MAKING PLASTIC PACKAGING TOO GOOD TO WASTE

SUSTAINABILITY STRATEGY

JANUARY 2022

INNOVATION FOR A CIRCULAR ECONOMY

FUTURE PROOF PLANET

INTEGRITY AT HEART

Schoeller Allibert

ABOUT THIS PUBLICATION

This publication introduces the Schoeller Allibert sustainability strategy. It sets out our contribution to creating a better future by tackling the most pressing issues facing the environment, society, and our business.

As a global market player and European leader in returnable transport packaging we offer a more sustainable option for supply chain logistics over single-use solutions. Our new sustainability strategy has been designed to take us further in our efforts to reduce carbon emissions and drive the shift to a circular economy, while meeting the needs of our clients, now and in the future.

This sustainability strategy was developed based on a materiality assessment carried out together with KPMG Advisory N.V., including extensive stakeholder consultation. The strategy is made up of three pillars, each including a number of material topics with corresponding targets. Our performance on carefully selected KPIs measuring progress towards these targets will be disclosed in our first comprehensive sustainability report in April 2022.

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ABOUT SCHOELLER ALLIBERT

Schoeller Allibert has been inventing, developing, designing, and manufacturing returnable transport packaging for more than 65 years. Today, we are a global market player and the European market leader.

Transport and logistics are fundamental to the global economy, and we as Schoeller Allibert are leading the way to a more sustainable sector. By providing intelligent and innovative returnable transport packaging to rent or buy, we support our customers to move away from single-use solutions and towards a low-carbon, circular supply chain.

OUR VISION

Our vision is a future where single-use packaging has been replaced with circular, reusable packaging to create a more sustainable world.

OUR MISSION

Schoeller Allibert has the power and ingenuity to transform supply chains for a greener, circular future. We will make a difference by adding smart services to our returnable packaging that can be rented or bought. We will set the industrial standard for sustainable packaging solutions, which goes hand in hand with significantly reducing carbon in supply chains by the acceleration of cradle-to-cradle.

TURNOVER
>€500,000,000

>2,000
EMPLOYEES

OVER
10,000
CUSTOMERS WORLDWIDE

OVER
50
COUNTRIES SERVED

13
FACTORIES

2020 figures

SCHOELLER ALLIBERTS RETURNABLE SOLUTIONS INCREASE PRODUCTIVITY AND SAVE CARBON IN OUR CUSTOMERS SUPPLY CHAINS

In addition to taking responsibility for reducing our own carbon footprint (595,430 tons of CO_2e in 2020, see page 32), Schoeller Allibert's products save carbon emissions in our customers' supply chains.

...SAVE MORE THAN 2.6 MILLION TONS CO_2E

during their lifetime compared to single-use solutions.

These avoided emissions are based on the Foldable Small Container* sold from 2016 to 2020 to our pooling customers. **What is even better: this represents less than 30% of our revenue.** Going forward, we will do additional research in quantifying the avoided emissions with all our returnable products to show the potential of returnable packaging in combating climate change (SDG 13), promote sustainable industries (SDG 9) and prevent waste (SDG 12).

*The calculated impact of avoided CO_2e is based on the difference in greenhouse gas emissions between crates (i.e. our Foldable Small Containers, FSCs) and single-use solutions. We rely on the calculation of avoided emissions per trip (in tonnes CO_2e) over the lifetime of a crate (i.e. 10 years) as calculated in the Fraunhofer study on the carbon footprint of packaging solutions (February 2018).

MARKETS

AGRICULTURE

AUTOMOTIVE

BEVERAGE

CHEMICALS

COSMETICS & PHARMA

FOOD AND FOOD PROCESSING

INDUSTRIAL MANUFACTURING

POOLING

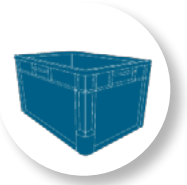
(R)E-TAIL

SYSTEM INTEGRATORS

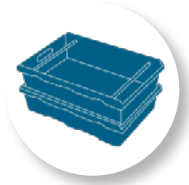
PRODUCT GROUPS

Handheld

FOLDABLE SMALL CONTAINERS



STACK CONTAINERS



STACK/NEST CONTAINERS

DOLLIES

BEVERAGE CRATES AND TRAYS

PAILS

Bulk

FOLDABLE LARGE CONTAINERS

RIGID PALLET CONTAINERS

PALLETS

INTERMEDIATE BULK CONTAINERS

ROTO MOULDING

INNOVATING YOUR LOGISTICS FOR A BETTER WORLD

Schoeller Allibert's returnable transport packaging is a smart and sustainable solution. With more than 65 years of experience, Schoeller Allibert reacts quickly to develop and offer new returnable packaging solutions and services to an ever-evolving market.

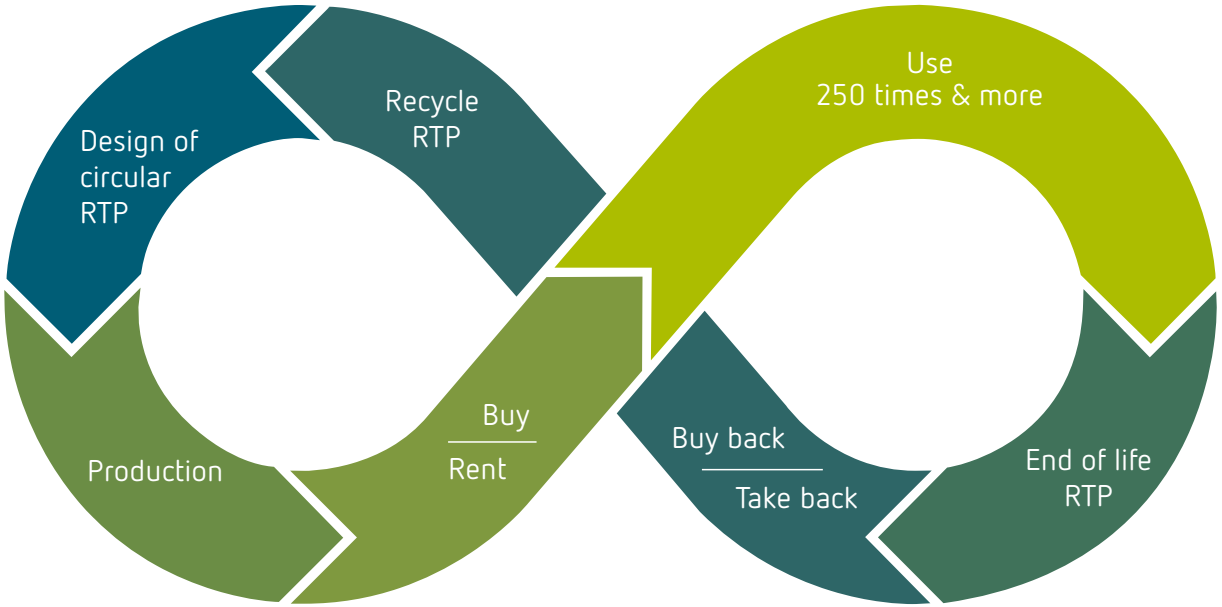
SMARTER, LIGHTER, FASTER, AND STRONGER

By providing light, strong, and durable returnable transport packaging, Schoeller Allibert enables thousands of companies to increase their productivity, lower their carbon footprint and reduce waste in their supply chains. Our products are designed to have a life of 10 years or longer, allowing them to be used an average of 250 times per asset. They are designed for full recyclability and produced using as much high-quality recycled material as possible. Where possible, we offer our clients a buyback guarantee once the first life-cycle of the crates comes to an end. This allows us to close the loop and recycle them to produce new containers. This recycled material has a 3.5 to 5 times lower carbon footprint than virgin materials.

→ NEW RENTAL MODEL

CLOSING THE LOOP WITH OUR INTELLIGENT NEW RENTAL MODEL

Since 2020 we have offered a game-changing new rental programme, offering an entry point for customers who wish to make a fast shift to returnable transport packaging with no down payment. This option is even more sustainable as it allows us to guarantee the return and recycling of the crates at the end of their life cycle. Customers also benefit from greater control and insight in their supply chain thanks to Internet of Things (IoT)-technology, as well as a smooth maintenance service that takes care of repairs. At the end of a rental period the fleets can easily be continued or the same asset is made available to other customers, essentially creating a shared pool to further reduce the carbon footprints of shared supply chains.



Contact us to discuss the possibilities! If you would like a free test, please go to services.schoellerallibert.com and apply for an account.

OUR LOCATIONS

Working worldwide through
13 production sites ( )
and 21 sales offices. Headquarters ( )
is in The Netherlands.

Situation 2020

"By innovating for a circular economy, we will contribute to protecting the world's natural resources and reducing waste."

LUDO GIELEN,
CEO SCHOELLER ALLIBERT

IT'S OUR TURN TO TRANSFORM

The launch of Schoeller Allibert's sustainability strategy comes at a crucial time for our world. The UN's Intergovernmental Panel on Climate Change set out the urgency in its 2021 report, stating that we need to see rapid and drastic reductions in emissions in this decade. We all have a role to play, and Schoeller Allibert is committed to playing its part.

Sustainability and a commitment to the circular economy are deeply embedded in our DNA at Schoeller Allibert. With our focus on returnable transport packaging, we already provide thousands of companies with a significantly more sustainable option for their supply chain logistics compared to single-use products that go to waste or have to be recycled after each use. This sustainability strategy outlines our plans to go even further to create a better world while meeting the evolving sustainability needs of our customers and society.

The strategy is organized under three pillars. By **Innovating for a Circular Economy,** we will contribute to protecting the world's natural resources and reducing waste. By working for a **Future Proof Planet**, we will make a real contribution to reducing emissions and take responsibility in the fight against climate change. And by putting **Integrity at the Heart** of what we do, we will meet the highest standards of governance while protecting the business's most important asset: our people.

Our innovative spirit will be key – improving the way we make our products, and the way we do business. For instance, this strategy introduces our plans to create energy efficiencies and shift to green energy, thereby reducing scope 1 and 2 emissions by 90% by 2025. It also sets out an unprecedented increase in our use of recycled materials to 35% by 2026, pushing the boundaries further towards 100% circularity in 2050. Our move into the rental market is an exciting shift that will further close the loop and allow customers to create their own intelligent supply chains with a smaller carbon footprint, less damage, and low upfront costs.

Our ambition is to make plastic packaging waste-free, climate-responsible, and fully circular. The targets in this strategy are ambitious, and we know there will be challenges ahead. But making these changes is possible, and it is necessary – and it will contribute to a better future for our business, for our customers, for our children, and for the planet. I hope you will join us on the journey.

LUDO GIELEN,
CEO SCHOELLER ALLIBERT

"Sustainability is an opportunity, a smart business choice, and - increasingly - a license to operate."

BRITTA WYSS BISANG,
GLOBAL SUSTAINABILITY DIRECTOR

TOWARDS A LOW-CARBON AND CIRCULAR ECONOMY

Sustainability has been rising on the global agenda for decades and I believe we are approaching a tipping point. An ever-growing number of businesses now recognize that sustainability is not about trade-offs or accepting costs today in order to secure some abstract benefits far in the future. Businesses are reshaping their understanding of the relationship between profit and purpose, with the realization that sustainability is an opportunity, a smart business choice, and - increasingly - a license to operate.

Our growth as a company reflects this shift. Packaging plays a crucial role across all supply chains and industries, and more companies are turning to returnable transport packaging instead of single-use solutions in order to reduce their carbon footprint and contribute to the transition to a circular economy.

Returnable transport packaging can and will play a key part in the transition to a circular and low-carbon economy. I'm proud of the innovations outlined in this sustainability strategy that will help to make our solutions even more sustainable while strengthening our business for the years to come. I want to thank all of the internal and external stakeholders who have contributed to this strategy so far, and I look forward to working with you to put it into practice.

BRITTA WYSS BISANG,
GLOBAL SUSTAINABILITY DIRECTOR

MAKING PLASTIC PACKAGING TOO GOOD TO WASTE

Plastic is the ideal material for returnable transport packaging as it is strong, durable, light-weight, and easy to clean. It is also the most sustainable option.

Plastic as a sustainable choice can seem counter-intuitive; the production and disposal of single-use plastic is one of the major sustainability challenges of our time, and there is an urgent need for action across business and government to eliminate many forms of plastic. Yet there is a need for a nuanced debate, since plastic also has many unique qualities that make it a more sustainable choice for strong, durable products that can be used for many years. Studies show that the carbon footprint of re-usable plastic crates is between 60 and 88% lower than single-use alternatives such as cardboard boxes.

Schoeller Allibert is taking a proactive role in public and political dialogue on this issue. We engage with partners across business, government, and civil society (see page 42: Partnerships and Memberships) to further understanding in this space and drive the shift towards more sustainable supply chains.

RETURNABLE TRANSPORT PACKAGING: THE MOST SUSTAINABLE CHOICE

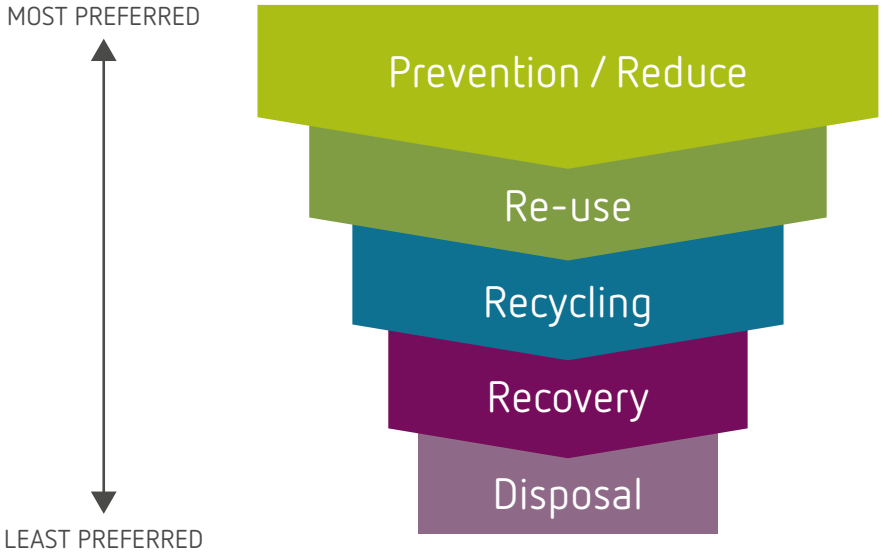
Focus on the Top of the Waste Hierarchy

Returnable transport packaging is focused on preventing waste and encouraging repair and re-use of materials; Schoeller Allibert's products are used an average of 250 times.

This places it at the top of the waste hierarchy; a concept used to evaluate the best ways of reducing and handling of waste in order to protect people and the environment while also conserving resources and minimizing energy consumption. The waste hierarchy concept has been used in various forms in European Union policy and legislation since 1975.

Re-use is placed high in the hierarchy because of the energy and resources required to carry out recycling. Recycling also relies on systems being in place to ensure recycling actually takes place; in reality, a small proportion of single-use products that can be recycled actually end up being recycled.

WASTE HIERARCHY



SCHOELLER ALLIBERT'S APPROACH

- Preventing waste and reducing single use packaging
- Producing reusable and repairable packaging
- Buy-back and take-back: 100% material recycling

→ CALL ON EU: EMBRACE REUSABLE PACKAGING

THE EU'S OPPORTUNITY TO PROMOTE REUSABILITY

Currently, the Technical Screening Criteria of the **EU Sustainable Finance Taxonomy for the circular economy** are being established. We welcome the European Commission's aim to thereby facilitate sustainable investment and to create a common understanding of which economic activities can be considered environmentally sustainable.

We hope that the Technical Screening Criteria of the EU Sustainable Finance Taxonomy for the circular economy will fully embrace the opportunities reusable packaging has to offer. The Taxonomy should be aligned with the waste hierarchy which is a central piece of the EU's Waste Framework Directive and determines that reuse is more sustainable than recycling. This means the EU Sustainable Finance Taxonomy has the potential to level out the playing field for single-use and reusable packaging solutions if reusability is included in the scope of the technical screening criteria.

RETURNABLE TRANSPORT PACKAGING: THE MOST SUSTAINABLE CHOICE

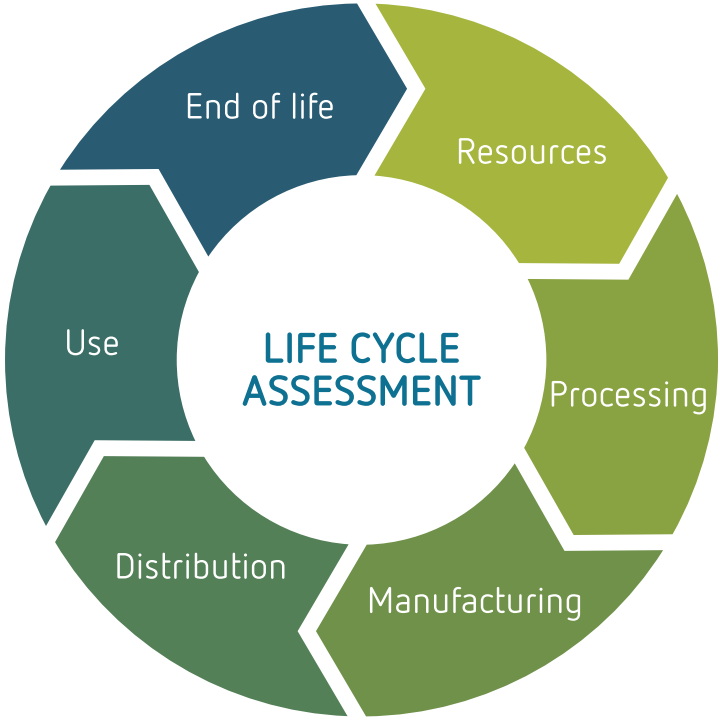
Lower Carbon Footprint Over the Life Cycle

The emissions from returnable transport packaging are significantly lower than the alternatives over the course of their life cycle (see studies on pages 19 and 20).

Plastic is strong, durable, and easy to clean, ensuring that products can stay in use for longer while meeting food safety requirements. The plastic used for returnable transport packaging can be re-used for a long time and then recycled into a new plastic container many times without diminishing in quality.

This can be modelled using 'life cycle assessments', a method of analysing the environmental footprint of a product that takes into account the materials used and how they are processed, how the product is transported and used, whether it can be recycled at the end of its life.

A life cycle assessment by the German Fraunhofer Institute (see page 20) showed that returnable plastic packaging generates around 60% less greenhouse gas emissions over the life cycle (according to ISO 14040/44) than disposable cardboard packaging.



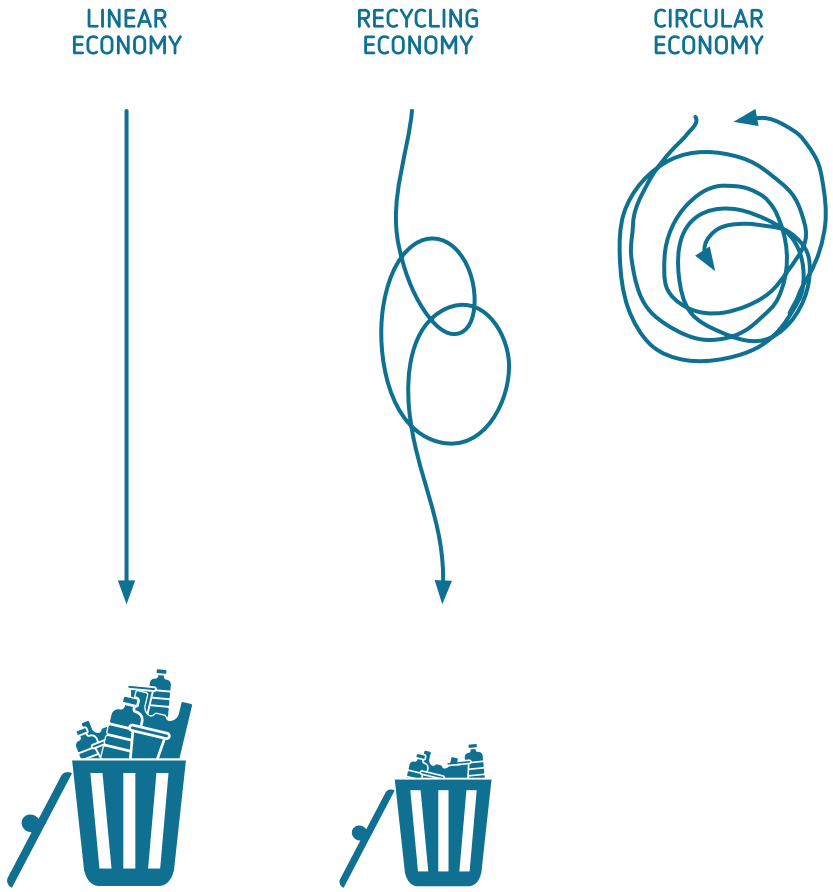
RETURNABLE TRANSPORT PACKAGING: THE MOST SUSTAINABLE CHOICE

Crucial for a Circular Economy

Returnable transport packaging contributes to a circular economy, where waste is eliminated and products and materials are kept in use. This can be contrasted with a linear economy where raw materials are extracted, used, and then discarded as waste. Schoeller Allibert's crates, boxes, and containers are designed for long life and repairability, and can then be returned to us and fully recycled.

Why is this important? According to the Circularity Gap Report 2021 the world is consuming 100 billion tons of resources a year and just 8.6% of those materials are cycled back into use. This doesn't just mean we are wasting resources; it also means we are missing out on a huge opportunity to curb the climate crisis. Moving towards a circular economy can protect natural resources, prevent the pollution and other harms associated with waste, and make a significant contribution to reducing carbon emissions.

Many single-use products can be recycled but, since they need to be recycled after every use, still quickly end up as waste. For instance, cardboard can be recycled just five to seven times before the fibers are too damaged and the material must be downgraded or discarded.



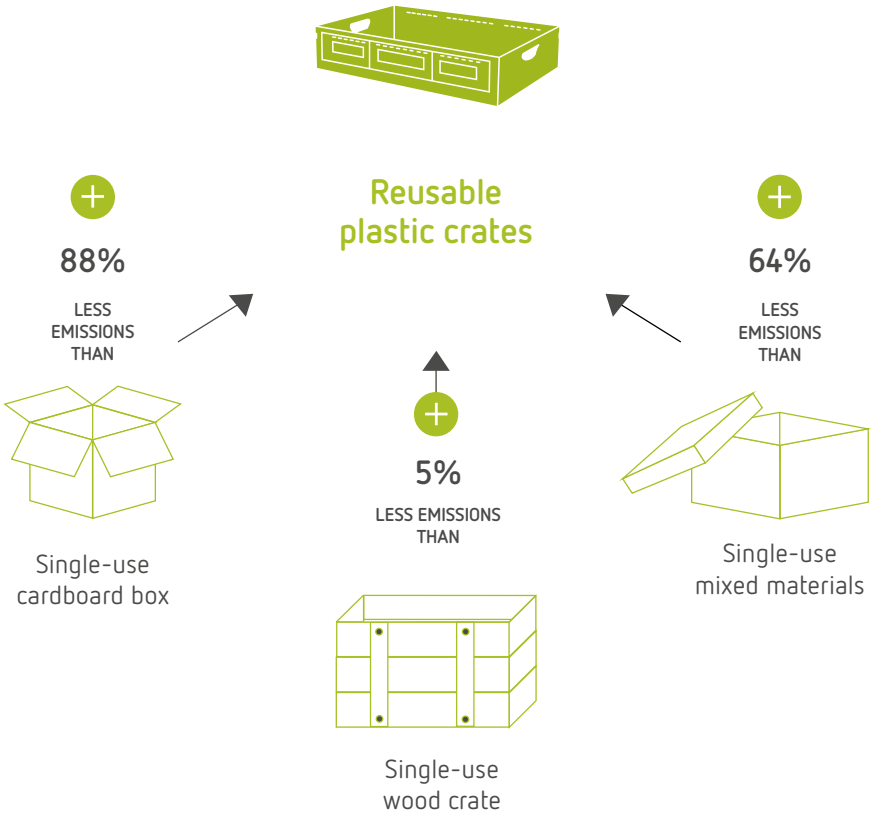
Adapted from Story of Stuff

[1] Circle Economy. 2021. 'The Circularity Gap Report 2021'. https://www.circularity-gap.world/2021.

RETURNABLE TRANSPORT PACKAGING: THE MOST SUSTAINABLE CHOICE

Zero Waste Europe: Reusable plastic crates produce 88% less emissions than single-use cardboard

Zero Waste Europe[2] compared 32 Life Cycle Assessment Studies to evaluate the impacts of single-use and reusable packaging, taking into account production, transport, number of cycles, and end-of-life. 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.



Graphically adapted from Zero Waste Europe (see page 41)

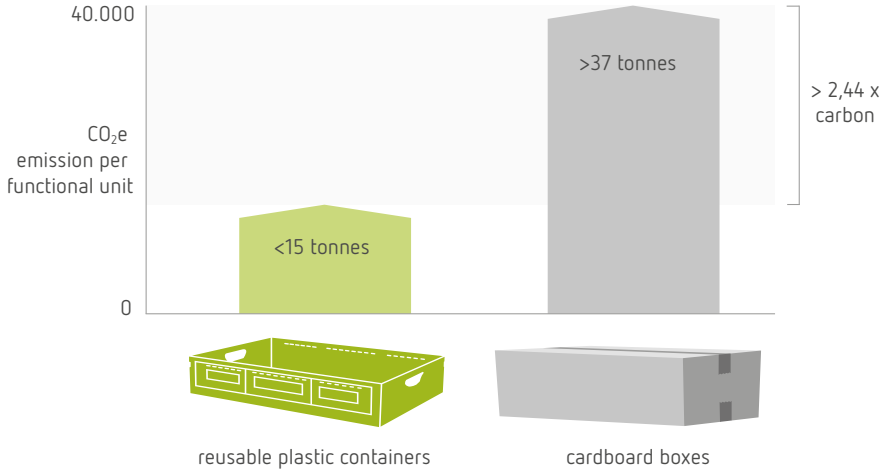
[2] Zero Waste Europe. 2020. 'Reusable vs Single-Use Packaging – A Review of Environmental Impacts'. https://zerowasteeurope.eu/wp-content/uploads/2020/12/zwe_reloop_report_reusable-vs-single-use-packaging-a-review-of-environmental-impact_en.pdf.pdf_v2.pdf

RETURNABLE TRANSPORT PACKAGING: THE MOST SUSTAINABLE CHOICE

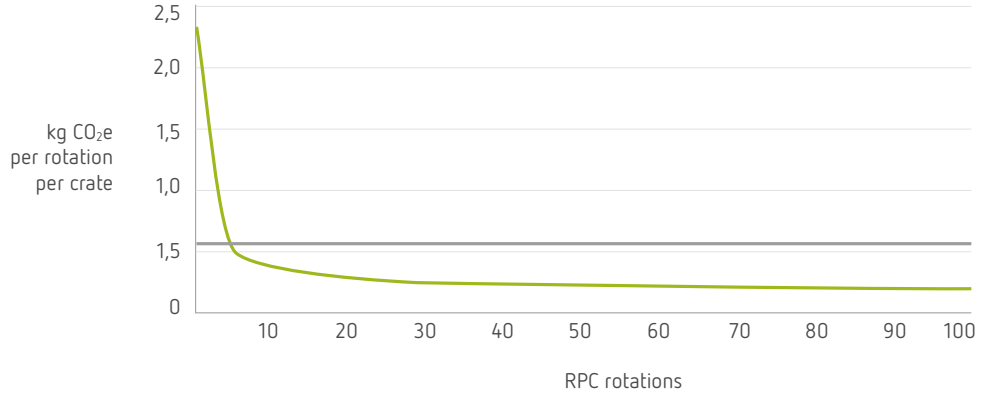
Fraunhofer Institute: Reusable plastic containers outperform single-use after sixth cycle

A major study by the Fraunhofer Institute[3] found that reusable plastic packaging generates around 60% less greenhouse gas emissions than disposable packaging such as single-use cardboard boxes. Looking at the entire life cycle (according to ISO 14040/44) of both types of packaging, including recycling of cardboard boxes based on their actual performance in five European countries, the study found that the benefits of reusable transport packaging come into effect after their sixth rotation.

In practise, these types of fruit and vegetable crates are used for 50 to 250 rotations after which Schoeller Allibert recycles them. 100% of the materials used for the plastic containers can be recycled easily.



The functional unit was defined as 1000 tonnes of fruit or vegetables transported.



Returnable crates are becoming more advantageous as the number of rotations increases.

Graphically adapted from Fraunhofer

[3] Fraunhofer IBP. 2018. 'Carbon Footprint of Food Packaging'. https://www.stiftung-mehrweg.de/fileadmin/user_upload/downloads-carbon-footprint-studie/studie-footprint-en.pdf

THE SCHOELLER ALLIBERT SUSTAINABILITY STRATEGY

At the heart of Schoeller Allibert's business model is the belief that sustainable and purposeful business drives long-term performance. Returnable transport packaging already enables thousands of companies to improve the sustainability of their supply chain logistics. This sustainability strategy outlines how Schoeller Allibert will go further over the years to come, helping to lead the transition to a circular, lower-carbon economy.

STRATEGY DEVELOPMENT: MATERIALITY ASSESSMENT

The foundation of this sustainability strategy is a comprehensive materiality assessment carried out over the course of 2020-2021 in partnership with KPMG Advisory N.V.. We gained a holistic view of the landscape by consulting with stakeholders and benchmarking against peers, sustainability frameworks and standards, and ESG ratings.

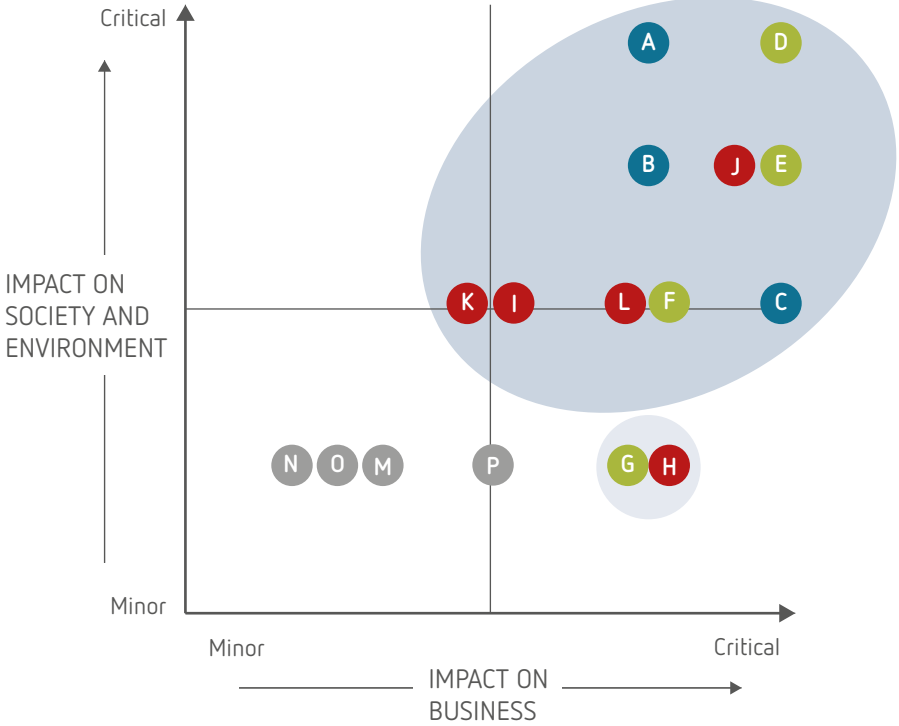
This process also drew on the expertise of business functions including finance, human resources, technology, investor relations, and operations. The assessment took a double materiality approach, assessing material topics based on both their impact on society and the environment (inside-out), and the financial impact on our business (outside-in).

Our sustainability strategy prioritizes action on those topics that have a critical impact on our business, society, and the environment. These topics have been clustered within three strategic pillars that form the foundation of our sustainability strategy: Innovation for a Circular Economy, Future Proof Planet and Integrity at Heart. The targets set for each of these topics are outlined in the following chapters.

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. The four topics (talent attraction, labour relations, tax transparency, and water use) for which the direct impact on our business, society, and the environment has been assessed as lower will be monitored in the medium and long term to ensure continued commitment.

→ MATERIALITY MATRIX

MATERIALITY MATRIX



- 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 Diversity, equal opportunity and inclusion
- I Occupational health and safety
- J Governance structure and accountability
- K Corruption and Bribery
- L Sustainable supply chain management
- M Tax transparency
- N Talent attraction and development
- O Labor relations
- P Water use

- Circular economy
- Future proof planet
- Integrity at heart

- Prioritized areas
- Areas requiring special attention

INNOVATION FOR A CIRCULAR ECONOMY

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

Working to be 100% circular in 2050

A circular economy makes better use of finite resources, and contributes to reducing carbon emissions and preventing waste.

With our focus on returnable transport packaging, we are already firmly in the 're-use' segment of the waste hierarchy (see page 15). Our sustainability strategy takes us further by significantly increasing our use of recycled materials, from a 2020 baseline of 21% to 35% by 2026. At the same time, the recyclability of our products is a focus area. Today the vast majority of our products can be recycled without complications; by 2023 we will ensure that all new products put on the market are fully recyclable.

By growing our rental model we will close the loop, ensuring that product life is maximized and all products are recycled at the end of their life. At the same time, this provides a service that allows customers to easily take steps towards a more sustainable supply chain with low upfront costs. We will continue to expand our recycling facilities and expertise to test materials from recycled products, including the upcycling of waste products into new high-quality products.

"At Schoeller Allibert, we have always been pioneers in recycling. I am happy that the strategy will help us to deploy our knowledge and facilities to scale up volumes and the benefits for the environment."

IVAN GALAO, Group HSE (Health, Safety and Environment) Director and Global Lead Recycling
Murcia, Spain

TARGETS

Circular Economy	Increase use of recycled polymers to 35% by 2026 (compared to 2020 baseline: 21%)
	Drive the transition towards a circular economy in transport packaging
	Long-term target: 100% circular in 2050 (including reuse, repair, recycled polymers used, recycling of materials)
Innovation of Products and Services	100% of new products (SKUs) put on the market will be fully recyclable by 2023
	Grow closed loop system for rental services
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)

SAVING 63 MILLION WASHES AT 60˚C

During 2020 we used more than 21% recycled plastics to create our new crates, boxes, and pallets, and this enabled us to prevent at least 56,000 tons of CO_2 emissions. This saving is equivalent to 63 million washing programmes at 60 degrees Celsius or 14,200 roundtrips from the Netherlands to the Caribbean by plane.

Increasing our use of recycled materials is a key target in our sustainability strategy and will enable us to further reduce our carbon footprint per production unit. To make this possible, we are working to overcome the following challenges:

- Limited supply: work is needed to increase the availability of recycled plastic that can be used to create new products. We have buy-back schemes in place and are introducing a closed loop system by recycling our own products at the end of their life, but as they are designed for a long life it can be up to 15 years before they are available for recycling.
- Quality requirements: recycled plastic must be carefully tested to ensure that it meets quality requirements. This is a particular issue in products used to transport food, where there are strict regulations in place.
- Colour preferences: many customers have specific colour requirements that can be challenging to meet with recycled plastics. Light colours are particularly challenging.

THE POWER OF CRADLE-TO-CRADLE RECYCLING

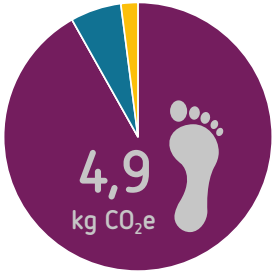
Cradle-to-Cradle refers to an approach where raw materials are re-used in a closed loop. A good example is the recycling of our bottle crates.

A bottle crate can easily last 10 to 15 years, during which time it will be used to transport bottles back and forth over and over again. After one life cycle, it will be fully recycled into a new bottle crate. This is what we call a cradle-to-cradle, closed loop approach.

In combination with switching to renewable energy at our production sites, the cradle-to-cradle approach reduces the product carbon footprint of the bottle crate by a **FACTOR OF EIGHT.** For more complex products, the cradle-to-cradle recycling reduces the carbon footprint by a **FACTOR OF THREE TO FIVE**. ClimatePartner (see page 42) calculated the product carbon footprints of our bottle crates, and also enables us to offer **carbon-neutral products** by offsetting unavoidable emissions with certified carbon offset projects.

The carbon footprint of this 1.9 kg HDPE bottle crate can be enormously reduced.

Virgin material
+ grey energy



Virgin material
+ renewable energy

Cradle-to-cradle
95% regrind
+ renewable energy

Raw material
Logistics input & end-of-life emissions
Production process
General emissions site
Product carbon footprint of the bottle crate

FISHING GEAR RECYCLED INTO PLASTIC CRATES

Up to 640,000 tons of plastic fishing nets and other equipment is discarded in the ocean each year, causing irreparable damage to ecosystems and marine life.

Schoeller Allibert's products are designed to last and are too valuable to discard, instead being returned for recycling either via our rental programme or buy-back guarantee, so they do not contribute to the issue of plastic in the ocean. However, we saw an opportunity to be part of the solution to this worldwide threat by preventing ocean plastic and recycling old fishing gear for use in our products.

We partnered with **Waste Free Oceans** and embarked on a two and a half year journey of research. In 2021, we successfully produced the WFO-box OceanIX, made largely from recycled fishing gear, that still meets our strict quality requirements. Over the coming years we will scale up our use of discarded fishing gear in our products. This initiative saves fossil fuel resources and allows us to increase our use of recycled materials, while at the same time helping to remove plastic waste from the ocean.

Please check out this video that tells the story.

FUTURE PROOF PLANET

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

Reducing CO_2e by 90% in 2025 (scope 1 & 2)

Reducing carbon emissions is crucial to ensure a liveable planet into the future, and an ever-growing number of our customers are focusing strongly on reducing emissions in their supply chains.

Returnable transport packaging is already a lower carbon option compared to the alternatives (see Making Plastic Packaging Too Good to Waste; page 14). Take us further, our sustainability strategy outlines how we will significantly reduce the carbon footprint of our products and our company. A baseline assessment by the external agency South Pole has already been carried out to lay the groundwork for the years to come.

Shifting to green energy and scaling up our use of recycled materials will allow us to significantly lower the carbon footprint of our products, reducing emissions per production unit by 30% by 2035. At the same time, changing our energy sources, investments, and travel and reducing the amount of waste produced will reduce our emissions as a company.

"Schoeller Allibert has set itself the ambitious goal to move our electricity supply to green energy within the next two years, by 2025. This will save Schoeller Allibert nearly 100,000 tons of carbon emissions per year! It is exciting to look at all the options, from solar panels on our factory roofs to renewable energy contracts."

ANNA SOBOCINSKA, Purchasing Director, Global Lead Energy Purchase
Nurieux, France

TARGETS

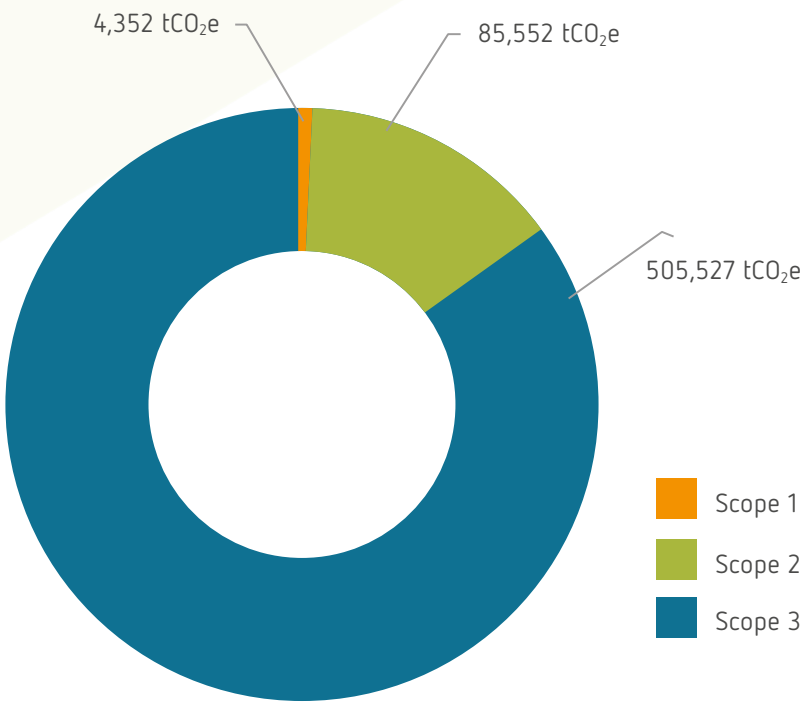
Carbon Footprint	Scope 1 and 2 in tons CO_2e reduced by 90% by 2025 (compared to 2020 baseline)
	Reduce our carbon footprint (scope 1, 2 and 3) in tons CO_2e per production unit by 30% by 2035 (compared to 2020 baseline)
	100% of our electricity consumption will be from renewable energy sources by 2023
	Increase self-generated solar energy for production by 1 GWh a year (until full potential is reached)
Climate	Factor climate change into every investment proposal
	75% of company cars to be electric cars by 2025, 25% hybrid cars by 2025
	Reduce travel movements by 25% by 2025 (compared to baseline 2019)
Waste Management	Reduce all waste categories and increase percentage of diverted waste year on year
Biodiversity and Marine Ecosystems	Every year initiate or support two projects that aim at protecting and restoring marine and terrestrial ecosystems

CREATING A BASELINE FOR GREENHOUSE GAS (GHG) EMISSIONS

During 2020 we commissioned South Pole to develop a GHG Inventory Report, calculated according to the GHG protocol and covering scope 1, 2 and 3 emissions. This will act as a baseline for our emission reductions over the coming years.

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.

The total emissions for Schoeller Allibert's operations in 2020 was calculated to be 595,430 tons of carbon dioxide equivalent (tCO_2e). The largest emission sources were purchased goods and services, corresponding to 65% of emissions, followed by electricity (13.7%) and the use of sold products (11.4%).

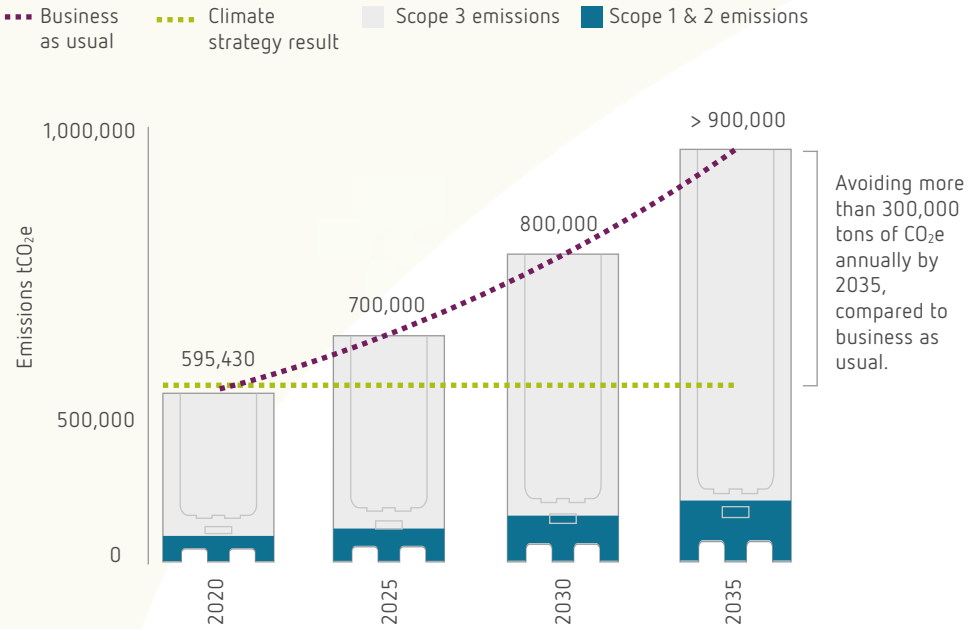


TOTAL TONS OF CO_2E: 595,430

OUR DECARBONIZATION GOALS IN A NUTSHELL

Business as usual is not an option. Failure to implement our strategy would result in CO_2e emissions growing 3% year on year in line with the business as a whole, resulting in 929,248 tons of CO_2e emissions in 2035. Schoeller Allibert will break this trend by avoiding more than 300,000 tons of CO_2e annually by 2035, compared to business as usual.

- Switching to renewable energy sources will avoid more than 100,000 tons of CO_2e emissions per year (by 2035).
- Replacing virgin polymers with recycled plastics will avoid more than 200,000 tons of CO_2e emissions per year (by 2035).



WE ARE COMMITTED TO

REDUCE our scope 1 and 2 emissions in tons CO_2e by

90% by **2025** (compared to the 2020 baseline)

WE ARE COMMITTED TO

REDUCE our carbon footprint (scope 1, 2 and 3) in tons CO_2e per production unit by

30% by **2035** (compared to the 2020 baseline)

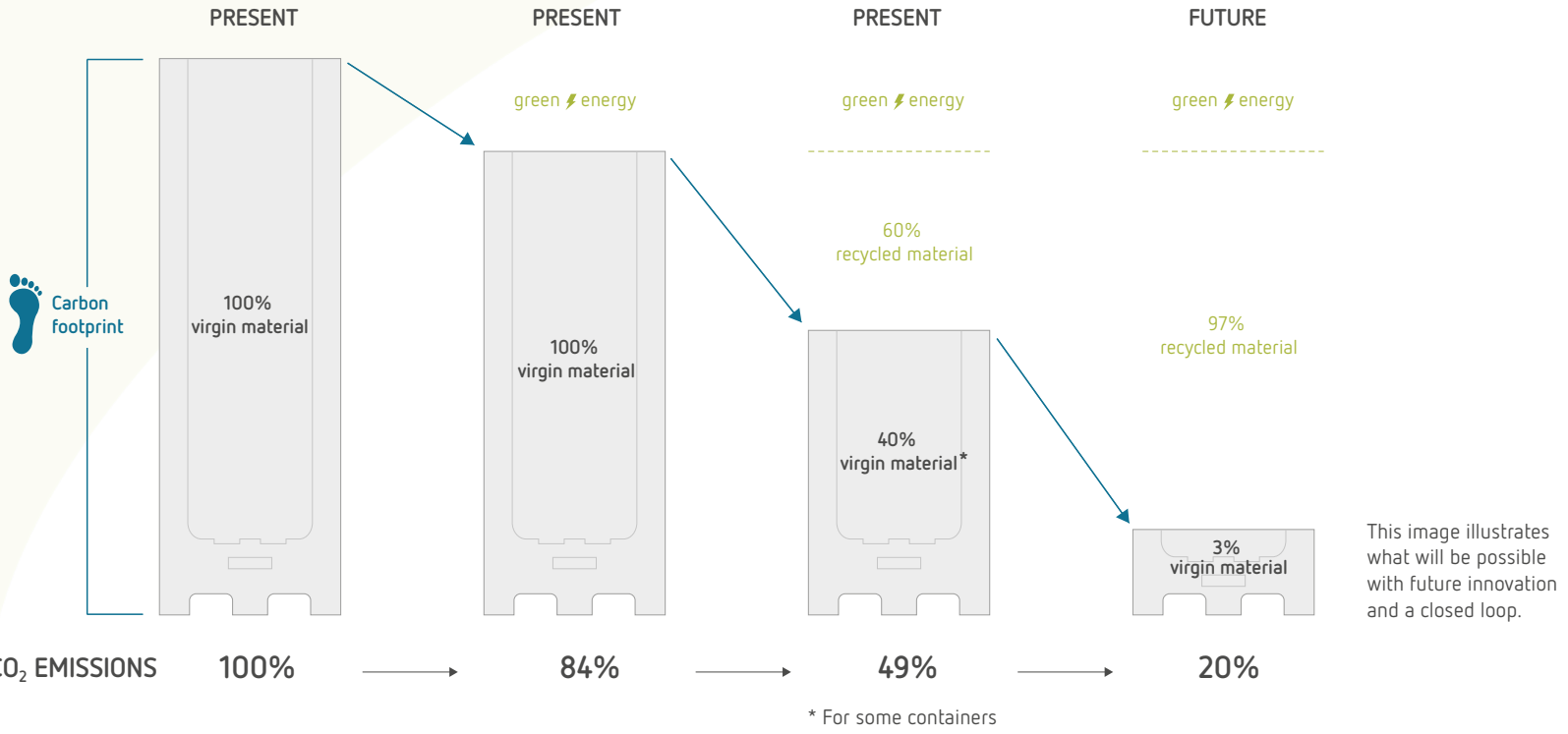
STEP BY STEP REDUCING CO_2 EMISSIONS OF OUR PRODUCTS BY 80%

There are three main sources of CO_2 emissions for Schoeller Allibert products and solutions. Our strategy explains our approach to reducing these emissions:

1 **Materials.** The carbon footprint of recycled polymers is just 20 to 30% of virgin materials. By increasing our use of recycled materials we will reduce our emissions, eventually shifting from purchasing recycled inputs to creating and using our own recycled material. We are also looking into low-carbon virgin materials that can make a further contribution.

2 **Processing.** We are switching to renewable energy sources for all of our operations, including solar energy and heat recovery at our factories.

3 **Use and Transport.** While this is not in our direct control, we are closely monitoring the development and shift to low-carbon transportation through electrification and other measures.



This image illustrates what will be possible with future innovation and a closed loop.

* For some containers

INTEGRITY AT HEART

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

Supporting people in all their diversity

The most important asset of any organization is its people, and we are committed to ongoing investment in good governance and a safe, healthy, and supportive workplace. Our sustainability strategy outlines our commitments to respecting and valuing our employees and all our stakeholders, and living up to the highest standards of ethics and governance.

Anti-corruption and bribery policies are already in place, and all employees in sensitive positions have already been trained. Schoeller Allibert also has a very active Health and Safety programme in place. Employees at all operations are being trained, campaigns for the prevention of incidents are updated frequently, and Operations Managers report any incidents to the global HSE (Health, Safety and Environment) Director.

GOVERNANCE

Final responsibility for sustainability at Schoeller Allibert is with the CEO, supported by the Global Sustainability Director and with oversight from the Supervisory Board who gave input on the strategic direction on several occasions in 2021.

"Our people are our greatest asset and we want to make Schoeller Allibert a truly great place to work. We are listening to our employees and building our diversity in order to create a better, more inclusive organization."

RON BIJKERSMA, Corporate HR Director
The Netherlands

TARGETS

Corruption and Bribery	100% of our employees and contractors are aware of the Anti-Bribery and Corruption (ABC) policy at Schoeller Allibert
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
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
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
Sustainable Supply Chain Management	Year on year improvement of percentage of critical supplier base with an EcoVadis (see page 46) assessment and overall score above the minimum target (target on percentage and score set after completed baseline in Q2 2022)
	Direct and indirect suppliers are committed to our supplier code of conduct (target set in Q2 2022 after initial assessment)

YOUR IDEA IS TOO GOOD TO WASTE

Innovation is key at Schoeller Allibert, and we want to make sure we capitalize on the knowledge and expertise of our workforce to drive our sustainability strategy. In 2020 we reached out to all our employees through the internal campaign 'Your Idea is Too Good to Waste'. All employees were invited to come up with ideas and solutions that could help us to take new steps or further embed sustainability in our operations.

The response shows that our innovative spirit can be found across the whole company. In the first year of the initiative our employees shared a total of 74 ideas to increase our impact or reduce costs. A broad committee representing a wide range of company internal stakeholder selects one winner per campaign, with other ideas serving as further inspiration for ongoing improvements.

One of the winning ideas was developed in Zabre, Poland, where a new system was developed to segregate and re-use a variety of plastic waste at our factory. Other suggestions included company bikes, green factory roofs, wildflower vegetation at unused meadows, carpooling campaigns, and a variety of energy saving measures and product innovations.

OUR SUSTAINABILITY STRATEGY AND ITS CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

COMMITTED TO UN GOALS

In August 2021, Schoeller Allibert committed to making the Ten Principles of the UN Global Compact part of the company's strategy, culture, and day to day operations, and to engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals (SDGs).

In formulating our sustainability strategy we have deliberately selected the SDGs where we can have the greatest impact, linked to the three strategic pillars. We assessed our contribution to the global goals and their underlying targets.

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.

→ OUR SDGS

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)

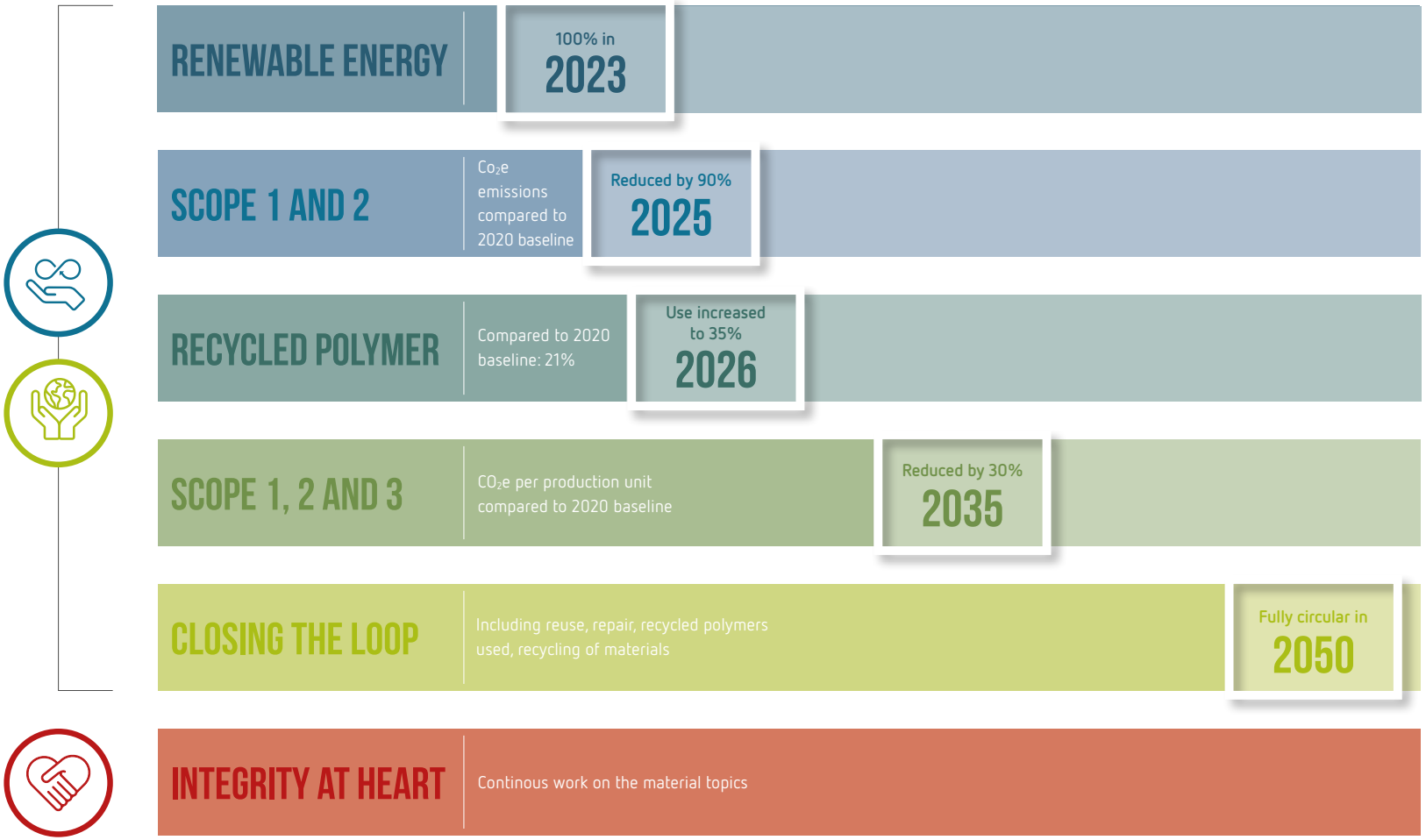
SDG 13 - Take urgent action to combat climate change and its impacts

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)

TIMELINE

OUR MAIN TARGETS: INCREASING SUSTAINABILITY STEP BY STEP



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.

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 (see page 23).

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

CO_2e	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
tCO_2e	Tonnes of CO_2e
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 (CO_2)
Ecovadis	Sustainability Ratings Provider (www.ecovadis.com)
GHG	Green House Gas
GWH	Giga Watt Hours
KPI's	Key Performance Indicators
Life Cycle Assesment	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

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