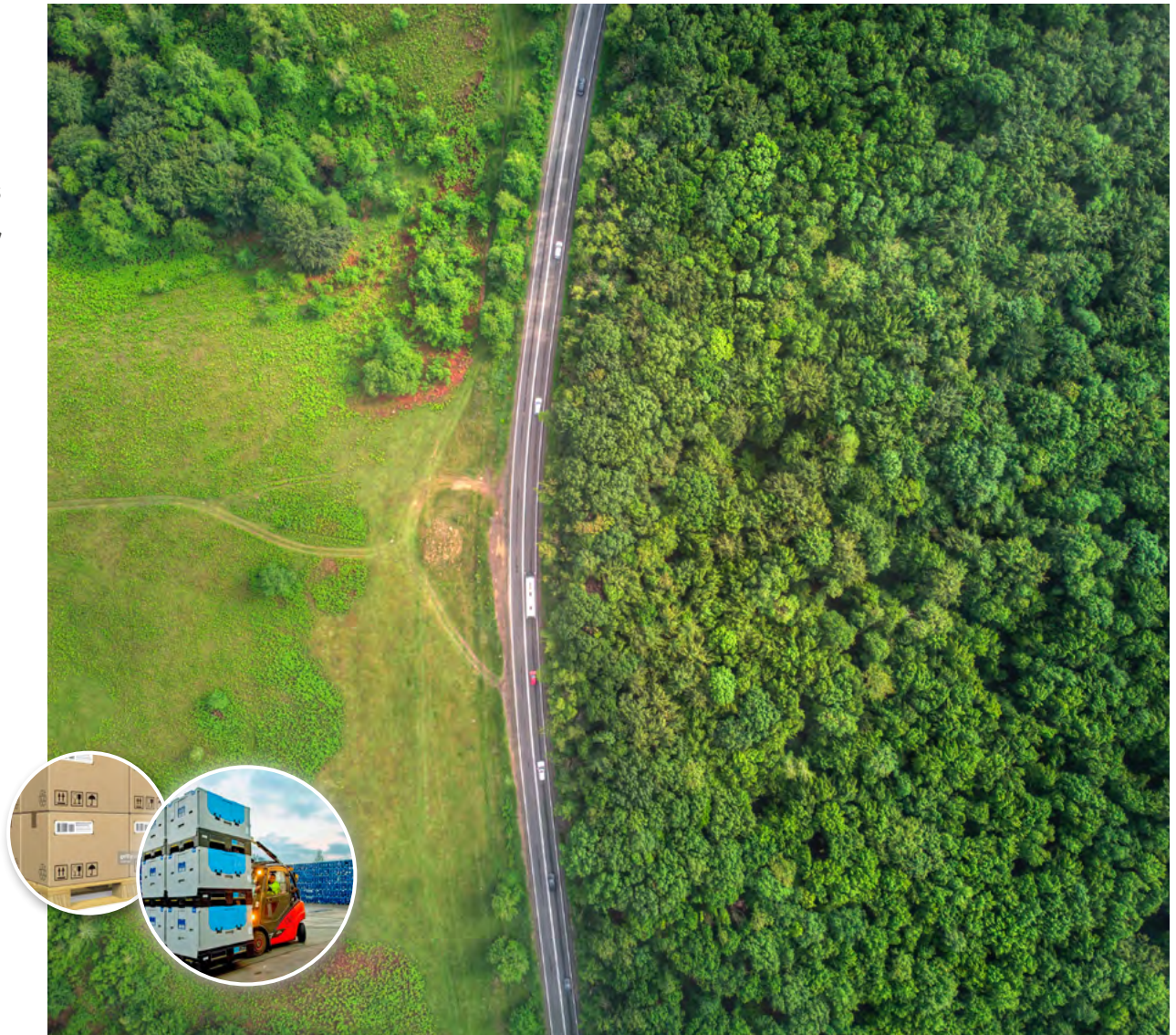
The assessment is based on a use case in which a company transports goods from Romania to Poland (960km), doing 15.5 trips per year over a ten year time period. In scenario one the company uses 2000 Magnum Optimum foldable large containers, and in scenario two the company uses 2000 cardboard boxes and 2000 wooden pallets (per year).

The Magnum Optimum containers are produced in year one and stay in use for the entire ten-year period, being transported back to Romania after each trip. In the alternative scenario, the wooden pallets are shredded and the cardboard boxes are recycled after each use, with new materials used for the following trip.

The energy required for recycling cardboard and producing new wooden pallets means that the emissions accumulate over time and quickly outpace the emissions in the Magnum Optimum scenario, despite the slightly higher emissions for the production of the Magnum Optimum in year one and the ongoing transport emissions from returning the folded containers.⁸

Schoeller Allibert will increasingly produce foldable large containers with a percentage of recycled materials, bringing emissions down even more. Also, the more logistic operations are decarbonizing (e.g. through low-carbon transportation), the lower the relative impact of the return transportation will be, helping reusable packaging further decrease its life cycle footprint.

⁸ In both scenarios, the analysis used a 'fuel-based' approach to estimate the impact of logistics. This means that the impact of the use of associated capital goods (for example, the vehicle itself and its maintenance, brake, road and tire wear emissions) are not considered. It has been assumed that the excluded capital goods will impact both scenarios in a similar way and therefore do not affect the outcome of the analysis.



AMBITIOUS TARGETS ARE NEEDED TO INCENTIVISE REUSE

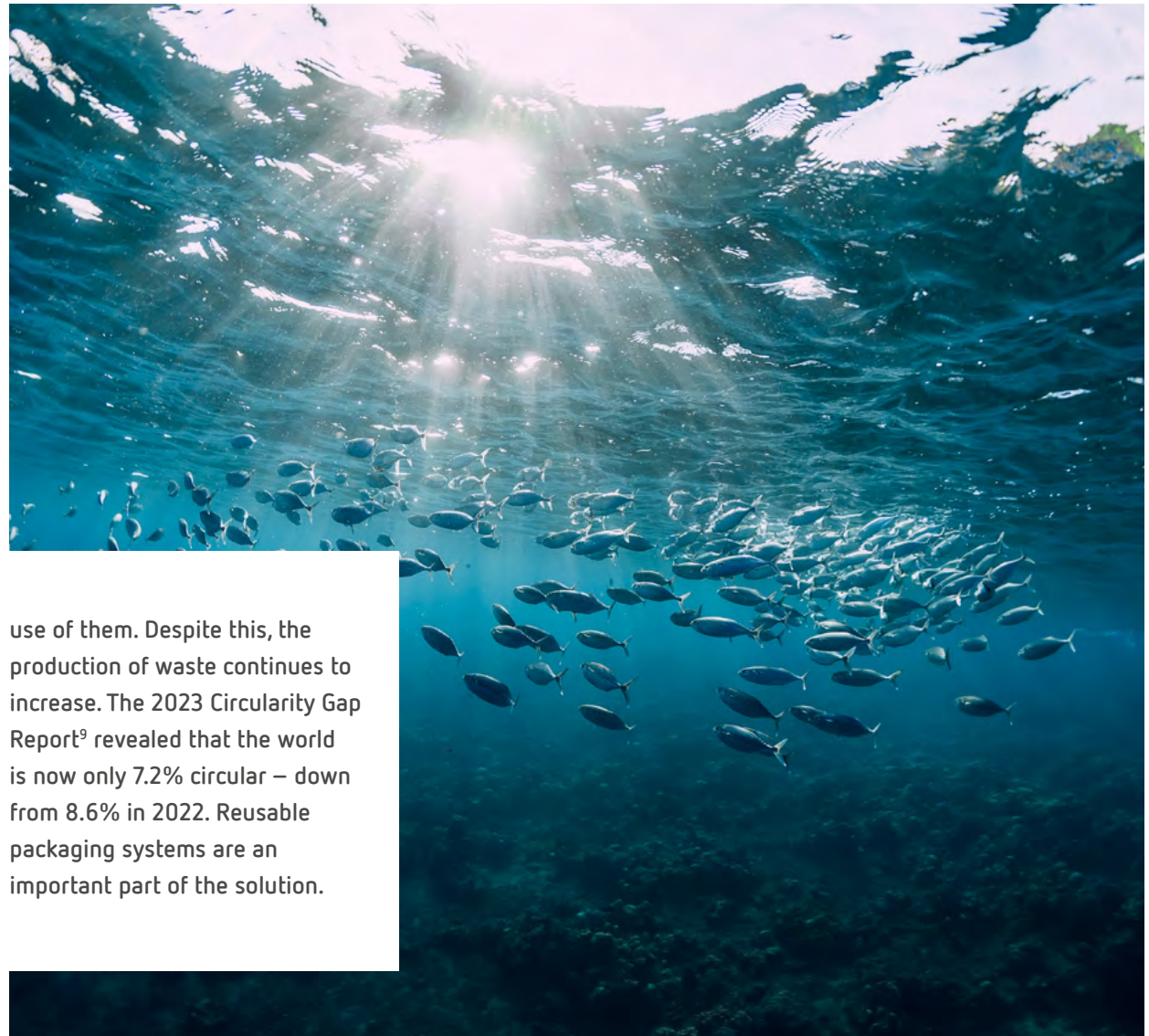
We welcome the EU's recognition of the importance of reuse in its proposal for the Packaging and Packaging Waste Regulation. Prevention of waste through reuse is rightly placed at the top of the waste hierarchy, and there must be a concerted effort to establish and scale up reuse systems. The EU can play an important role in driving reuse by introducing ambitious targets.

Many businesses are already demonstrating their commitment to reducing waste by introducing reusable packaging systems as part of a reuse system in their supply chains, resulting in proven emissions reductions. Reusable packaging can be used up to 250 times, staying in use for five to 15 years, and can eventually be recycled in a closed loop system – meaning

that it protects the goods it is transporting while also protecting resources and the environment. Reuse targets can incentivise more businesses to take the important step of switching to reusable packaging systems.

In 2022, major supply chain disruptions cast a new spotlight on the value of natural resources and the need to make efficient

use of them. Despite this, the production of waste continues to increase. The 2023 Circularity Gap Report⁹ revealed that the world is now only 7.2% circular – down from 8.6% in 2022. Reusable packaging systems are an important part of the solution.



⁹ Circle Economy. (2023). The Circularity Gap Report. <https://www.circularity-gap.world/2023>

RECOMMENDATIONS FOR THE PACKAGING AND PACKAGING WASTE REGULATION

This is a crucial time for the development of regulations that can drive a circular economy for years to come. To help drive this change, Schoeller Allibert is an active member of the Roundtable for Reusable Containers Trays and Pallets (RCTP).

Together, our mission is to promote the use of reusable packaging systems, resulting in an overall reduction of plastic waste. We work to achieve this mission by advocating for a fair regulatory framework for secondary packaging.

On November 30th, 2022, the European Union published its revised Packaging and Packaging Waste Regulation (PPWR) proposal. In the draft, reusable packaging is explicitly mentioned

for the first time, and reuse targets are included in the draft. While this is a big step forward, the RCTP has defined five clear recommendations for how the proposal could do more to promote a circular economy:

- **Clearly define reusable packaging** The definition of reusable packaging should include at least 25 rotations with a lifespan of at least five years.
- **Scaling conditions for the uptake of reuse** Recycled content targets should allow the scaling of reusables and not hamper actual reuse targets.
- **Keeping reusables in the market** To achieve reuse targets, long-lasting reusables produced before 2030 should not be withdrawn from the market prematurely.
- **Ambitious targets to enable reuse** The RCTP proposes reuse targets for all transport packaging, regardless of which material they are made from: 50% by 2030 and 90% by 2040.



For more information visit the website of the Roundtable for Reusable Containers Trays and Pallets and read the [position paper on the Packaging and Packaging Waste Regulation](#).

THE SCHOELLER ALLIBERT SUSTAINABILITY STRATEGY

Schoeller Allibert's purpose is to accelerate sustainable supply chains through innovative, reusable solutions, which are efficient by design and circular by nature. Our sustainability strategy has been designed to drive progress on the most pressing issues facing society, the environment and our business.

Making plastic packaging
too good to waste



Making plastic packaging
too good to waste

SUSTAINABILITY STRATEGY OVERVIEW



INNOVATION FOR A CIRCULAR ECONOMY

We design and innovate reusable packaging systems to meet the world's need for sustainable and circular solutions.



- Circular Economy
- Innovation of Products and Services
- Product Safety and Quality



FUTURE PROOF PLANET

We enable the transition to a low-carbon economy and help shape a greener future.



- Carbon Footprint
- Climate
- Waste Management
- Water Use



INTEGRITY AT HEART

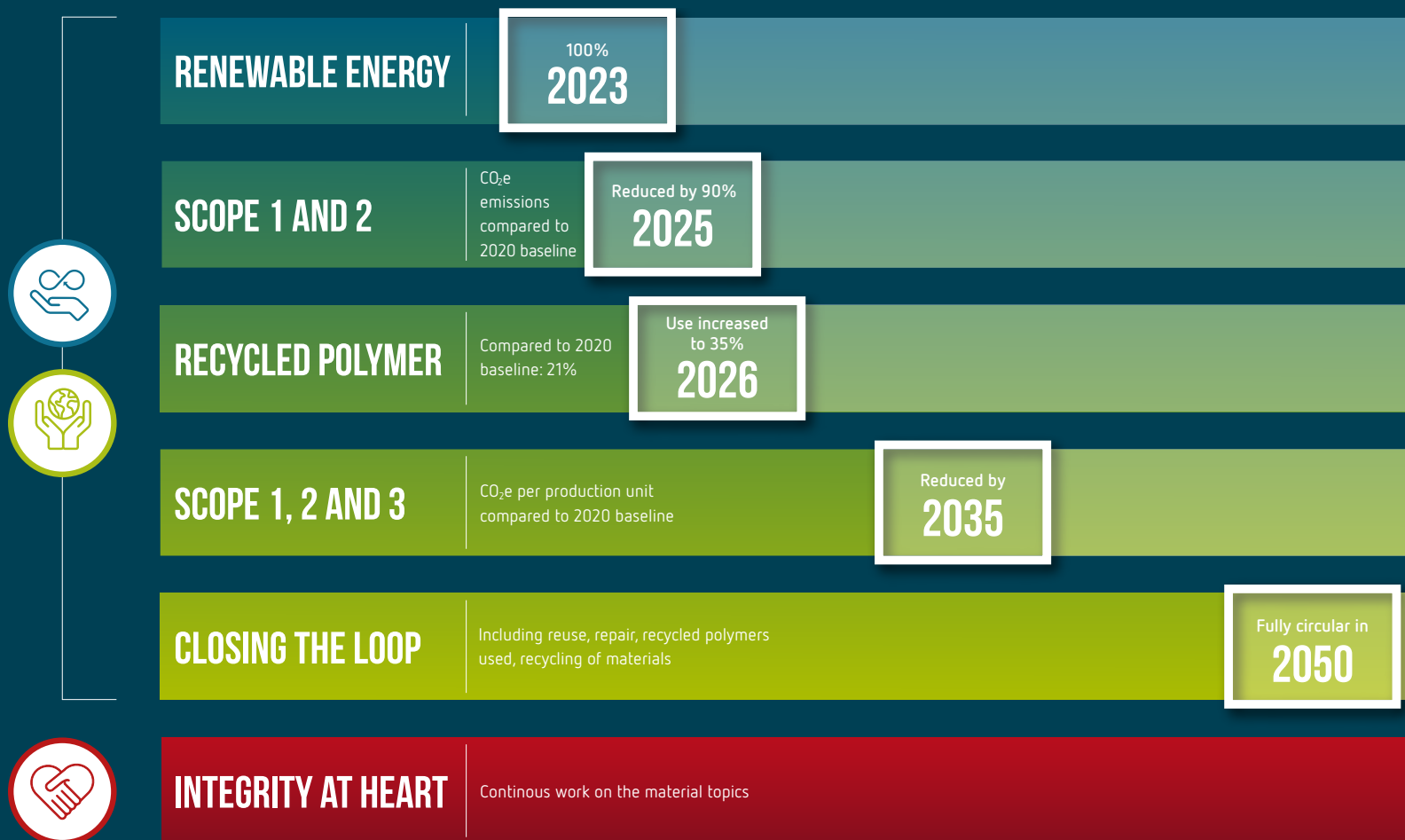
We respect and value our employees and all our stakeholders and live up to the highest standards of ethics and governance.



- Corruption and Bribery
- Diversity, Equal Opportunity and Inclusion
- Governance Structure and Accountability
- Occupational Health and Safety
- Sustainable Supply Chain Management

TIMELINE

OUR MAIN TARGETS: INCREASING SUSTAINABILITY STEP BY STEP



INNOVATION FOR A CIRCULAR ECONOMY

We design and innovate reusable packaging systems to meet the world's need for sustainable and circular solutions.

	Targets*	KPIs	2021	2022	Progress
 Circular Economy	Increase use of recycled polymers to 35% by 2026 (compared to 2020 baseline: 21%)	Total recycled polymer use	29%	30%	↗
	Drive the transition towards a circular economy in transport packaging	Number of high-level roundtable meetings	10	10	●
	Long-term target: 100% circular in 2050 (including reuse, repair, recycled polymers used, recycling of materials)	Circulytics score	-	A-	↗
Innovation of Products and Services	100% of new products (SKUs) put on the market fully recyclable by 2023	New products (SKUs) sold that are fully recyclable	100%	100%	●
	Grow closed loop system for rental services*	Turnover of rental services	€25 million	€33 million	↗
Product Safety and Quality	The good quality and safety of our products will be reflected as a decrease in our cost of poor quality (year on year)	Cost of poor quality	€465,000	€445,000	↗

*Targets were officially launched and became applicable in 2022.

** All rental services provided by Schoeller Allibert, incl. Rentabox and Logtek

REPORT ON PROGRESS

CIRCULAR ECONOMY

The long-term target of the Schoeller Allibert sustainability strategy is to be **100% circular by 2050**. There are well-established methodologies for measuring some aspects of sustainability, such as greenhouse gas emissions, but measuring circularity on a company level can be more of a challenge. We dedicated 2022 to identifying an external party that could accurately assess our progress.

In 2022 we decided to work with Circulytics, a digital tool from the Ellen MacArthur Foundation, that is designed to equip companies with the most comprehensive picture of their circular economy performance. By using company-level data, and applying insights and analysis from the Ellen

MacArthur Foundation, Circulytics helps to highlight opportunities for innovation and allow companies to track their progress. We are very pleased to have been awarded an A- rating, on a scale of A to F. Achieving close to the highest possible score not only gives us great confidence about our approach but also encourages us to further accelerate circular solutions.



The **share of recycled materials** used to create Schoeller Allibert's packaging, storage and logistics products continued to increase, from 29% in 2021 to 30% in 2022. We continue to invest in buy-back and rental programmes that help to close the loop with

our customers, while sourcing innovative new sources of recycled materials such as post-consumer waste (see page 15). Challenges to increase this percentage further include limited supply due to increasing demand for recycled polymers across all industries, as well as quality requirements and colour preferences.

Advocacy continues to be a crucial part of our approach to the circular economy. We invest in dialogue with key decision makers so that we can create an enabling environment and drive the transition beyond our own company. In 2022 we continued to regularly engage in roundtables and high-level meetings to increase recognition of the importance of reuse for a circular economy, including as active members of the Roundtable for Reusable Containers Trays and Pallets (see page 21). Other highlights

included meeting with Rozalina Petrova, a Member of Cabinet of the Commissioner for Environment, Oceans and Fisheries at the European Commission, Virginijus Sinkevičius, at a CEO roundtable, as well as engaging with Stefano Soro, Head of Unit Green and Circular Economy, and Mattia Pellegrini, Head of Unit DG ENV, from the EU Commission at K Fair, the Trade Fair for Plastics and Rubber.

INNOVATION OF PRODUCTS AND SERVICES

The target to make **100% of new products fully recyclable** by 2023 was already met in 2021, and this continued into 2022. Making a product fully recyclable means ensuring it is either produced from just one raw material, or that the constituent parts and materials are simple to disassemble. This avoids downcycling and ensures that recycling streams stay high

quality and uncontaminated. The **rental program*** continues to grow as expected. In 2022 it contributed €33 million to our annual turnover, compared to €25 million in 2021.

PRODUCT SAFETY AND QUALITY

2022 also saw a **reduction in the cost of poor quality**, from €465,000 in 2021 to €445,000 in 2022. This reflects our ongoing investment in ensuring all products that leave our factories meet customer requirements and expectations.



* All rental services provided by Schoeller Allibert, incl. Rentabox and Logtek

DRIVING EFFICIENCY AND CIRCULARITY WITH SMARTLINK®

“A circular economy is all about making optimal use of resources, and keeping products and materials in use for as long as possible. This helps to protect natural resources, reduce carbon emissions and prevent waste.”

“Our rental model offers an entry point for customers who want to make a fast shift to reusable packaging systems with no investment hurdle. At the same time, the rental model contributes to the transition to a circular economy as it creates a closed loop: it allows us to guarantee the return and recyclability of crates at the end of their life cycle.”

“Crucially, rental products can also be equipped with SmartLink® technology – a logistics application developed and offered exclusively by Schoeller Allibert, connecting them to the internet. This end-to-end asset tracking solution helps to reduce losses and prevent theft. It also makes it possible to obtain real time data on multi-site inventories, asset cycle times, KPI monitoring, remote IBC fill level monitoring, supply chain compliance improvement, and more. Use cases are basically limitless.”

“Many of our customers use hundreds or even thousands of Schoeller Allibert load carriers in their supply chains, and the

Frederik Dejans is Schoeller Allibert's Global Product and Internet of Things Director. He is responsible for ensuring Schoeller Allibert's products capture the opportunities to digitize supply chains – now and in the future



actionable insights generated thanks to the analytics in the platform help customers to improve return on investment of their asset fleet. Basically, the customer is capable of managing their own asset pool.”

“The interconnection of digital technology and best-in-class products can enhance supply chain efficiency and circularity at the same time – and at a global scale.”

HOW DOES SMARTLINK® HELP DRIVE A CIRCULAR ECONOMY?

Optimize fleet size – Customers can reduce their asset fleet size by ensuring they only have as many crates as they need.

Improve efficiency – Insights into temperature, fill level and location can improve milk runs and ensure that transports are organised as efficiently as possible.

Reduce carbon footprint – Travel distances can be tracked and optimised in order to keep carbon emissions to a minimum. Reports are generated automatically reflecting carbon footprint savings based on empty returns.

Closed loop system – SmartLink® insights reduce loss, and ensure that 100% of crates can be returned at end of life for recycling into new products.



RECYCLING MATERIALS FOR A CLOSED LOOP

In the shift towards creating a fully closed loop system, one of our first achievements was making all our products 100% recyclable. The greater challenge lies in increasing the proportion of products that are made using recycled plastics.



This is one of Schoeller Allibert's crucial sustainability targets and KPIs. We are determined to lead the way in this area, and are continuously looking for new material streams that allow us to decrease product carbon footprint for our customers.

There are several reasons why it can be challenging to source sufficient recycled materials. Firstly, the long life of our products – usually five to 15 years – means that it is a long time before they are returned for recycling. There is also growing demand for recycled materials across all industries. This is a positive development that must be welcomed, but a challenge for individual companies.

In addition, recycled plastic must be carefully tested to ensure that it meets quality requirements. Customer colour preferences also play a role, as it can be challenging to create certain colours using recycled plastics.

As an industry leader in the use of recycled inputs, we have several approaches to sourcing the materials we need:

- **Identifying new sources of post-consumer materials.** In 2022 we sourced more than 6,000 tons of our recycled materials from post-consumer materials. This has the added benefit of making productive use of waste materials that could otherwise cause major environmental problems. For example, we worked with one of our customers to create a bottle crate using old fishing gear recovered from the ocean (see next page).
- **Closing the loop with our customers.** Every year we buy back thousands of tons of crates, boxes and pallets from our customers. We have also introduced a rental model, which gives us direct access to products that have reached the end of their life. All of these products are recycled.
- **Utilizing food contact recycled materials.** We will continue applying the new European Food Contact Regulation in order to promote closed loops with our customers.

FISHING GEAR RECYCLED INTO PLASTIC CRATES

Schoeller Allibert's products are designed to last, and get recycled at the end of their life, so they do not contribute to the global plastic waste problem. However, at Schoeller Allibert we are constantly exploring ways that we can help to tackle the problem of plastic waste by using it as a stream of recycled materials to create our products.



Up to 640,000 tons of plastic fishing nets, ropes and other equipment are discarded in the ocean each year, causing irreparable damage to eco-systems and marine life. In 2021, we began working with Waste Free Oceans and our client, AB Inbev, to find ways to bring new life to this discarded fishing gear.

The result was the Corona 20-pocket crate, a new beer crate for AB Inbev's Corona brand, which has won several awards since its launch. The crates are the first on the market to upcycle maritime waste plastic, and they each consist of at least 91% recycled plastic, making them AB InBev's most sustainable packaging to date.

This initiative saves fossil resources and makes it possible to increase the use of recycled materials, while at the same time

helping to remove plastic waste from the ocean. We have now used discarded fishing gear in products for several other clients, and over the coming years we will continue to explore other post-consumer materials that can be used as recycled input for our products.

RIPTIDE COLOUR EFFECT

The crates have a unique riptide colour effect, designed to raise awareness of the unusual materials used to create them, and the importance of dealing with the plastic waste problem. This marbled exterior makes the crates stand out for consumers, while resonating with the maritime theme and reflecting the wild unpredictability of the oceans.

FUTURE PROOF PLANET

We enable the transition to a low-carbon economy and help shape a greener future.

		Targets*	KPIs	2021	2022	Progress
 Carbon Footprint		Scope 1 and 2 in tons CO ₂ e reduced by 90% by 2025 (compared to 2020 baseline)	Percentage change of tons CO ₂ e scope 1 and 2 emissions	-8%**	-46%	↗
		Reduce our carbon footprint (scope 1, 2 and 3) in tons CO ₂ e per production unit by 30% by 2035 (compared to 2020 baseline)	Percentage reduced (or increased) compared to 2020 baseline	-2%*	-10%	↗
		100% of our electricity consumption will be from renewable energy sources by 2023	Purchased green energy plus self-generated solar energy (% of overall energy consumption)	7%	43%	↗
		Increase self-generated solar energy for production by 1 GWh a year (until full potential is reached)	Ability to produce 1GWh of solar energy per year installed at own sites	0.5 GWh	0.5 GWh	●
Climate		Factor climate change into every investment proposal	Number of investment proposals incorporating climate change	-	29	↗
		75% electric cars by 2025	% of electric cars of total company cars	8%	10%	↗
		25% hybrid cars by 2025	% of hybrid cars of total company cars	42%	52%	↗
		Reduce travel movements (flights) by 25% by 2025 (compared to baseline 2019: 2,377)	% reduced (or increased) compared to 2019 baseline	-72%	-44%	● ***


*Targets were officially launched and became applicable in 2022.

** The 2020 baseline has been recalculated to align the method of calculation with SBTi guidance.

However, the 2021 KPIs have not been changed, and are the same as in the 2021 report.

*** More flights than in 2021, but the reduction is still ahead of the target set.

Table continues on the following page >

			2021	2022	Progress
 Waste Management	Targets*	KPIs			
	Reduce all waste categories and increase percentage of waste diverted from disposal year on year	Hazardous waste	947 tons	745 tons	↗
		Non-hazardous waste	1,481 tons	2,252 tons	↘
		Waste directed to landfills	106 tons	95 tons	↗
		Waste diverted from disposal	2,322 tons	2,899 tons	↗
	Every year initiate or support two projects that aim at protecting and restoring marine and terrestrial ecosystems	Biodiversity and marine ecosystem projects supported	1	2	↗
Water use	Maintain low level of water use or reduce it further from 2022 baseline	Water consumption per ton produced	-	0.54 m³	
		Water consumption per ton recycled	-	0.36 m³	

REPORT ON PROGRESS

CARBON FOOTPRINT

Reducing greenhouse gas emissions is one of the most important targets in the Schoeller Allibert sustainability strategy. In 2021 we established a 2020 baseline with the support of South Pole, a trusted climate advisor headquartered in Switzerland. 2022 was the third year we collected the data required by

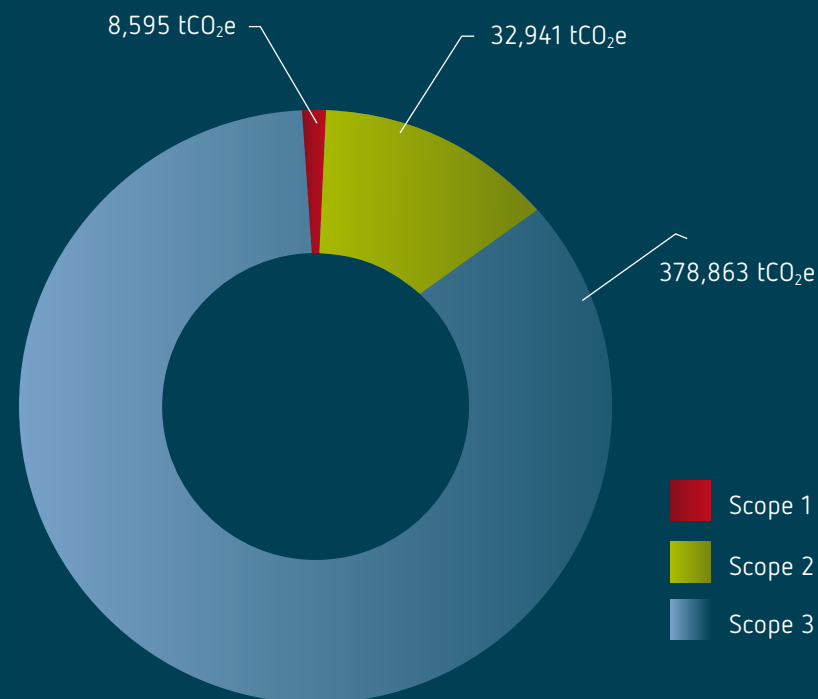
the Greenhouse Gas Protocol, and each year our data collection becomes better and more granular. We also made the decision this year to align our scope 3 data with the revised standard of the Science Based Targets initiative (SBTi), which required us to recalculate the 2020 baseline. The recalculated 2020 baseline is now 565,364 tons CO₂e.*

Scope 1: Emissions from stationary and mobile combustion and fugitive emissions.

Scope 2: Emissions from purchased electricity, heating and cooling.

Scope 3: Emissions from relevant purchased goods and services, fuel and energy-related activities, business travel, waste, employee commuting, freight and the use of sold products.

GREENHOUSE GAS EMISSIONS



Total tons of CO₂e: 420,399

* In the 2021 report, the 2020 corporate carbon footprint baseline was 598,970 tons CO₂e.

Due to the increased purchase of green energy, our combined scope 1 and 2 emissions saw an absolute decrease of 46% compared to the baseline. Our increase in the use of recycled materials further helped to achieve a decrease of 10% of the CO₂e emissions per ton of polymer produced.

While we are happy with the progress we have made to date, we are also deeply concerned by the latest climate science from the IPCC, which is described by the UN as “code red for humanity.” The science shows that it is still possible to limit global temperature rise with 1.5°C, but there is no time to lose.

Therefore, after careful evaluation in 2022, Schoeller Allibert has taken the next step on its emission reduction strategy. In early 2023 we committed to set near-term company-wide emission reduction targets in line

with the Science Based Targets Initiative (SBTi). This will ensure that our targets are aligned with the Paris Agreement and increase transparency around our efforts to meet our goals.

Our **transition to renewable energy** is well underway.

As expected, we are reporting a significant shift this year, from 7% in 2021 to 43% renewable energy in 2022. This puts us well on the way to reach our target of 100% electricity consumption from renewable sources by the end of 2023.

Significant work was done in 2022 to increase **self-generated solar energy for production**.

Solar panel projects have been initiated in three locations. Supply chain and administrative issues have slowed down the implementation of these projects in 2022, but we expect to see significant progress in 2023.

CLIMATE

Starting in 2022, **climate change has been factored into every investment proposal** for new product development. Based on this success, this will now be rolled out further to other investments.

Progress continues to be made on Schoeller Allibert’s travel policies, with increases in the

percentage of electric and hybrid cars in 2022. The varying level of infrastructure for electric vehicles makes this shift simpler in some geographical regions than others. While the impact of these KPIs will be relatively minor in comparison to overall emissions reductions, they are crucial to demonstrate that we stand behind our values in all aspects of our operations.

We have exceeded our target for reducing travel movements, with the number of flights in 2022 down by 44% on the 2019 baseline. However, it is possible that the ongoing effects of the COVID-19 pandemic contributed to this reduction. Therefore we are continuing to monitor this KPI and intensifying our efforts to use travel and meeting solutions that prevent unnecessary emissions.



WASTE MANAGEMENT

Less **hazardous waste** was produced in 2022 than 2021, although the amount of **non-hazardous waste** increased. The increase of non-hazardous waste can mainly be attributed to improved data collection, covering all waste streams, including consumer waste discarded at the factories.

There has been a further reduction in **waste going to landfill**, down from 106 tons in 2021 to 95 in 2022. The remaining amount is largely accountable to just one factory, where it has not yet been possible to identify a waste management handler that can guarantee no waste is going to landfill. This is a priority to address in 2023.

A positive result can be seen in the increased amount of **waste diverted from disposal**. This refers to waste that would previously have ended up in incineration or landfill but has now been redirected to an alternative stream. For example, it includes plastic that Schoeller Allibert cannot recycle any further, but has been sold to a third-party

recycling agent to be fed back into a plastic supply stream.

WATER USE

New KPIs were introduced in 2022 to track Schoeller Allibert's **use of water per ton of products produced** and **per ton of materials recycled**. Water usage was not included in the original set of KPIs due to the very limited amount of water used to produce and recycle our reusable plastic packaging. However, after further stakeholder consultation, we determined that it would be valuable to introduce these KPIs (see also Materiality Assessment, page 44). Water usage is a very common data point and is relevant for comparison across the wider packaging industry, beyond the scope of reusable packaging systems. The 2022 results will serve as the baseline for these KPIs.



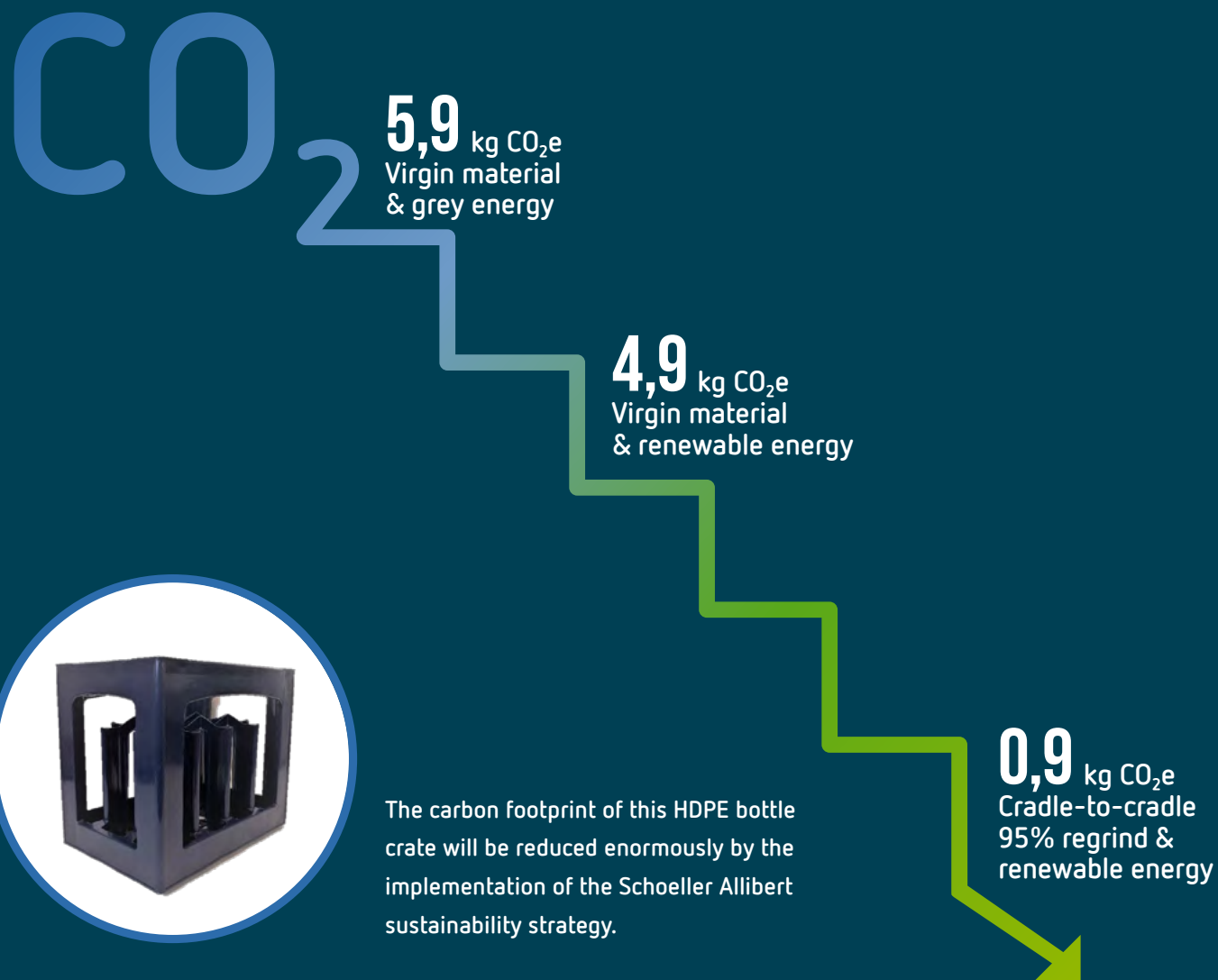
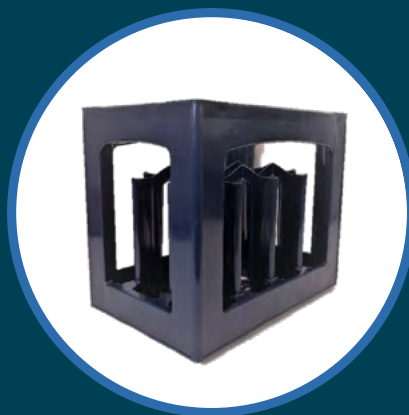
REDUCING EMISSIONS STEP BY STEP

The carbon footprint of many Schoeller Allibert products, such as bottle crates, can be reduced by up to 85% over time, thanks to the switch to renewable energy and recycled materials.

Processing. Switching to renewable energy sources at production sites has the potential to reduce emissions by 16%.

Materials. The carbon footprint of recycled polymers is many times lower than the carbon footprint of virgin materials. The lowest emissions can be achieved through cradle-to-cradle mechanical recycling.

ClimatePartner (see page 49) calculated the product carbon footprint of Schoeller Allibert bottle crates. This example illustrates how the product carbon footprint will drop over time with future innovation and a closed loop for recycling materials.



OPERATION CLEAN SWEEP

Plastic products are generally made from plastic pellets or flakes – small particles that are melted down to form different products. These can be made from virgin or, as is increasingly the case for Schoeller Allibert, recycled plastics.

As they're so small, loose pellets can easily find their way into the environment, where they contribute to marine litter and cause problems for wildlife. This explains their common nickname, "mermaid teardrops."

To put a stop to this problem, Schoeller Allibert is proud to be part of the Operation Clean Sweep programme, a campaign led by PlasticsEurope, the Association of Plastics Manufacturers.

This campaign reaffirms our focus on good housekeeping and pellet containment practices in order to work towards zero pellet loss in the environment.

*Find out more about
[Operation Clean Sweep](#).*



“ The loss of pellets has a global impact on the environment. As a leader in the plastic industry, we must act! The primary focus is on preventing the loss of pellets, for instance by keeping machines well maintained and implementing strict rules for storage, transfer and cleanliness. In addition, containment practices can include placing sieves over drains and any other points where pellets could escape into the environment. ”

Sandra Aubele, Health, Safety and Environment Coordinator, France



HOW OLD CRATES CAN MAKE FORESTS GROW

A major part of our commitment to the circular economy is our buy-back programme. In addition to the closed loops we have established with our longstanding partners, every year we buy back thousands of tons of crates that have reached the end of their life (usually after five to 15 years). We recycle these returned crates and turn them into new products.

As an extra incentive for our customers to return their crates, and to help them further reduce their CO₂ emissions, we have introduced a collaboration with

Tree Nation: for every ton of crates we buy back from our customers, Tree Nation will plant one tree.

We're off to a strong start: 5,200 trees were planted in 2022, equivalent to 5.4 hectares of forest and 857.96 tons of CO₂. This will contribute to addressing issues like deforestation, wildfires and poverty all over the world.

Find out more about [Tree-Nation](#).

“ The preservation, reforestation and sustainable management of trees and forests are essential for sustaining life on our planet, and the strategic planting of trees in well-managed forests remains a crucial tool in our efforts to combat climate change. With the planting of 5,200 trees, Schoeller Allibert is making a valuable contribution towards addressing significant global challenges such as deforestation, wildfires, poverty, and gender inequality. At our organization, we are always pleased to partner with like-minded organizations that share our commitment to sustainability, and both Schoeller Allibert and Tree Nation are dedicated to leveraging technological solutions to advance sustainable practices. ”

Carles Camps, Forest Success Manager, Tree Nation



FUNDING CLIMATE ACTION

Reusable packaging systems can replace single-use packaging in most cases, and more than 95% of Schoeller Allibert's turnover comes from the production of reusables. However, for precautionary health and safety reasons, packaging is generally not re-used for some particularly sensitive medical and chemical products.

Ropac®, a subsidiary of Schoeller Allibert, focuses on producing the strong, stable and lightweight packaging that is needed for this market segment and is dedicated to address its environmental impact in line with Schoeller Allibert's climate commitments.

In 2022, Ropac® started to work with South Pole, a leading climate consultancy and project developer, to measure its products' cradle to grave GHG emissions, set reduction targets, and compensate for all material emission sources through high quality carbon credits.

From 2023 onwards, Ropac®'s pails will hold South Pole's new Funding Climate Action

label. This label reflects the company's investment in addressing climate change in a comprehensive and meaningful way. Ropac is constantly reducing the climate impact of the product and with the help of the new label, will display this climate action in the most transparent and credible way.

The products' footprint is reduced by introducing energy saving measures and switching to renewable energy at production locations. While being on this decarbonisation journey, Ropac funds climate action through verified mitigation contributions - in line with its residual emissions. Such activities help scale critical finance to climate action projects



that reduce emissions from the atmosphere and therefore contribute to a low carbon future.*

The climate action projects chosen are VCS-Standard certified, and support clean energy generation in countries in the Global South: "Srepok 1 Solar",

a solar power plant in Vietnam, "Tuppadahalli", a wind energy project in India, and another wind power project, the "Ventus Wind Farm" in El Salvador.


*In line with the latest guidance from the IPCC and the Science Based Targets Initiative.



More details of Ropac's 'Funding climate action' journey (such as an overview of its GHG footprint, its reduction measures and climate contributions) will be disclosed on the Ropac website.

INTEGRITY AT HEART

We respect and value our employees and all our stakeholders and live up to the highest standards of ethics and governance.

		Targets*	KPIs	2021	2022	Progress
 Corruption and Bribery		100% of our employees and contractors are aware of the Anti-Bribery and Corruption (ABC) policy at Schoeller Allibert	Employees who have attended a training about the ABC policy (general training and targeted training for specific groups)	13%	26%	↗
	Diversity, Equal Opportunity and Inclusion	Year on year improvement in increasing diversity and inclusion by promoting and embracing a culture that supports people's different backgrounds, experiences and qualities	Women in management roles	22%	22%	●
			D&I index (out of 5)	4.2	4.1	↘
	Governance Structure and Accountability	Our management practices underline the commitment to the sustainability/ESG strategy by having a standing board agenda item on ESG and 15% of management incentive remuneration linked to sustainability/ESG performance	ESG topics on supervisory board agenda	2	2	●
			Management incentive remuneration	-	19%	↗
Wellbeing, Health and Safety		Strive for the highest safety standard (zero harm, i.e. LTIF = 0) by minimizing the risk of incidents, injuries and exposure to health hazards for every employee and contractor	Lost Time Incident Frequency	9	11	↘
		Year on year improvement of average score of 'feeling safe' and work-life balance aspects of staff survey	Score on 'feeling safe' (out of 5)	3.8	3.8	●
Sustainable Supply Chain Management		Year on year improvement of percentage of critical supplier base with an EcoVadis (page 40) assessment and overall score above the minimum target	Target on percentage and score still to be set	-	41%	↗
		Direct and indirect suppliers are committed to our supplier code of conduct	Percentage of critical suppliers	70%	85%	↗

*Targets were officially launched and became applicable in 2022.

REPORT ON PROGRESS

CORRUPTION AND BRIBERY

To create and foster a culture of compliance, generic compliance training as well as dedicated trainings on specific compliance topics is essential.

In 2022, staff members were invited to take a generic training on (the contents of) our Code of Conduct, which includes specific elements on Anti-Bribery and Corruption as well as the importance of raising concerns via our external Whistleblower line. In addition, targeted staff members were trained on Schoeller Allibert's anti-bribery and corruption policy. In 2022, a total of 26% of staff members attended such training.

DIVERSITY, EQUAL OPPORTUNITY AND INCLUSION

The percentage of **women in leadership positions** remains the same as in 2021, demonstrating that there is still further to go in this area.

A staff survey was established in 2021 to set a baseline for staff satisfaction on diversity and inclusion. The survey asks staff whether they feel they can be their whole self at work, whether they feel that they are treated with dignity and respect, and to what extent the culture feels open and non-discriminatory. Questions could be rated from strongly agree to strongly disagree, and staff are also able to give open comments and

suggestions. Results continued to be very positive in 2022, with an average response of 4.1 out of 5.

GOVERNANCE STRUCTURE AND ACCOUNTABILITY

ESG (Environment, Social and Governance) topics were on the agenda at two out of three full supervisory board meetings in 2022.

ESG related topics are included in all personal targets for the Executive Team, and these targets are linked to the management incentive remuneration. An average of 19% of all targets are ESG related, mostly relating to the scaling of recycled materials and the rental model.

WELLBEING, HEALTH AND SAFETY

Well-being, health and safety are of the utmost importance to Schoeller Allibert. The staff survey established in 2021 was also

designed to explore this topic, and last year's positive rating of 3.8 for wellbeing and feeling safe was maintained into 2022. The survey is designed to look at health and safety as well as personal wellbeing, support and positive working environments.

We measure safety by calculating the **Lost Time Incident Frequency** (LTIF). A Lost Time Incident refers to an injury or illness that leads to an employee being absent from work to recover, and the frequency is calculated using the following formula: $\text{number of incidents with absence (LTI)} \times 1,000,000 / \text{Number of hours worked}$.

We regret to see that the LTIF increased slightly from nine in 2021 to 10.9 in 2022. Several measures have been taken to reduce this figure in 2023, including safety meetings and campaigns aimed at improving

awareness and leadership; sharing best practices and lessons learned; and improving prevention by implementing even more robust health and safety risk assessments.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

2022 saw an increase in the number of suppliers committed to the Schoeller Allibert supplier code of conduct, and a baseline of 41% of our critical supplier base with an EcoVadis assessment, demonstrating our commitment to ensuring our procurement practices help drive positive change. We are pleased with the progress in both of these areas and decided to take some time in 2022 to better understand the supply base before setting formal targets and KPIs in 2023.

WORKING TOGETHER FOR SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Responsibility for sustainability extends far beyond a business's own operations. That's why Schoeller Allibert has identified sustainable supply chain management as a key material topic and developed a robust approach to ensure our procurement practices meet industry standards and help drive positive change.

Together with our suppliers, we work to create a supply chain that takes good care of people and our planet, is transparent and drives the transition to a low-carbon and circular economy.

RISK-BASED APPROACH TO BUSINESS ETHICS AND SUSTAINABILITY

We have a risk-based approach, investing more in monitoring and engaging with suppliers where there is an increased risk. We are in close contact with our suppliers in order to understand their challenges and help drive progress.

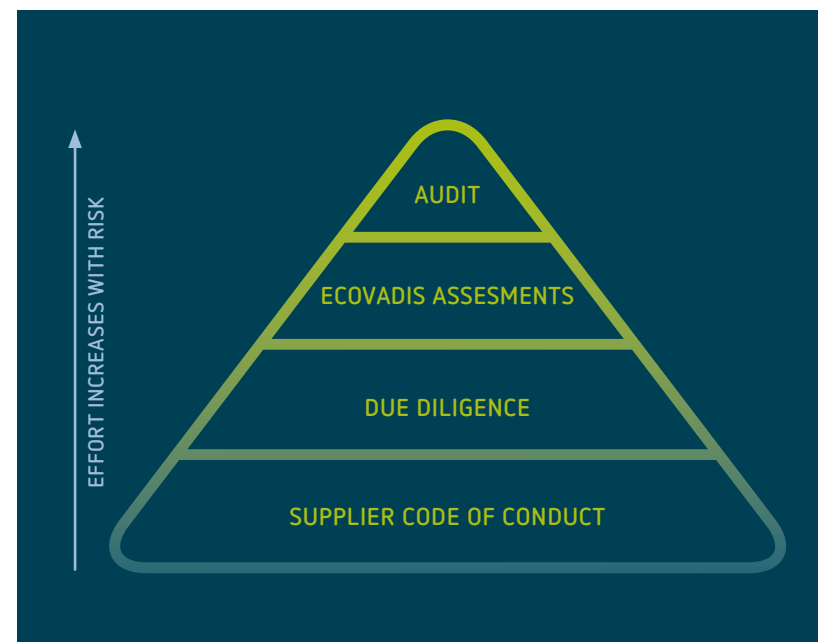
The foundation of our approach is that our suppliers must be committed to the Schoeller Allibert Supplier Code of Conduct, introduced in 2021. The Code covers aspects that are crucial for all supply chains including, but not limited to, financial record-keeping and business integrity, environmental impact, human rights, safety, and reduction of waste. In addition, we also included a specific mention of the prevention of plastic pollution, a topic we want to help drive both in our upstream and downstream supply chain.

Where there is an elevated risk due to the region or the nature of materials sourced, we carry out additional due diligence monitoring. For our critical supplier base (those accounting for more than €300,000 per annum or flagged as high risk), we ask that suppliers have an EcoVadis assessment.

The EcoVadis platform is one of the most trusted solutions to drive sustainability improvements across the supply chain. Our suppliers' EcoVadis assessments allow us to deepen our understanding of their performance on environmental, labour and human rights, ethics and sustainable procurement issues.

SOURCING RECYCLED MATERIALS

Our commitment to sustainable procurement also extends to what we source. That's why we focus on increasing procurement of recycled materials, creating a strong supply base that can meet current and future needs.



LEADING FROM THE TOP

Schoeller Allibert's sustainability strategy is now well-established, and the focus is shifting to ensuring the strategy is embraced in every part of the business. A committee has been formed on the Leadership Team to drive cross-functional implementation and ensure there is strong momentum behind the strategy.

THE LEADERSHIP TEAM SUSTAINABILITY COMMITTEE

Britta Wyss Bisang, Global Sustainability Director

Rob Evans, Chief Operating Officer

Elizabeth Nugent, Chief Commercial Officer

Jan Anne Schelling, Chief Human Resources Officer

Patrick Breukers, Global Innovations Director

TOPPING THE CHARTS

Our headquarters is situated in the tallest building of Hoofddorp, the Zuidtoren. We were recently notified that the building has received a complete Breeam Certification, which evaluates a building's environmental impact and sustainability. This certification was awarded after the building underwent various renovations and upgrades, including the installation of a new cooling system using a heat pump on the roof. As a result of these improvements, the building has reached an A+++ status, which will remain in effect for the next 15 years.



“As Chief Commercial Officer, I know how important sustainability is to Schoeller Allibert's customers. Our products help thousands of businesses to increase their efficiency while reducing carbon emissions. The Leadership Team stands 100% behind the sustainability strategy and the new committee is dedicated to driving it forward.

Elizabeth Nugent, Chief Commercial Officer



PROTECTING BUSINESS AND CUSTOMER DATA

“ In today’s world, lack of a cybersecurity program poses a major risk to any organization. If the wrong people gain access to a company’s critical or customer data, it can have huge implications for the resilience and stability of the company. That’s why Schoeller Allibert has prioritized its cybersecurity program as part of its governance and operations.”

“An effective cybersecurity program must include measures to train employees on how to recognize and respond to potential security threats. In 2022 we carried out more than 3000 hrs of training for our staff globally to raise awareness and reduce the risk of cybersecurity incidents. The training covers topics including different types of phishing attempts, social engineering tricks and other current incidents that are being exploited out in the open.”

Ranadeep Sarkar is Schoeller Allibert’s IT Director for Information Security and Service Delivery. He is responsible for setting and implementing the company’s cybersecurity strategy.



MATERIALITY ASSESSMENT

Schoeller Allibert's sustainability strategy was developed based on a comprehensive materiality assessment carried out over the course of 2020-2021 in partnership with KPMG Advisory N.V.

The assessment process included consultation with external stakeholders, and benchmarking against peers, sustainability frameworks and standards, and ESG ratings. Internal business functions including finance, human resources, technology, investor relations and operations also provided their expertise.

The assessment took a double materiality approach, assessing material topics based on both their impact on society and the environment, and the financial impact on our business. The result was a materiality matrix that allowed us to prioritize the topics

that would allow us to create the greatest impact with our sustainability strategy.

At the end of 2022, we reviewed the materiality index based on feedback received throughout the year, resulting in our decision to upgrade water use to a topic with critical impact on our business, society and the environment.

Critical impact:

Our sustainability strategy prioritizes action on those topics that have a critical impact on our business, society and the environment. KPIs have been developed for each of these

topics. Water use has been moved into this category from 2023 onwards.

Special attention:

Special attention is allocated to the two topics (biodiversity and marine ecosystems, and diversity, equal opportunity, and inclusion) where there is an impact on our business, but the impact on society and the environment is limited.

Monitoring:

We will continue to monitor the three topics (talent attraction, labour relations and tax transparency) for which the direct impact on our business, society and the environment has been assessed as lower.

Materiality Matrix: next page >

WATER USE: FROM MONITORING TO CRITICAL IMPACT

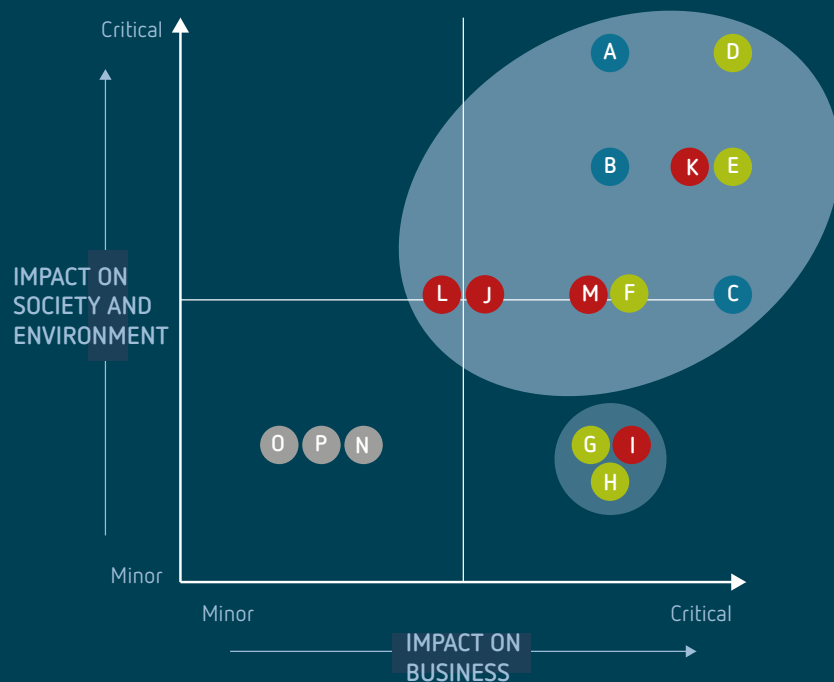
Water use was defined in our original materiality assessment as: *"Efforts to minimize water footprint across the business by using water efficiently and limit withdrawal from water-stressed areas to mitigate related risks (i.e. water scarcity)."*

When weighing the various sustainability topics and placing them on the materiality matrix, many stakeholders pointed out that, compared to other industries, water use is of secondary importance in our business. Therefore, in the initial assessment process, we didn't select water use as a critical impact topic that would consequently have a dedicated KPI in our sustainability strategy.

However, in subsequent stakeholder conversations during the past year, it became clear that water use is a relevant topic for the wider packaging industry. While limited amounts of water are required to produce reusable packaging, larger amounts of water are usually needed to produce and recycle some of the alternatives, such as cardboard. External stakeholders (such as regulators and capital markets) are keen to learn more about water use in packaging, and this motivated us to increase the weight of the topic when considering its impact on our business. A KPI has therefore been added to our strategy on this topic, as part of the Future Proof Planet pillar.



SCHOELLER ALLIBERT'S MATERIALITY MATRIX



- Circular economy
- Future proof planet
- Integrity at heart

- Prioritized areas
- Areas requiring special attention

- A Circular economy
- B Innovation of products and services
- C Product safety and quality
- D Carbon footprint
- E Climate
- F Waste management
- G Biodiversity and marine ecosystem
- H Water use
- I Diversity, equal opportunity and inclusion
- J Occupational health and safety
- K Governance structure and accountability
- L Corruption and bribery
- M Sustainable supply chain management
- N Tax transparency
- O Talent attraction and development
- P Labor relations



***Ivan Galao** is Schoeller Allibert's Group HSE Director & Regrind Global Process Owner. He is responsible for overseeing the collection and analysis of data on all areas of the company's sustainability strategy, and for working within the business to drive continuous improvement.*

INVESTING IN DATA FOR A STRONG SUSTAINABILITY STRATEGY

“ Our sustainability report is published once a year, but preparing for it is a year-round job, for me and for many of my colleagues within Schoeller Allibert. Good data is absolutely crucial to driving our sustainability strategy – because it's only if you measure something that you can work out how to improve it.”

“Since the sustainability strategy was created two years ago we have made big steps in setting baselines and starting to measure progress against all the KPIs. We are constantly investing in increasing the granularity of our data so that we can get more insights into areas for improvement.

“For example, this year we increased the granularity of our emissions data so that we know more about the specific emissions of each of our production units. This helps to create more ownership of the process across the business, as I work directly with each of the production sites first to collect data and then to draw up individual emissions reduction actions.”

“It's great to see the strategy becoming embedded across the entire organization.”



COMMITTED TO UN GOALS

Schoeller Allibert is committed to the Sustainable Development Goals (SDGs) and the Ten Principles of the UN Global Compact. Our Communication on Progress (COP) can be found on the [UN Global Compact page](#).*

When developing our sustainability strategy we carefully selected the SDGs where we can have the greatest impact, linked to each of the three pillars of the strategy. In this way, we can ensure that the SDGs are embedded, not only in our sustainability strategy, but in our day-to-day operations and work.

By driving the shift from single-use to returnable transport packaging, we contribute to SDG targets 12.2 and 12.5, as well as 9.4. In particular, our

targets in the Innovation for a Circular Economy pillar focus on sustainable management, efficient use of resources, and waste prevention and reduction, including offering rental services.

We contribute further to these targets as well as SDG 13 with our decarbonization strategy set out in the Future Proof Planet pillar. By supporting projects that protect and restore marine and terrestrial ecosystems, we contribute to target 14.2.



At Schoeller Allibert we live by our beliefs covered by the Integrity at Heart pillar. As an employer we actively promote diversity and

inclusion, and we aim to meet the highest standards of safety and well-being, contributing to SDG targets 8.5, 8.8 and 10.2.

* United Nations Global Compact. (2022). Schoeller Allibert Services B.V. Communication on Progress July 2022. <https://unglobalcompact.org/participation/report/cop/active/470184>

OUR SUSTAINABLE DEVELOPMENT GOALS



SDG 3 - Ensure healthy lives and promote well-being for all at all ages



SDG 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- 8.5 (achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value)
- 8.8 (Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment)



SDG 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- 9.4 (upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes)



SDG 10 - Reduce inequality within and among countries

- 10.2 (empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status)



SDG 12 - Ensure sustainable consumption and production patterns

- 12.2 (achieve the sustainable management and efficient use of natural resources)
- 12.5 (substantially reduce waste generation through prevention, reduction, recycling and re-use)



SDG 13 - Take urgent action to combat climate change and its impacts



SDG 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development

- 14.2 (sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration)

PARTNERSHIPS AND MEMBERSHIPS

Schoeller Allibert works in partnership across business, government and civil society to drive progress on sustainability.



ROUNDTABLE FOR REUSABLE CONTAINERS TRAYS AND PALLETS (RCTP)

Schoeller Allibert is a founding member of the RCTP. The RCTP's mission is to promote the use of reusable and returnable plastic packaging by advocating for a fair regulatory framework for secondary packaging, resulting in an overall reduction of plastic waste.



UN GLOBAL COMPACT

Schoeller Allibert pledges to implement the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption throughout our operations.



WASTE FREE OCEANS

Schoeller Allibert is a proud member of Waste Free Oceans, supporting the organization's mission to reduce, re-use, and recycle marine litter.



STIFTUNG MEHRWEG

Schoeller Allibert is an active member of the Stiftung Mehrweg, which aims to provide support for the conservation of natural resources and the protection of the environment by increasing the amount of reusable packaging in all sectors.



SOUTH POLE

We worked with South Pole to assess our 2020 corporate carbon footprint and to develop our emission reduction strategy and targets.



CLIMATE PARTNER

Climate Partner made the carbon footprint assessments of several Schoeller Allibert products, as well as enabling us to offer climate neutral products through carbon offsets.



ECOCHAIN TECHNOLOGIES B.V.

We work with EcoChain to carry out Life Cycle Assessments (LCA) for our packaging, storage and logistics products.



TREE NATION

Schoeller Allibert works with Tree Nation to implement a tree-planting programme. For every ton of old crates we buy back from our customers, Tree Nation plants one tree.



OPERATION CLEAN SWEEP

Schoeller Allibert is part of Operation Clean Sweep, a campaign led by PlasticsEurope, the Association of Plastics Manufacturers.

LIST OF DEFINITIONS OF SCHOELLER ALLIBERT'S MATERIAL TOPICS

We developed tailored definitions for the material topics based on stakeholder input received during the Materiality Assessment process.

Topic	Definition applicable to Schoeller Allibert
Biodiversity and marine ecosystem	Efforts to protect the variety and quality of marine and terrestrial ecosystems through responsible sourcing and reducing impacts of pollution of water, land and air
Carbon footprint	Efforts to reduce greenhouse gas emissions from own business operations (predominantly energy use), suppliers and other value chain partners (predominantly the purchase of goods and services and downstream transportation and distribution)
Circular economy	Efforts to eliminate waste at all stages of the product life cycle, contribute and participate in the promotion and development of recycled plastics and recover and regenerate resources and materials at the end of their useful life
Climate	Factor climate change into decision-making and risk management processes to mitigate to manage the risks related to climate change and its physical and financial impacts on business operations, communities and the natural environment

Corruption and bribery	Management of risks related to alleged or actual illicit payments, such as kickbacks, bribes and facilitation payments to government officers, suppliers or other business partners, as well as the receipt of those payments from suppliers or business partners
Diversity, equal opportunity and inclusion	Promoting and upholding diversity that offers equal opportunities to all and building a representative workforce that is treated fair and with respect
Governance structure and accountability	Implementing mechanisms, procedures and rules concerning the internal control, supervision, reporting and decision making system of the organization to ensure stakeholder expectations are met and those charged with governance are held accountable for (sustainability) performance of the organization
Innovation of products and services	Embedding trends in product development and innovative business models, including innovative product design of products with reusable and returnable features, repairable and replaceable parts and service offerings that enable efficient transport and promote the transition to a low-carbon and circular economy
Labor relations	Effort to protect the rights of the workforce through management of labor relations issues, such as the management of freedom of association and non-discrimination, as well as working hours and wages
Occupational health and safety	Ensuring safe and healthful working conditions for working men and women by setting and enforcing standards and by providing training, outreach, education and assistance
Product safety and quality	Ensuring safety and quality of our products throughout the value chain, including conducting business in compliance with all applicable laws, regulations and standards (e.g. ISO standards)
Sustainable supply chain management	Working towards a sustainable supply chain by having a process in place to identify potential ESG risks along the supply chain, having a clear supplier code-of-conduct that specifies the environmental, social and governance performance and minimum standards required from suppliers and monitoring performance and adherence to these requirements

Talent attraction and development	Management of risks related to scarcity of skilled labor through retention and recruitment programmes and career development such as training and education
Tax transparency	Ensuring full compliance with tax policies that are in place in all countries we operate in, continue to engage in dialogue with stakeholders on tax matters and ensure compliance with (future) disclosure requirements on tax governance and transparency
Waste management	Management of waste from own operations to reduce the environmental impact of our collective waste footprint (e.g. minimize waste disposal, reduce impact of packaging, recycling management, handling of hazardous waste)
Water use	Efforts to minimize water footprint across the business by using water efficiently and limit withdrawal from water-stressed areas to mitigate related risks (i.e. water scarcity)

GLOSSARY

CO₂e

Carbon dioxide equivalent; a measure that was created by the United Nations' Intergovernmental Panel on Climate Change (IPCC) in order to make the effects of different greenhouse gases comparable. Describes the global warming potential of all greenhouse gases

tCO₂e

Tons of CO₂e

Cradle-to-cradle

Reuse of materials in a closed loop (without loss of resources)

Decarbonization

The conversion to an economic system that sustainably reduces and compensates the emissions of carbon dioxide (CO₂)

Ecovadis

Sustainability Ratings Provider (www.ecovadis.com)

GHG

Greenhouse Gas

GWH

Giga Watt Hours

KPIs

Key Performance Indicators

Life Cycle Assessment

A method to calculate the environmental impact of a product over its entire life-cycle

LTIF

Lost Time Injury Frequency

Pooling

The sharing of transportation resources to get goods to the same distribution centre by making best use of space available

Scope 1 emissions

Emissions from stationary and mobile combustion and fugitive emissions

Scope 2 emissions

Emissions from purchased electricity, heating and cooling

Scope 3 emissions

Emissions from relevant purchased goods and services, fuel and energy-related activities, business travel, waste, employee commuting, freight, and the use of sold products

SKU

Stock Keeping Unit

UN

United Nations

CONTACT

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Schoeller Allibert
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