



Investing in Better

Sustainability Report 2024



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An introduction from our CEO



“kp’s 60th anniversary offers us a moment to reflect on how far we have come, and the positive impact we have made.”

Throughout the year, sustainability remained an important focus area. As demand for more sustainable packaging solutions continues to grow, we have innovated to meet and exceed our customers’ expectations.

Looking back at 2024, our talented workforce continued to push forward the development of innovative solutions to meet the needs of our customers, always with sustainability front of mind.

At the same time, the business and the wider industry have been dealing with challenging market conditions and an uncertain regulatory landscape. The EU’s Packaging and Packaging Waste Regulation came into force in February 2025, and will inevitably change the way we, and our customers, do business. Meanwhile, the full impact of another EU initiative, the Corporate Sustainability Reporting Directive, is as yet unknown. However, increasingly sophisticated sustainability measurement and reporting by kp and many others is the likely result.

This year sees kp mark its 60th anniversary. This important milestone offers an opportunity to reflect on the many achievements of our business. We have always developed and evolved as an organisation, and we will continue to grow and learn together. We thank our loyal customers and partners for being part of our journey over the decades, and of course we remain just as committed as ever to innovation and sustainable packaging solutions.

Finally, I would like to thank everyone for their commitment and dedication to the company. It is always our people who make the difference – breaking boundaries to deliver innovative products that help our customers meet their sustainability goals, while ensuring smooth, reliable operations every day. I look forward to making further progress in kp’s 61st year.

Roberto Villaquiran
Chief Executive Officer

COO and Head of Corporate Sustainability's review

As we enter the fifth and final year of kp's sustainability strategy, Investing in Better, we continue to make good progress against the targets within our three objectives: Close the Loop, Work Smarter and Act Responsibly.

Of course, there are still a number of notable challenges and constraints which affect our ability to achieve those targets. We believe that working with the partners in our value chain is the solution to unblock many of these, and so we continue to collaborate and forge a path forward.

Meanwhile, the many ongoing developments within our sustainable portfolio that support a circular economy are a source of considerable pride. Much of our positive impact on the world arises from helping our customers to reach their own sustainability targets, and we continue to work with them to make that happen.

Achieving our Scope 1 and 2 targets ahead of the 2025 timeframe initially set out is a huge achievement of which everyone at kp can feel proud. Similarly, we are pleased to have maintained our 'zero waste to landfill' status, even though evolving circumstances continue to necessitate fresh solutions.

Our active engagement with our many local communities across the world continues, and we strive to add real value to these places. I appreciate the work of many committed colleagues locally who, via their community outreach and philanthropic activities, ensure that people know who we are and what we do, and value our presence.

We remain ambitious in our goals, and looking ahead will develop a new strategy and set of targets that will take us up to 2030. In the meantime, I'd like to thank the sustainability team for their dedication and commitment to making our strategy a reality.

Alan Richards
Chief Operating Officer and
Head of Corporate Sustainability



“Meeting our Scope 1 and 2 emissions targets ahead of schedule is an achievement of which everyone should feel proud.”

1. Where legislation allows.

Our sustainability strategy



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1

Close the Loop

By 'closing the loop' we will reduce waste and do more with less. We will use more recycled material, close the packaging loop and take every opportunity to make our packaging recyclable.

[Read more on
page 20](#) →

2

Work Smarter

We have a responsibility to use as few resources as possible, as efficiently as possible. That's why we are focused on using less energy, cutting carbon emissions and ending landfill.

[Read more on
page 41](#) →

3

Act Responsibly

Acting responsibly at all times is a cornerstone of our culture. And in the future, we will do even more to keep our people engaged, while we become a safer and more diverse company.

[Read more on
page 53](#) →

2024 highlights



Zero
waste to landfill
maintained²



52%
reduction in Scope 1 and
2 emissions versus 2019



1m hours
without a safety incident
achieved for the second year

**“We remain just as
committed as ever to
innovation and sustainable
packaging solutions.”**

Roberto Villaquiran
Chief Executive Officer



68
community outreach
projects held globally



2.6bn+
food trays recovered
since 2022

2. Where legislation and infrastructure allow.

2024 highlights continued

A word from our Group Sustainability Director



In 2024, we continued to make significant progress towards achieving the objectives and targets of our 'Investing in Better' strategy.

We were particularly pleased to have maintained our CDP climate disclosure rating, achieving a 'B' grade for the second year running.

Meanwhile, for four consecutive years, kp has held a gold rating from EcoVadis, and we are now ranked within the top 1% of companies in the plastic manufacturing sector for sustainability.

We have also made great progress in advancing our kp Communities target, with 68 projects run across 21 different sites. And, in order to reward these outstanding efforts, we are delighted to have launched the kp Communities awards, which recognises both initiative and site of the year.

“We are now ranked within the top 1% of companies in the plastic manufacturing sector for sustainability.”

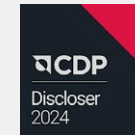
Looking ahead, given the challenges that we and others are facing in respect of meeting ambitious sustainability targets, it is clear that we will need to extend and refocus certain goals beyond 2025.

As we develop our new strategy, we will review progress and set fresh targets. Of course, a number of outstanding products launched in 2024, such as 100% recycled kp Tray2Tray® and kpNext® MDR1, are proof positive that we are making concrete progress.

In this report, our fifth, you will find important information, data, stories and interviews which offer insight into how kp is becoming more sustainable every day. We hope you find it informative.

Aida Cierco
Group Sustainability Director

Recognition



CDP submission

Maintained our 'B' score



EcoVadis

Fourth consecutive year.
Overall score of 79/100

Sustainalytics top rating – fourth consecutive year

kp has again secured a top spot in the Containers and Packaging sector Sustainalytics rankings, receiving a 'negligible risk'³ rating.



UNGC signatory

In June 2022, we formally became a United Nations Global Compact signatory. The goals of the UNGC align closely with the mission and purpose of our business, and we have already benefited significantly by participating in the Gender and SDG Young Innovators 'Accelerator' programmes, as well as the DEI Working Group.



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Close the Loop Performance

Progress
 Target

* end of year unless stated otherwise

Target I Use more recycled materials

We will use at least 30% post-consumer recycled (PCR) material in our packaging.

PCR material in our packaging (%)		
2022	<div style="width: 21.3%;"></div>	21.3
2023	<div style="width: 25.0%;"></div>	25.0
2024	<div style="width: 24.4%;"></div>	24.4
2025*	<div style="width: 30.0%; background-color: #444;"></div>	30.0

Highlights
Our use of PCR has remained stable, attributable to continued process optimisation. Market fluctuations challenged the industry on PCR usage and availability.

Future outlook
We remain focused on developing new films for novel packaging that include PCR, while also expanding the use of recycled materials with the aim of keeping material flows inside a closed loop.

[→](#) Read more on page 22

Target II Close the packaging loop

At least 30% of the PCR material in our packaging will be from the kp Tray2Tray® initiative.

Share of kp's entire PCR content from kp Tray2Tray® (%)		
2022	<div style="width: 9.1%;"></div>	9.1
2023	<div style="width: 11.4%;"></div>	11.4
2024	<div style="width: 12.5%;"></div>	12.5
2025*	<div style="width: 30.0%; background-color: #444;"></div>	30

Highlights
We continue to grow the share of kp Tray2Tray® despite market challenges. This is thanks to our strong partnerships across the value chain.

Future outlook
We have made significant progress on the journey to originate 30% of our PCR consumption from pots, tubs and trays by 2025. However, the challenges in securing supplies of good-quality tray flake are limiting our ability to progress at the expected pace. Strong collaborations are key to stable supply, and we are committed to doing more as soon as we're able to.

[→](#) Read more on page 28

Target III Recyclability

100% of our packaging will be recyclable.

Recyclability of our packaging portfolio (%)		
2022	<div style="width: 30%;"></div>	30
2023	<div style="width: 31%;"></div>	31
2024	<div style="width: 32%;"></div>	32
2025*	<div style="width: 100%; background-color: #444;"></div>	100

Highlights
The number of products in our portfolio designed for recyclability has increased. We offer recyclable alternatives for 68% of our overall product portfolio.

Future outlook
We continue to grow our range of designed-for-recycling alternatives. However, making all of our packaging recyclable will need to remain a priority beyond 2025. We will continue to work on multi-level value chain partnerships in different forums and associations to roll out standards at scale.

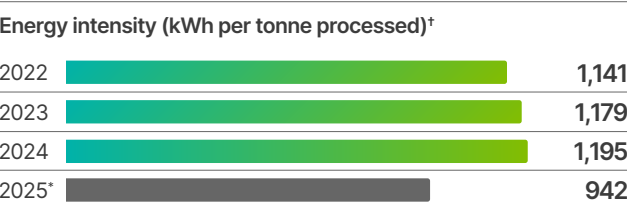
[→](#) Read more on page 33

Work Smarter Performance

Progress Target
* end of year unless stated otherwise

Target I Improve energy efficiency

We will increase energy efficiency by 17% against a 2019 baseline.



Highlights
We saw minimal increase in energy intensity compared with previous years.

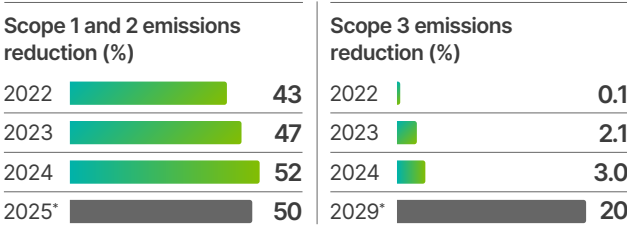
Future outlook
We have a very strong foundation in terms of energy efficiency, and our team will continue to make improvements. The way we organise our energy-efficiency projects will evolve, building on previous successes.

[†] Temperature adjusted

→ Read more on page 43

Target II Reduce carbon emissions

We will reduce Scope 1 and 2 emissions by 50%, and by 2030 Scope 3 emissions by 20% per tonne of raw materials, against a 2019 baseline.



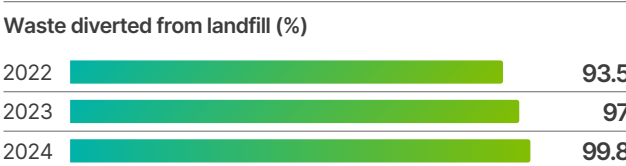
Highlights
We have achieved our Scope 1 and 2 emissions goal one year ahead of schedule by increasing our mix of renewable energy. We continued to partner with our suppliers to decarbonise the value chain.

Future outlook
We are working on a new set of goals, which will include ambitious carbon targets. Renewable energy and collaboration with our suppliers will be critical.

→ Read more on page 46

Target III Stop sending waste to landfill

We will send zero waste to landfill or incineration without energy recovery[‡].



Highlights
We have maintained our zero waste to landfill status in our sites, where legislation allows.

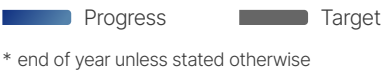
Future outlook
We are committed to maintaining this achievement, and we will continue to improve our overall waste reduction efforts.

[‡] Where legislation allows.

→ Read more on page 50

Act Responsibly

Performance



Target I

Eliminate lost-time accidents

We will reduce our lost-time accident (LTA) rate to zero.

LTA rate		Total recordable incident rate (TRIR)	
2022	<div></div> 0.35	2022	<div></div> 0.74
2023	<div></div> 0.35	2023	<div></div> 0.61
2024	<div></div> 0.33	2024	<div></div> 0.61
2025*	0		

Highlights
While our LTA rate has remained stable, almost half of our sites are now ‘zero harm’, with 13% fewer incidents year on year.

Future outlook
A safety-first culture is firmly embedded at our sites. We will continue to pay attention to risk management and hazard identification on the shop floor.

➔ Read more on page 55

Target II

Become more diverse

The percentage of women at management levels at kp will exceed 30%.

Women at management level (%)	
2022	<div></div> 23.6
2023	<div></div> 25.5
2024	<div></div> 25.8
2025*	<div></div> 30

Highlights
We continue to make steady progress towards meeting our Women in Management target.

Future outlook
As we look towards our 2030 targets, we will reset goals around diversity, equity and inclusion, while developing relevant initiatives to support progress.

➔ Read more on page 60

Target III

Engage employees better

Our employee engagement score will improve to over 80%.

Employee engagement score (%)	
2022	<div></div> 75
2023	<div></div> n/a
2024	<div></div> n/a
2025*	<div></div> 80

Highlights
The survey was paused in 2024 to focus on evolving business needs, and to respond to existing employee feedback.

Future outlook
We will seek insights into current employee engagement and sentiment through a ‘pulse’-style survey.

➔ Read more on page 63

Target IV

Make a difference in our communities

100% of kp plants will complete at least one impactful community project annually, doubling that by the end of 2025.

Plants with at least one impactful community engagement project p.a.	
2022	<div></div> n/a
2023	<div></div> 18
2024	<div></div> 21
2025*	<div></div> 30

Highlights
We expanded our community outreach efforts, completing 68 projects across 21 sites. Projects ranged from beach clean-ups and ecosystem conservation to sport sponsorships and education activities.

Future outlook
We will identify further opportunities for outreach efforts, and explore ways in which we can make a meaningful impact in our local communities.

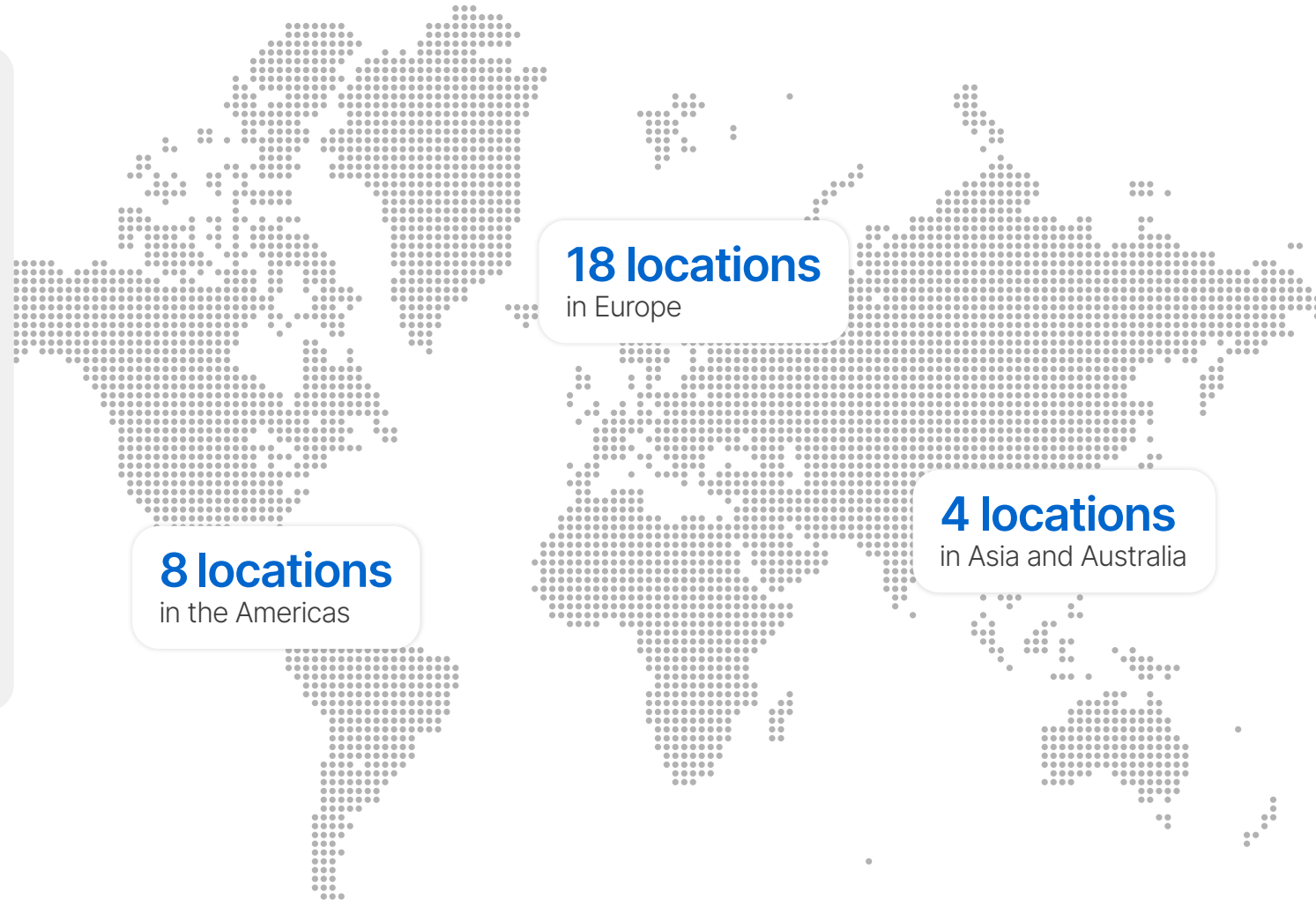
➔ Read more on page 66

About us

Our global presence
30 plants in 18 countries
across 5 continents

Our experts create innovative films and trays that protect medication and medical devices, keep products safe, help avoid food waste and preserve the integrity of countless durable products.

We offer more than 5,000 customers an extensive portfolio of high-quality plastic packaging and related solutions. We hold leading global market share positions in our product segments across both of our divisions: Pharma, Health & Protection and Durables (PHD), and Food Packaging (FP).



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Two complementary divisions

Pharma, Health & Protection and Durables

We offer enhanced consumer safety and shelf life, paired with high-quality aesthetics and sustainability.



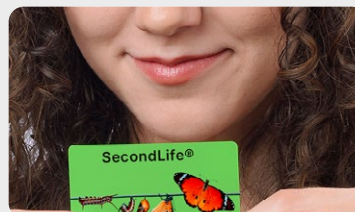
Pharma

- Highly protective films for pharmaceutical blister packs.
- Ensures extended shelf life, drug efficacy and consumer safety.



Health & Protection

- Rigid films for medical devices and consumer health applications, heat shrink sleeves for beverage, food and consumer goods containers.
- Enhances protection, shelf life, appeal and ease of use.



Durables

- Debit, credit and loyalty cards, floor and other graphics, home, building and construction applications.
- Enhances both aesthetics and durability.

63%
of EBITDA

10
manufacturing plants

2,080+
employees

2,670+
customers

A word from the PHD President



From pharmaceutical and medical device packaging, through to credit cards, labels and cooling towers, we are investing in sustainability across the entire PHD product portfolio.

Our customers naturally expect us to offer them more and more sustainable products, and our focus is on meeting these expectations without compromising product protection, shelf appeal or production efficiency.

Of course, we operate in a highly regulated environment, and performance is paramount. But we believe that greater circularity is a goal that's worth pursuing, and is within reach.

PHD colleagues have excelled in all sorts of ways during the past year, but I would like to highlight in particular the outstanding contribution that our Cotia team made to flood relief efforts in their community.

Sofiane Laoussadi

President, Pharma, Health & Protection and Durables

Two complementary divisions continued

Food Packaging

We offer sustainable packaging solutions with unique design attributes that enhance shelf life and improve consumer safety.



Protein

- Trays, rigid film for form, fill and seal applications and flexible film (barrier and stretch) for red meat, poultry, fish and alternative proteins.
- Sustainable and circular packaging solutions for food safety, hygiene, shelf life extension and home delivery.



Fruit and produce

- Trays for fresh fruits and produce, punnets, lids and flexible films.
- Sustainable and circular solutions for product enhancement and distribution efficiency.



Food-to-go and foodservice

- Trays for food-to-go, foodservice, dairy and bakery products, flexible films (barrier and stretch) and rigid films for form, fill and seal applications.

37%
of EBITDA

20
manufacturing plants

2,690+
employees

3,250+
customers

A word from the FP President



We're proud to be a trusted partner, with the insights, experience and innovation to help our Food Packaging customers better meet new regulatory challenges, reach their sustainability goals and grow their businesses.

Our customers trust us to consistently develop innovative products that are both more easily recyclable and which incorporate more recycled material, with perhaps the best example being the kpTray2Tray® initiative.

kpTray2Tray® involves recovering and recycling PET food trays into new, food-safe packaging. And in 2025, we're very proud to be the first company able to offer customers a tray comprising 100% recycled material.

We are committed to including more recycled material across our entire product range, but achieving that will only be possible by working hand-in-hand with other participants in the value chain to progressively improve circularity.

Through sustained investment, kp is setting new industry standards in traceability and circular economy practices, recognised this year with the achievement of the world-first RecyClass Traceability Certification.

Thomas Kure Jakobsen
President, Food Packaging

Our business model

How we create value

Building up manufacturing capacity requires substantial initial capital investment, but it enables us to then work with numerous customers over long and short timescales to meet orders large and small. Our customers partner with us because they know that kp can deliver the high-quality products they require at speed.

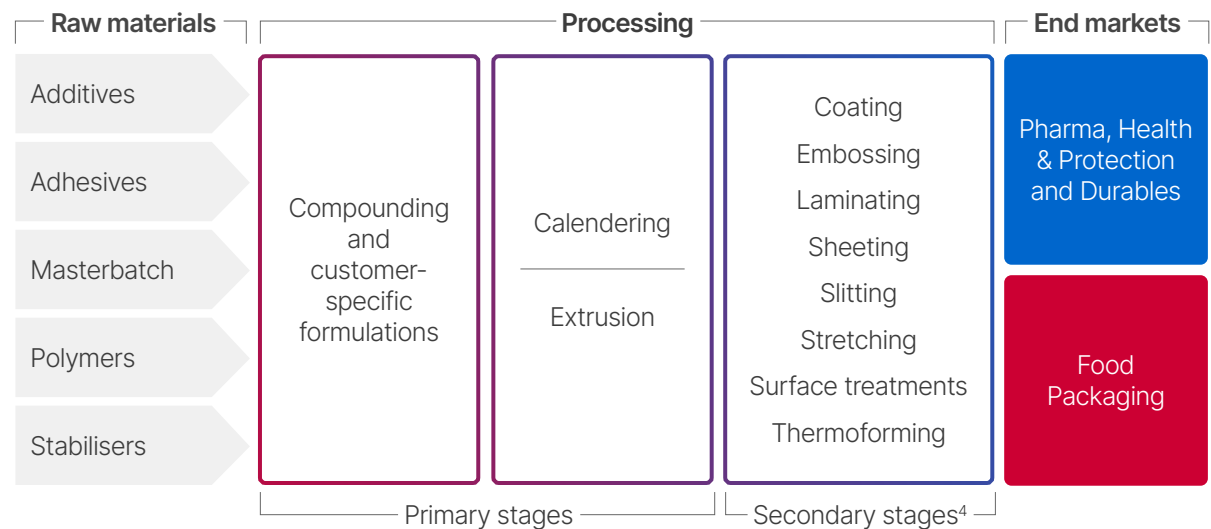
Our products are typically used by our customers on production lines where, for example, pharmaceuticals or food products are packaged. These items are then usually shipped to hospitals, pharmacies or retailers, after which they reach consumers.

We remain competitive by deploying our substantial expertise to develop new, innovative products that meet specific customer and market needs, ahead of new environmental regulations. We have cultivated long-standing relationships with many customers and suppliers, who often work in partnership with us to co-develop products and solve problems.

What we do

We use state-of-the-art equipment at our manufacturing plants to make, primarily, rigid plastic film products for conversion, and thermoformed trays. Nearly all our film formulations are developed in-house.

Our core production process is shared across both of our divisions, and involves calendering, extruding and thermoforming polymers, adding chemical additives and then processing according to customers' specifications and legal requirements.



4. Various processes may be necessary for the same product.

Our business model continued

The benefits of plastic

There is no other packaging material which can match the unique benefits of plastic.

Plastic remains a valuable resource and through modern innovation in technology and design, it plays a vital role in the circular economy. Plastic offers remarkable benefits due to its versatility, making it ideal for meeting the diverse requirements of customers. Lightweight yet durable, plastic provides significant marketing advantages through its adaptability in colour, texture and shape. The production of most plastic products is not energy-intensive, unlike other packaging alternatives, further enhancing their appeal.

Additionally, plastic products are crucial for conserving energy across the entire value chain, making them indispensable in modern applications. Plastic's unique properties ensure it remains a key material for packaging, balancing efficiency with sustainability.



Look and feel

Superior product display, pleasing appearance, diverse colours and an appealing look and feel for consumers.



Strength

Strength, durability and lightness, when compared with common alternatives.



Lower carbon

Relatively low carbon emission intensity, when compared with common alternatives.



Recyclability

Potential to be recycled multiple times, creating a valuable raw material for more packaging and products.



Protection

Protection of products to safeguard and extend the life of medicines, keeping products away from children and keeping medical devices sterile.



Barrier

Plastic acts as a hygienic barrier, protecting drugs and food against moisture, microorganisms, gases and extreme temperatures.



Preservation

Preservation of food freshness during distribution, in stores and at home, further reducing food waste.



Versatility

Versatility, adaptability and flexibility; plastic can become any size or shape and is easy to print on.



Our business model continued

Key competitive advantages



Ability to innovate

With nine dedicated kp i.centers and innovation hubs in Charlottesville (USA), Girona (Spain), Featherstone (UK), Pravia (Spain), Gendorf (Germany), Bern (Switzerland), Suzhou (China), Pontivy (France) and Gordonsville (USA), we invest continuously in scientific discovery, experimentation, design, prototype and scale-up, which enables us to create new, more sustainable solutions for our customers.

Just in the past four years, we have launched 55 new products in the Pharma, Health & Protection and Durables division and 52 products in the Food Packaging division.

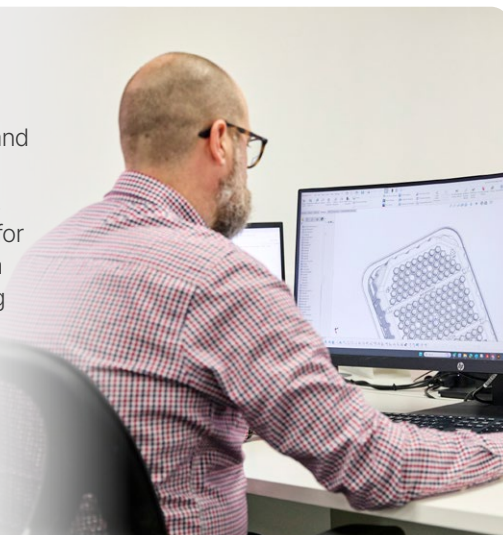
Each division has a dedicated R&D team, which, together with the operations product management, application and sales teams, works closely with current and potential customers to develop customised products that meet specific performance requirements, and then to help customers use those products efficiently with their own equipment.

Our innovation teams also supports customers who are seeking regulatory approval in high-value areas, such as pharmaceuticals and certain food applications, as well as improving the appearance of consumer products.

The clear majority of our innovation work, however, is now focused on ensuring our products, and therefore our customers, become more sustainable.

Sustainability focus

As industry leaders in sustainable packaging, we leverage our experience and expertise to help our customers achieve their sustainability ambitions and targets. Our ability to meet the growing demand for sustainable packaging provides us with a significant market advantage. Developing innovative and sustainable products and solutions that maintain the protective, functional and aesthetic qualities of prior products requires substantial capacity, capability and technical know-how.



Manufacturing footprint and capacity

Our large manufacturing footprint – 30 plants in 18 countries on five continents – represents a key competitive advantage and barrier to entry. This is chiefly due to the high initial capital investment required to offer industry-leading reliability and continuity of supply for a demanding customer base. It is critical that we invest in training, automation, technology, and equipment and make sure these resources are available in the right location to allow us to rapidly respond to customer needs.

Product innovation

100% kp Tray2Tray®



- Made from 100% post-consumer recycled PET (rPET) tray flake with full traceability and food contact safety.
- Drop-in replacement for existing packaging – no compromise on quality, performance or shelf life.
- Certified under RecyClass's closed loop module, ensuring circularity and material origin integrity.



Discover full product details



kpNext® MDR1



- Sustainable patient safety including best-in-class device protection, sterile barrier, and clarity.
- Advanced copolyester is 100% recyclable in RIC 1 streams.
- Global specification including full compliance with FDA and ISO standards.



Discover full product details



kp MonoSeal®



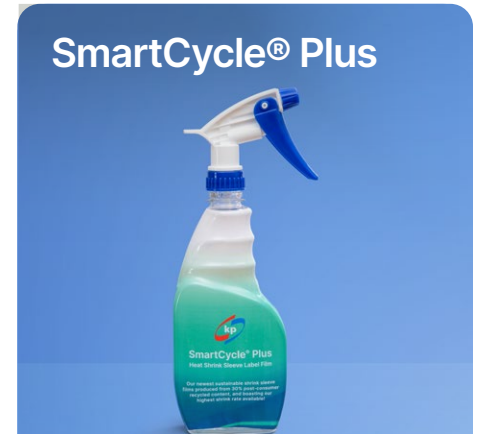
- Mono PET film with up to 80% post-consumer recycled content, endorsed by Petcore Europe as designed to be recycled.
- Up to 15% lighter than PET/PE with best-in-class hermetic seal – even through contamination.
- Drop-in solution for existing PET lines with lower sealing temperatures and reduced carbon footprint.



Discover full product details



SmartCycle® Plus



- Contains 30% post-consumer recycled content and is recyclable in the RIC 1 stream.
- Delivers the highest shrink performance of any sustainable label film with excellent clarity for complex bottle designs.
- Matches virgin-grade film performance for easy processing and lower carbon footprint.



Discover full product details



Product innovation continued

Sustainability collaboration across our innovation centres

Our i2i (idea to implementation) innovation hubs are a vital part of kp's offer, developing solutions that address critical challenges in food packaging. With locations in the UK and Spain, alongside a Poland-based remote team, the centres house a dynamic team of designers at various stages of their careers, combining fresh perspectives with extensive experience.

The expertise and dedication of the i2i team, combined with effective collaboration across multiple locations and generations, helps kp better design for recyclability, comply with changing regulation and achieve best-in-class product design. A particular standout is the tray design project, which focuses on saving resources by designing innovative, best-in-class lightweight packaging, allowing our customers to realise their 'resources saving' ambitions.

The i2i team routinely delivers products that have the best performance on our customers' production lines, improving productivity and speed, saving energy and reducing downtime.



This reliability and efficiency-focused approach ensures the shortest time to market, allowing customers around the world to adapt quickly to market demands, maintain their competitive edge and become more sustainable.

Sustainable product development

Our product managers and innovation and operations teams work to integrate sustainability criteria into the 'stage-gate' new product process, and run pilot tests with key customers. We also incorporate feedback from other stakeholders, such as suppliers, industry bodies and regulators. Our innovation teams are constantly improving the attributes of our trays and films to better meet the requirements of customers and the needs of the end user and to ensure they incorporate sustainability attributes such as lower carbon emissions, recycled content and/or recyclability features.

Product design for efficient manufacturing and distribution

kp's product design protocols help us minimise the use of materials. For example, leftover material from production (or 'trim' waste) is treated as a valuable resource. Accordingly, production is sequenced in the most efficient way, with fewer 'changeovers' creating less waste. Meanwhile, in distribution and logistics we maximise resource efficiency by ensuring that vehicles are full, are used efficiently and provide 'reverse logistics' options. In recent years, we have invested in

sophisticated transport management systems and super-efficient haulage in the EU and the USA. Our stackable tray designs also ensure that storage and loading volume are reduced.

Design and consumer behaviour

The 'use phase' of packaging means meeting the consumer's need to receive a product in its optimal state – for example, protected, fresh and hygienic. The best packaging can help reduce waste while delivering benefits such as a high-quality consumer food experience or the reassurance that medicines remain sterile. Designing for sustainability includes making it as easy as possible for the consumer to recycle our products – that is why we have introduced innovations such as padless protein trays (kp Zapora®) and labels that can be processed along with the bottle (SmartCycle®).

Design for end-of-life management

Our expert teams continue working towards recyclability. We are working hard to offer recyclable alternatives for kp's extensive range of products, while still preserving the benefits delivered by high-quality packaging.

Our influence in the value chain



Include clear and simple on-pack messaging such as 'recycle me'



Design recyclable products to enable easy disposal by consumer

End of life other than recycling (system leakage)

Waste management
Partner with members of the value chain in order to improve waste management and find a second life for different waste products

Suppliers/recyclers
Sourcing materials responsibly and prioritising the use of sustainable alternatives are crucial steps in reducing the environmental impacts of our products

Innovation and design
Our innovation teams address customer needs, market and legislation requirements, and sustainability through a five-stage process, collaborating closely with stakeholders

Manufacturing
Reduce the environmental footprint of our operations through efficiency programmes while promoting resource efficiency and circularity

Customer use
Ensure our packaging safeguards our customers' products across demanding distribution and retail channels

Consumer use and disposal
Ensure products are protected and safeguarded, food can be kept for longer and customers can meet their sustainability targets

 **65**

Supplier engagement programme with the top 65 contributors to our carbon emissions

 **118k**

More than 118,000 tonnes of recycled material purchased

 **68%**

Recyclable alternatives for 68% of our product portfolio

 **100%**

Up to 100% recycled content incorporated in our products

 **Zero**

We maintained zero waste to landfill or incineration without energy recovery⁵

 **4**

Renewable energy programme – four sites with on-site solar

 **52%**

Achieved 52% reduction in Scope 1 and 2 emissions versus 2019

5. Where legislation allows.



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Close the Loop

We wish to see the materials that make up our products become part of the circular economy, so we design them with the whole life cycle in mind.

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Highlights

24.4%

of the plastic packaging we produced last year comprised post-consumer recycled (PCR) material.

32%

of our products by volume are designed for recyclability (2019: 22%).

12.5%

of our recycled material was from kp Tray2Tray®.

68%

Recyclable alternatives offered for 68% of our product portfolio.

Close the Loop

Overview

Plastic packaging extends the life of food and dramatically reduces waste. It protects medicines and medical devices from damage, and is convenient, durable, lightweight and transparent, where required. At the same time, we believe that packaging must offer all of this while being part of a closed recycling loop. That's why we focus on recycling valuable plastic material and avoiding landfill or other inadvertent loss to the environment, all while lowering carbon emissions.

Alignment with the UN Sustainable Development Goals



'Closing the loop' means reducing packaging waste and introducing innovations to enhance recyclability. In 2023, 36.5m tonnes of PCR plastics were produced globally; 8.7% of all plastics. Just over a fifth of this was produced in Europe, while 8% was produced in North America¹. The amount of post-consumer plastics sent for recycling in Europe has increased to 13.2%, in line with the growth in plastic waste generated¹. As economic growth leads to increases in all categories of waste, including plastics, the Packaging and Packaging Waste Regulation 2025/40² (PPWR) in Europe is setting targets for recycled content in plastic packaging by 2030¹.

rPET is an increasingly large component of packaging. In Europe, nearly 2m tonnes of flake is produced³ annually, with tray and sheet applications the main outlet for rPET in packaging, with a 32% share; food contact bottles account for 29%. Crucially, it is producers' pledges and actions that make the difference as we step up to meet regulatory targets. To enable packaging recycling at scale, we recognise the need for an expansion in recycling capacity, associated municipal infrastructure, policy and consumer education by 2030. Well-designed legislation and incentives are vital to improve recycling and recyclability.

1. https://plasticseurope.org/wp-content/uploads/2024/11/PE_TheFacts_24_digital-1pager.pdf
2. https://environment.ec.europa.eu/topics/waste-and-recycling/package-waste_en
3. www.petnology.com/online/news-detail/plastics-recyclers-europe-pet-packaging-moving-steadily-towards-circularity
4. From 9.1% in 2018 to 7.2% in 2023, www.circularity-gap.world/2024

"We recognise the challenges presented by evolving implementation of the EU's PPWR, and we are well positioned to meet them. Our dedicated regulatory team ensures compliance, while our innovation teams develop forward-thinking solutions that align with both current and anticipated legislation."

Ethan O'Brien

Group Director, Sustainability Operations and Regulatory Affairs

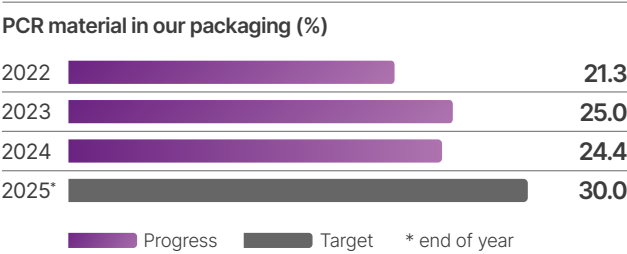
Meanwhile, the share of secondary materials consumed by the global economy is decreasing⁴, but industry is working hard with others to make the necessary improvements, and to prevent packaging becoming pollution. kp collaborates with consumers, customers, partners, manufacturers and government agencies to close the loop and maximise the value of plastics.

Target I.

Use more recycled material

Target I.

Our progress



kp has been delivering premium-quality products containing PCR material for almost two decades, consistently meeting international safety regulations and consumer expectations. We have developed various technologies that enable us to incorporate PCR material into our products, aiding our customers in achieving their sustainability commitments. By recirculating valuable raw materials, we conserve resources and reduce the need for landfill and incineration.

There are various challenges inherent to incorporating more recycled material in our products, such as changes in demand, underinvestment in feedstock collection and sorting, harmonisation of standards and balance of trade. As legislation is put in place around the world to address these challenges and encourage greater use of recycled material, we remain committed to adapting to evolving demands.

We stand ready to meet the significant challenge of ambitious European legislation concerning recycled material. We have already launched innovative, best-in-class packaging solutions which use mechanically recycled PCR content, with the aim of moving beyond PET polymers. We have also begun incorporating recycled polystyrene into our kp rXPS trays.

kp participates as fully as possible in the formulation of draft regulations such as the EU's PPWR, contributing as technical experts in formal Member State Standardisation Institutes (AFNOR, UNE, UNI, DIN).

We also help build consensus on standardisation proposals developed by the European system for technical standardisation, which are designed to benefit both industry and consumers. This will be the basis for upcoming PPWR-related Implementing Acts related to Design for Recyclability.

Target I. Use more recycled material continued

kp is also active in various industry organisations such as Petcore Europe⁵ and its flagship Tray Circularity Evaluation Platform (TCEP). The TCEP promotes PET thermoform innovations across the value chain, along with shrink sleeve labels for drinks bottles which can more easily be sorted and recycled. We also participate in RecyClass, which enables us to guarantee best-in-class chain of custody traceability and trust standards compliance. In this way, we promote recycling-friendly primary and secondary packaging, share our product and market knowledge and prove our commitment to making a change.

Making recyclable labels easy to adopt

Traditional shrink sleeve labels are typically made from virgin materials, which cannot be recycled as they are made of PVC or PETG based polymers.

To meet this challenge, kp introduced the SmartCycle® portfolio, which is recyclable in the RIC 1 stream. In 2024, we continued to build the portfolio, developing SmartCycle® Plus, a high-performance heat shrink sleeve label film. The film is made with 30% PCR chemically recycled content and remains compatible with existing labelling equipment and recycling infrastructure.

By integrating recycled material without compromising functionality, we provide brands with a sustainable and recyclable labelling solution that maintains clarity, printability and performance.



To develop SmartCycle® Plus, we conducted extensive material testing to validate performance, shrink characteristics and print compatibility, to ensure high-quality PCR integration.

In 2025, we plan to explore opportunities to push beyond 30% recycled content without sacrificing performance. We will continue to expand the portfolio by adding additional shrink performance characteristics, helping us scale this product for various customer applications.

5. Petcore Europe is the voice of companies and associations involved in the PET value chain in Europe www.petcore-europe.org/

Target I. Use more recycled material continued

Performance

During the last year, our use of PCR has remained stable. Demand for recycled content is affected by various forces – primarily cost to the customer and supply chain pressures, as well as the slow harmonisation of standards or laws affecting single-use bottle PCR content⁶.

Notwithstanding such pressures, in 2024 our FP and PHD teams continued to deliver innovative products in line with our strategy.

Over the year, in our FP division, PCR made up 38.2% of the raw materials we used to make our products.

In 2024, we launched the first ever food packaging trays made from 100% rPET sourced exclusively from trays, marking a significant milestone in the food packaging industry.

24.4%

of the plastic packaging we produced last year comprised post-consumer recycled (PCR) material

Innovative medical packaging made with 50% recycled content

Up to now, rigid medical packaging has relied entirely on virgin plastics. That is why we developed SecondLife® MD, a medical device packaging film containing 50% PCR content.

To develop SecondLife® MD, we deployed our expertise in advanced polymer science and post-consumer advanced recycling technology to produce a PCR-based film that provides the same clarity, device protection and patient safety as virgin materials. In addition to its best-in-class performance in the areas of patient safety and sustainability, SecondLife® MD also meets all global regulatory requirements for medical packaging, including ISO 11607-1 and ISO 10993-5 standards.



6. Commission Implementing Decision (EU) 2023/2683 mandates significant increases in the recycled plastic content of single-use plastic beverage bottles, including PET bottles, effective from 1 December 2023.

Target I. Use more recycled material continued

Additionally, products such as our kp rXPS/kp rXPS MAP trays and kp FlexiLid® EH 332+ are now established in the portfolio offered to customers and contribute significantly towards our target to increase PCR content. They are part of the way we deliver the principle of 'Packaging with integrity' to provide the most expansive range of quality thermoformed trays and rigid films, as well as flexible barrier films and stretch films, while minimising our negative impact.

New additions that are helping us to increase recycled content include:

- kp rXPS range, extended in 2024 to include an absorbent tray, a traditional packaging solution for protein designed to be used without the pad
- kp 100% Tray2Tray® (please see page 30)

Our Pharma, Health & Protection and Durables (PHD) division produces films for the consumer, pharmaceutical, medical device, labels and durables markets. The level of PCR content in PHD products in 2024 was 2.5%. This is slightly lower than the previous year, and reflects the particular dynamics of our markets in 2024. Within that context, kp is one of only three global companies deploying a recyclable modified APET film for medical device packaging, which allows us to pursue new sustainable packaging opportunities with manufacturers.

While the recycling of healthcare packaging is strictly limited by regulations, PHD is nevertheless steadily increasing its use of PCR content in secondary packaging for medical devices, in response to customer requirements and regulations in the USA.

In recent years, we have offered solutions such as kpEnhance® RM1, our SmartCycle® range of PCR films, and our SecondLife® MD medical device films.

Key highlights include:

1. Pentalabel® SmartCycle® Pro and Plus shrink sleeves are no longer a barrier to bottle recycling, rather they are helping to push more bottles into the PET stream. Designed to be recycled together with the bottle, these labels eliminate the need for separation, and now include 30% post-consumer recycled content, supporting compliance with national plastic taxes focused on recycled content. Strong growth in the US market continues, with new finishes and an expanded range of options now available.
2. Our consumer packaging SmartCycle® portfolio, a range of PCR films that provide a range of packaging options to consumers, while also helping consumer product companies and retailers to reach their sustainability commitments.

Certifications

We maintain third-party certification of recycled content claims in line with European Standard EN 15343:2007 Plastics Recycling, RecyClass, AENOR and RETRAY. At least one certification is in place at ten of our sites to fulfil our customer requests and legislative back-up of claims.

Product quality and credibility are evidenced using certifications from reputable providers. Our FP division achieved a 'world-first' fully closed-loop Traceability Certification in our flagship kp Tray2Tray® programme, using RecyClass and RETRAY at our Pravia site in Spain. kp Tray2Tray® is the first food packaging tray initiative in the market to offer trays of 100% rPET derived exclusively from trays.

Meanwhile, our PHD division's consumer product packaging films continue to use third-party certification of recycled content claims via SCS Global Services Recycled Content Certification and RecyClass. Additionally, for the 2024 reporting period, we maintained the ISCC Plus mass-balance certifications at our sites in Montabaur in Germany, and Rural Retreat and Gordonsville in the USA⁷.

7. Our ISCC Plus certificates are available on request at <https://tinyurl.com/59wy9wxf>

Target I. Use more recycled material continued**Chemical recycling update**

We continue to partner with leading developers of chemical recycling technologies to take advantage of this exciting new development in the recycling of plastic materials. Well-suited to pharma and healthcare applications, we produce medical device packaging with chemically recycled resins at our plant in Montabaur, Germany – the first in Europe able to meet the strict guidelines for this type of packaging.

While mechanical recycling is the preferred option, chemical recycling can keep additional material in the circular economy and can incorporate hard-to-recycle materials, such as coloured rejects, complex multi-layer packaging, pre-consumer fibre or green strapping, for conversion into virgin-quality material.

Chemical recycling is well suited to demanding circumstances where there are regulatory limitations on medical applications, risks of system leakage (pollution) or 'migration' (movement of impurities). Chemical recycling technology has a place because it allows us to incorporate recycled content in our flexible films range, while achieving the physical properties and transparency associated with virgin polymers. Accordingly, we work closely with partners with advanced recycling processes to qualify the use of these materials within our portfolio.

Our FP division also continues to make progress on some important academic partnership projects, such as BHET⁸ and RPET-Q⁹. Projects like these allow us to engage and collaborate with leading universities, as well as research and technology centres.

Outlook

kp is ready to play its part. We will be continuing to participate in standardisation and regulatory engagement work with Petcore Europe, CEN and EUPC as well as national organisations. Our association and work with the BPF, ANAIP, Unionplast, Elipso and IK will also continue. This includes advocacy relating to waste collection and recycling infrastructure, the management of extended producer responsibility (EPR) fees, regional planning and local authority efficiencies.

To reach the point where packaging material never becomes waste requires clear and consistent efforts on technical innovation, policy advocacy and building commercial resilience. Looking ahead, we also want to make sure that we incorporate the efficient use of materials through our operations.

See page 85 for more on our collaborations.

8. BHET monomer production based on PET packages funded by Swedish Energy Agency project number: P2022-00183.

9. This project has received funding from the IDEPA and ERDF for the execution of research and development projects in the Principality of Asturias during 2021 call.

kp insights

Ben Elkington on helping customers stay ahead of the curve

Ben Elkington
Innovation Director,
Food Packaging



Q. Anticipating customers' needs and supporting their sustainability goals are two of kp's major strengths. How does your team help make this a reality?

A. We follow the development of regulations very closely, as this is what tends to drive a lot of change in the industry. We position ourselves as a trusted advisor, using our knowledge and experience to help customers through some complex legislative changes. For example, the EU's PPWR (Packaging and Packaging Waste Regulation) will very likely shape the future of packaging in Europe for the next decade or two. We like to reassure customers that we have their backs, and that we can help them prepare for the future.

Q. What are your specific differentiators in this area – why do people choose to partner with kp during times of change?

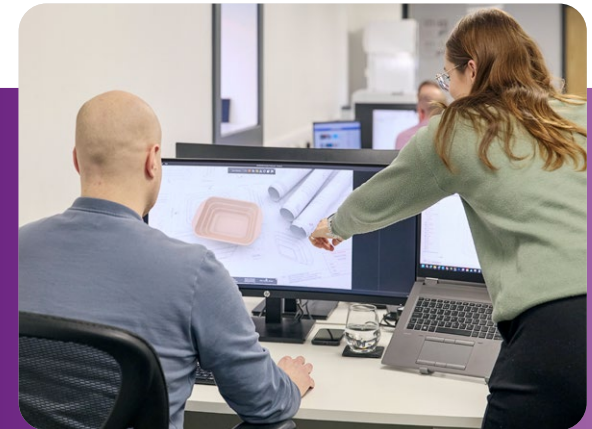
A. The fact that we're a multi-format packaging supplier means that, on top of our regulatory expertise, we can see trends coming – for example, meat moving from rigid to flexible packaging. Because we can supply both, we can position ourselves as a more impartial advisor, and help customers to make the best choices rather than just pushing one product. Our global footprint and diverse set of customers mean that we learn a lot from our facilities around the world, and can help our customers expand into new markets with novel solutions.

Q. Can you share some notable instances of kp implementing changes to anticipate future sustainability-led regulations?

A. A few years ago, single-use plastics legislation was first implemented in the EU, and then in the UK. We learned many lessons from the EU roll-out, and so when the legislation emerged in the UK we were ready to transition an entire market from expanded polystyrene, which had been newly banned, to expanded polypropylene in a matter of months. We could walk our customers through the changes ahead of time and offer an effective solution.

Q. Staying ahead of the curve is, by its nature, not an easy thing to do. Which challenges do you typically face?

A. Regulatory uncertainty is the big one. For example, the goals and timescale of PPWR are now established but some of the critical details are still being developed. We're running parallel projects so that we are prepared for a variety of outcomes. It also takes time to develop these new solutions, given their complexity. Ultimately, we're always looking for smart ways to solve problems that tick the right boxes, but which also allow us to add real value for customers.



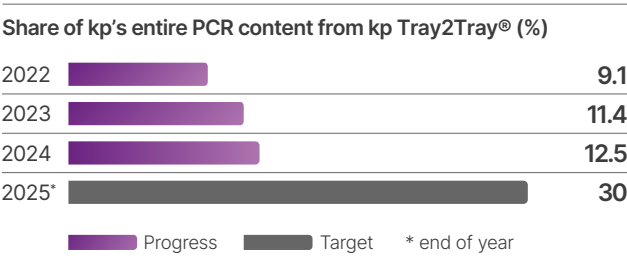
“Our global footprint and diverse customer base mean that we learn a lot from our facilities around the world, and can help our customers expand into new markets with novel solutions.”

Target II.

Close the packaging loop

Target II.

Our progress



kp’s Tray2Tray® is the first food packaging tray composed entirely of post-consumer recycled material derived from thermoformed trays. This initiative is circularity in action, with food trays and rigid film products recovered and recycled to make new ones of the same quality, again and again.

PET plastic bottles are frequently recycled; plastic trays less so. The kp Tray2Tray® programme offers a solution for the billions of trays produced each year by:

- Creating a ‘closed loop’ of food packaging trays from any source through managed recovery and reprocessing.
- Working with municipalities, the recycling industry, packers and retailers to secure a separate supply of rPET pots, tubs and trays.

We were thrilled to introduce the first-ever 100% rPET tray to the market produced entirely from recycled pots, tubs and trays. Innovations like this enable us to help our customers meet their sustainability goals, strengthen the supply chain, create changes in consumer behaviour and alter perceptions of plastic packaging.

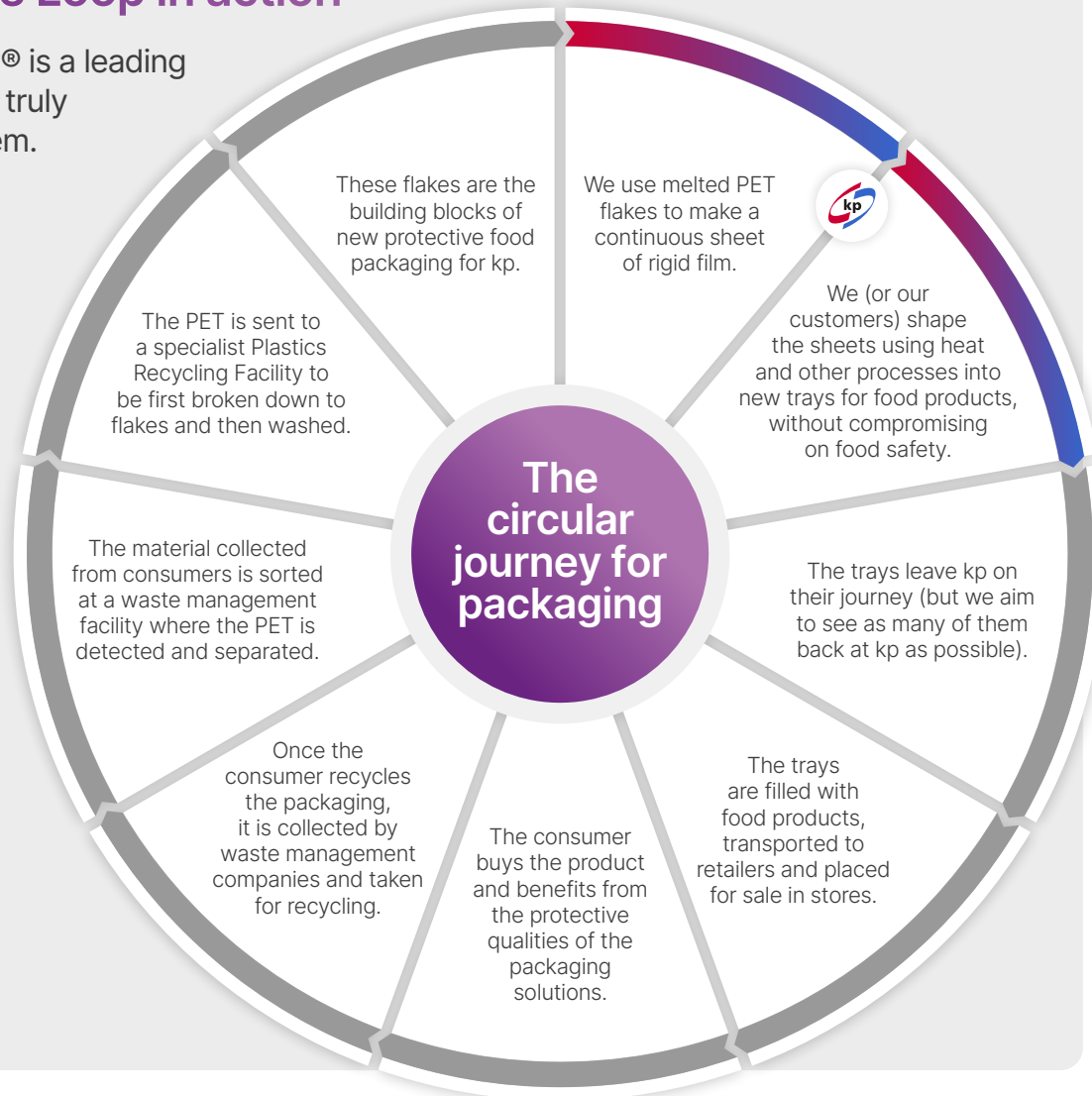
Unfortunately, relatively few countries collect PET trays for recycling; the rate of trays sorted for recycling in the EU, for instance, is around 25%¹⁰. We continue to support the development of tray recovery and reprocessing across a variety of markets, and we believe there exists the potential to bring more than 50,000 tonnes of rPET back into use. Our solid relationships with suppliers, retailers and packers allow us to access the required material and induce demand.

10. Latest available data is from 2022 www.plasticsrecyclers.eu/wp-content/uploads/2024/05/PET-Market-in-Europe-State-of-Play-2022-Data-V3.pdf

Target II. Close the packaging loop continued

Close the Loop in action

kp Tray2Tray® is a leading example of a truly circular system.



Performance

While improving, scaling up and accelerating high-quality collection and sorting is challenging, in 2024 12.5% of our recycled material was nonetheless sourced from the kpTray2Tray® initiative (2023: 11.4%, 2020: 3%).

Our target is to originate 30% of our PCR consumption from pots, tubs and trays by the end of 2025. However, limited collection and sorting infrastructure is hindering our progress. That said, 2.6bn post-consumer trays have been recovered and used through the programme since 2022, so significant progress is possible. We maintain committed to increasing that number by collaborating with the whole value chain.

12.5%

of our recycled material was from kpTray2Tray®

Target II. Close the packaging loop continued

kp 100% Tray2Tray® is a breakthrough innovation

Achieving full circularity for PET trays is now a reality, thanks to kp's technical capabilities in extrusion and thermoforming and the top-tier technology available in the supply chain – sorting, recycling and delamination.

kp 100% Tray2Tray® is a PET tray used to pack fresh protein and is the first-ever food tray made entirely from other recycled trays.

kp's supply chain is both RecyClass and RETRAY certified, and the new tray is ideal for businesses looking to minimise their exposure to taxes on plastic and emissions. Key benefits include a low carbon footprint, lightness and great on-shelf optics. The trays are also suitable for existing high-speed packaging machines and can reduce our customers' total cost of ownership compared with standard polypropylene solutions.



To prove tray recyclability is possible at scale, we pursued an innovative 'open market' business model, which results in zero loss of value at any stage in the process. We hope that other packaging manufacturers will now follow suit and create similar products.

Amadori, a prominent brand in the Italian food sector, is one of our first customers. The company is now running a pilot in the UK with Tesco and Hilton Foods.

Working together upstream

We want our products to be recyclable at scale so we have continued working with recyclers and reprocessors to support the collection industry and make more material available. There has been growing investment in waste management and reprocessing capacity in recent decades, but we note that there remains insufficient capacity in the collection industry to supply the market, which is typically subject to seasonal fluctuations based on external factors.

Shaping policy is critical to closing the packaging loop, as is influencing our partners upstream on third-party certification, audit schemes (UK and EU material supply chains), controlled blending and chain of custody. See page 75 for more on procurement.

Target II. Close the packaging loop continued



Working on changing consumer habits

Circular systems can only succeed when consumers adjust their habits and perceptions. For example, there is now more acceptance of colour variation in plastics. There is still a significant opportunity to boost such acceptance, promote the value of all recyclable packaging and inspire consumers to opt for products protected by recycled packaging.

Consumers, manufacturers and brands influence public opinion and buying behaviour using information and guidance to inform each purchase and avoid poor decisions. kp Tray2Tray® products possess several relevant attributes:

- Appearance and placement on the shelf: the product's slight colour variation from virgin material highlights its recycled content, reinforced by third-party certification. This distinct appearance can serve as a selling point to consumers.
- Polymer performance like any other recycled PET: it can be sorted and recycled back into more food grade packaging with no compromise on functionality or safety.
- rPET traceability: our tray and rigid film supply chain is certified by RecyClass and RETRAY (certificates available on request).
- Lower cost: 'eco' taxes in many countries lead to a discount for using kp Tray2Tray®, where EPR schemes incentivise the use of PCR PET from bottles and/or food trays.

Outlook

We continue to work with the recycling industry to reduce the loss of trays in material flows, and to expand the volume of available material. Our goal is to secure supplies of good-quality tray flake to meet customer expectations at scale.

In parallel, we continue to encourage our customers to demand products which incorporate recycled content that's exclusively derived from post-consumer household collected pots, tubs and trays, while they ensure consumers are fully engaged on circularity.

kp insights

Claudio Fornaciari on the landmark launch of kp 100% Tray2Tray®



“It’s important to share a vision for sustainability that goes beyond meeting legal requirements or achieving the lowest possible cost.”

Q. This year, kp launched ‘100% Tray2Tray®’, a completely circular product line comprising trays made of 100% rPET derived exclusively from other trays. How did you and your team make it happen?

A. Two years ago, we had a functional prototype of a 100% rPET tray, which was very exciting. But we knew that we needed a supportive commercial partner with the right mindset to get the product on to store shelves. That partner was our customer Gesco, owner of the Amadori brand in Italy.

Fortunately, they were in the process of relaunching the brand, and wanted a fully sustainable packaging solution to promote as part of that relaunch. To build trust, we presented compelling data and obtained relevant certifications, both of which could be deployed in their own marketing campaigns. Both of our goals were met – we would be the first company to make such a product, and Amadori would be able to burnish its sustainability credentials.

Q. Once you had an enthusiastic partner, what did the process look like in terms of getting the new tray from prototype to production?

A. As soon as we had signed up Gesco we were working to a tight timeline from late 2023 onwards.

Claudio Fornaciari
Business Development Manager,
Food Packaging



In just eight months, the team was able to do everything to achieve mass production of the packaging. Given the deadlines, the manufacturing plant had to move unusually quickly, which required significant collaboration. Collaboration across the value chain is also particularly important when it comes to a circular product such as this, and so we were constantly in touch with the sorters and providers of the recycled material, establishing the strong collection and recycling streams necessary for success.

Q. Thinking about the future, what advice would you give for other companies who might want to take such an ambitious step?

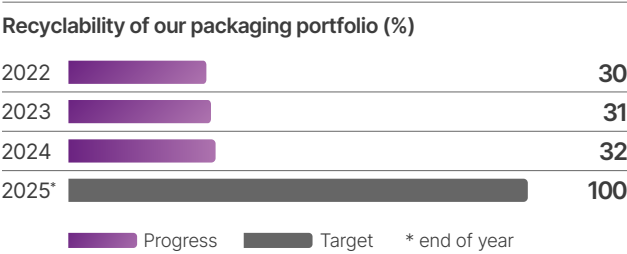
A. Looking ahead, I think that collaboration across the value chain will remain crucial, based on strong relationships between partners. It’s important also to share a vision for sustainability that goes beyond meeting legal requirements or achieving the lowest possible cost. And some bravery is always required, of course, to do something truly innovative.

Target III.

Recyclability

Target III.

Our progress



Creating a truly circular plastics economy requires a seamless flow of materials, supported by smart product design, robust recycling infrastructure and informed decision-making at every level. Success depends on collaboration between the waste and recycling industry, suppliers, converters, local authorities and consumers, all working together to keep valuable materials in circulation. By designing for recyclability and strengthening collection systems, we can maximise the environmental and economic return on the resources invested in plastic packaging.

Recyclability is most efficient when high-value packaging becomes high-quality feedstock in collection, sorting and recycling systems. Standardised design helps ensure recycling facilities receive the materials for new packaging products. That's why our processes and products align with the Design for Recyclability standards advocated by RecyClass, the Association of Plastic Recyclers (APR) in America, CEFLEX, RETRAY, the Tray Circularity Evaluation Platform (TCEP), and the European PET Bottle Platform (EPBP).

Upstream innovation is core to recyclability – rethinking products and services at the design stage, considering ways to use new materials, or even how to refine business models. But product design innovation alone cannot deliver a more circular economy; each stakeholder group must play its part to ensure material is recycled at scale.

Target III. Recyclability continued

What does 'recyclability' really mean?



To be considered recyclable¹¹ in plastic packaging recycling markets, the packaging product must:

- Be of a polymer formulation that can be collected for recycling.
- Be sorted and aggregated into defined streams for recycling processes.
- Have market value and/or be supported by legislation or a mandated programme.
- Have the ability to be processed and reclaimed or recycled with commercial recycling processes.
- Become a raw material that is used when making new products.

'Design for Recyclability' is the process of designing a product so that recycling infrastructure is able to process it, maintain its value and circulate it in the market, at scale. When we design for recyclability, we deliver products to be recycled where there is infrastructure for recycling at scale. This is our primary role in the circular economy as a packaging manufacturer.

EU legislation

As improvements proceed in the recycling industry, EU-level regulatory standardisation will make it more straightforward for producers such as kp to offer a uniform, recyclable product range across different European countries. Broadly speaking, we want to help shape policy-making to:

- (i) encourage recyclable product market demand;
- (ii) produce clear standards; and
- (iii) generate consumer acceptance.

Legislation helps reduce waste and creates a stronger market for recycled plastics and innovative packaging. Now, all packaging available in the EU must be designed to be recyclable from 2030 onwards¹². By 2035, operators would also need to demonstrate that packaging is recycled at scale and that there is appropriate recycling infrastructure in place.

We continue to work hard to ensure our customers are able to comply with the EU's Directive on single-use plastics¹³ and the EU Packaging and Packaging Waste Regulation (PPWR)¹⁴. The latter regulates mandatory recycled content levels and Design for Recyclability, thereby shaping markets in a favourable manner.

11. Definition developed by the Association of Plastic Recyclers (APR) and Plastics Recyclers Europe (PRE) in 2018, in line with the ISO 18604 international standard for recyclable packaging and the UNE-EN 13430 European standard for recyclability.

12. https://environment.ec.europa.eu/topics/waste-and-recycling/packaging-waste_en

13. Commission Implementing Decision (EU) 2023/2683 mandates increases in recycled plastic content of single-use plastic beverage bottles, including PET bottles, effective 1 December 2023.

14. The PPWR came into force on 11 February 2025, <https://eur-lex.europa.eu/eli/reg/2025/40/oj/eng>

Target III. Recyclability continued

Collaboration

During 2024 we participated in recyclability technical and standardisation working groups (see pages 22 and 26) to inform regulatory developments and eventual consumer guidance. Collaboration continues on Design for Recyclability, ensuring sorting and recycling at end-of-life is accounted for. This work is essential because kp can only influence the total recyclability of a product to a relatively small degree. This work promotes improvements in infrastructure and supplier support (see page 30).

kp continues to play a leading role in the cPET¹⁵ collaboration and heads a consortium of film manufacturers, ink suppliers, converters, brand owners and recyclers which aim to shape the future of shrink sleeve labels. In 2024, seven new members joined, and the consortium issued a list of inks and films that have already been tested, along with the protocols that new entrants must meet to access the European market. In parallel, kp has begun direct engagement with PET recyclers across nine countries, building partnerships and tracking the impact of cPET and washable inks across Europe.



Ultimately, of course, this 'design thinking' must engage consumers and lead to adoption of new behaviours. If, for example, more kp products are made from mono materials, with simple on-pack messaging, then consumers will find it easier to recycle, and brands will find it easier to nudge them to change their behaviour.

¹⁵. Crystallisable PET technology is used to make labels recyclable/compatible in the RIC1 PET bottle stream.

Target III. Recyclability continued

Performance

In 2024 the recyclability of our packaging portfolio – based on our sales volumes – was 32%, up ten percentage points since 2019.

Without any compromise on the primary purpose of protection, 68% (2023: 68%) of our product range has a recyclable alternative, and we are always working to increase the number of recyclable options available.

Much of kp's product development focus is on doing more with less. This must be coupled with products that meet our customers' needs and expectations, relating to, for instance, distribution cost benefits from lightweighting and market benefits from sustainable attributes.

Recent food packaging highlights include the ongoing expansion of our kp Infinity® packaging (fully recyclable polypropylene mono-material foam pack that can replace extruded polystyrene), as well as our kp MonoSeal®, kp Hotfill®, kp Elite®, kp FlexiLid® EH 145 R, kp Infinity® and SmartCycle® films.

We help our customers reach sustainability targets

In October 2024, we launched two new recyclable barrier flow wrap films that will help our customers to prepare for the EU's PPWR.

kp FlexiFlow® PH 255 R contains more than 93% polypropylene (PP), while kp FlexiFlow® EH 155 R contains more than 95% polyethylene (PE).

kp FlexiFlow® PH 255 R can be used either as a standalone flow wrap solution or in combination with our recyclable kp Infinity® tray to create a fully recyclable pack.

75%

potential reduction in pack weight versus traditional packaging options



These two new films are certified fully recyclable by Interzero¹⁶ in the PP and PE streams. Both offer outstanding sealability, anti-fog properties and high puncture resistance.

Compared with alternative packaging, the films can reduce plastic weight by up to 75%, which, combined with a low gauge and ability to protect food for longer, can meaningfully reduce our customers' costs.

16. www.interzero.de/en/our-company/about-us/

Target III. Recyclability continued

The first recyclable medical-grade film

To properly protect medical devices and maintain sterility, extremely safe and functional packaging is legally required. Up to now, meeting those high standards meant that this packaging could not be recycled.

To address this issue, we developed kpNext® MDR1, an advanced copolyester innovative solution for medical device packaging film, designed for recycling in the RIC 1 PET stream.

kpNext® MDR1 is a PET-based rigid medical film that can be processed like traditional materials, while also offering a pathway to circularity.

During the development process, we partnered with medical device manufacturers to validate the film's performance in real-world applications and conducted rigorous testing to ensure compatibility with sterilisation processes, forming and sealing equipment.

Looking ahead, we will work with medical device manufacturers and recyclers to advocate for recyclable medical packaging, and with hospital networks and recycling facilities to improve collection and recycling rates.



“With kpNext® MDR1, we are proud to have achieved optimised performance, proven compliance with medical device packaging and certified recyclability.”

Joshua Seylar
Senior Innovation Engineer, PHD

kp MonoSeal®, for example, is one of our first rigid film products to ‘close the loop’ while maintaining specialised sealability properties. It is fully recyclable, yet 7% lighter than multi-layer films and has been endorsed by the TCEP, part of Petcore Europe.

In 2024, we developed puncture resistant kp Monolayer rigid HDPE films, designed for applications requiring intense heat treatment, from blast freezing to pasteurisation. The films are also suitable for reusable trays, and can be washed more than 60 times. Our HDPE films are recyclable in the PE post-consumer recycling stream and are fully combined with our recyclable barrier top lidding film kp FlexiLid® EH 145 R.

In food packaging flexibles, we offer market-leading recyclable alternatives for our lidding, flow and vacuum films, certified by Interseroh and cyclos-HTP and designed following Ceflex guidelines for D4ACE PE mechanical recycling. The relevant products include kp FlexiLid® EH 145 R, kp FlexiFlow® EH 145 R and kp FlexiVac® R.

68%

Recyclable alternatives
offered for 68% of our
product portfolio

Target III. Recyclability continued

Major R&D efforts have been put into the development of stretch films for overwrap machines, which have historically been made from PVC. Regulatory pressures, as well as retailer and brand owner packaging strategies, are driving the transition from PVC to polyolefin-based alternatives. kp FlexiStretch® polyolefin films are well established in the European market for well-known flow pack and elevator style wrapping machines.

In 2024, we further improved the sustainability credentials of our kp Elite® modified atmosphere packaging tray (up to 100% post-consumer rPET and recyclable). Each tray has an adhesive coating which is certified for recyclability for PET streams in the UK and EU under the most recent sustainability guidelines. The product has been endorsed for recyclability by the TCEP, as well as receiving a Class A certification for recyclability from RecyClass, a 'designed for recycling' classification from OPRL and approval from APR in the USA. This new format is also vegan-approved, and we can now offer peel functionality to our customers.

In our PHD division, highlights from 2024 included:

- kpNext® MDR1, an advanced copolyester, for medical device packaging film designed for recycling in the RIC 1 PET stream.
- SmartCycle® Plus – launched in 2024 – utilises 30% PCR content and has the highest shrink rate of any PCR film available.
- Pentapharm® kpNext® RB5 was launched in 2023. In 2024, we continued to enhance our mid-barrier pharma portfolio with Pentapharm® kpNext® RB5.1. This product offers both a moisture and oxygen barrier while maintaining processability and improving sealability to broader substrates. This product is designed for recyclability in the RIC 5 PP stream.

Outlook

We continue to work on new developments in our range of Designed for Recycling alternatives in line with relevant certification requirements and customers' needs.

kp continues work on multi-level value chain partnerships in different forums and associations to promote standards and scale. We continue to focus on designing recyclable products, encouraging customer adoption, and full final solutions, such as kpNext® R1/RM1/RB2/RB5/RB5.1 in the pharmaceutical sector. We will further develop our partnerships with companies and institutions to design, build and test lidding products (such as for compatibility, print requirements and recyclability by a third party).

We also expect to develop new collaborations in product design innovation, relating to high barrier products in pharmaceutical primary packaging for oral use that are designed for recycling in the RIC 2 PE stream, and that are free from PFAS and BPA (colloquially known as 'forever' chemicals).

Inside kp, we continue to deliver training and briefings on manufacturing, R&D, sales, procurement and the way in which they promote recycling and recyclability. Each ongoing commitment, programme, partnership and collaboration, up and down the value chain, helps move us a little closer towards a more circular economy.

kp insights

Cameron Smith on a sustainability breakthrough in medical device packaging

Q. kpNext® MDR1, launched in late 2024, is designed for recyclability while offering the same strengths as traditional medical device packaging films. What was the economic case for the product?

A. The medical device packaging market has distinct requirements compared to the other sectors that kp serves. For many years, medical-grade PETG has been the industry's material of choice due to its superior device protection, clarity and formability, making up 60–70% of usage. However, a few years ago, several market trends converged, prompting medical device manufacturers to rethink their existing packaging strategies. First, there was growing pressure from patients, investors and consumers for manufacturers to enhance the sustainability of their operations. Second, repeated disruptions in the packaging supply chain highlighted the need for qualifying alternative materials to mitigate risks to patient health. Finally, several years of rising costs pushed healthcare companies to seek greater cost-effectiveness. These three trends intersected at the end of 2022, prompting kp to explore innovative medical packaging solutions that could enhance sustainability and supply chain resilience for medical device manufacturers.

Q. Can you offer a high-level overview of the process from the initial concept for kpNext® MDR1 to launch?

A. We follow a fairly standard new product development process – we begin with a concept then take that through design, prototyping, qualification and commercialisation stages. We refine the product formulation throughout, as we gain increasing clarity on market needs and customer requirements. In the case of kpNext® MDR1, given the acute market need, we moved quickly. In less than 18 months, kp introduced an innovative, high-performance medical device packaging film that addresses the critical needs of patient safety, sustainability and supply chain resilience required by device manufacturers. We launched kpNext® MDR1 at PACK EXPO in November 2024, and the market response has been extremely positive.

Q. Following this important first step, what do you think the future holds for medical device packaging, in terms of sustainability?

A. These are exciting times in the medical device packaging industry. The rapid rate at which novel medical devices are being developed is creating demand for new and novel types of medical device packaging. kp is the unquestioned market leader in rigid healthcare packaging and material science. This makes us an excellent partner for medical device manufacturers looking to develop the next generation of packaging.

Cameron Smith
Director, Product
Line Management
Consumer Health



Target III. Recyclability continued

Durables

Our 'Durables' product category consists of plastics engineered for a long life. The portfolio is vast and includes dozens of unique markets.

For example, engineered industrial films are used to make tapes, luxury vinyl tile flooring, decorative films for cabinets, doors and furniture, drywall corner strips or computer server cooling components, along with bank cards, gift cards, hotel key cards and retail packaging.

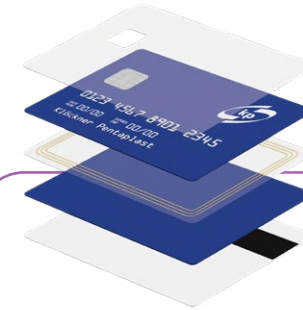


Our product innovation and design principles also apply to these segments, where we have a series of key goals:

1. Make each new product more sustainable than its predecessor, while applying enhanced process efficiency, internal rework and purchasing of recycled resins from global recycling partners and by avoiding chemicals of concern.
2. Provide solutions to customers that help them deliver more sustainable performance and credibility in their products and services.
3. Ensure end-of-life recovery via our robust – and expanding – closed-loop sourcing and buy-back system, which diverts products from landfill, reprocesses them and brings them back to kp as raw materials for technical films.

In 2024, we moved forward on bringing a Durables product with PCR content to market:

- A partnership with recyclers and customers identified and tested a particular end-of-life stream, allowing for conversion back into a 'calenderable' (suitable for heavy rollers) grade feedstock for kp.
- Our procurement team engaged with stakeholders in all areas of the business.
- We engaged end users on the benefits of diverting material from landfill.



Industry-leading recycled cards

Traditional plastic card cores (used for payment, gift cards, loyalty programmes or identification) are still typically made from virgin plastic, contributing to incremental resource consumption and waste.

To address this, we developed SecondLife® card films, made from certified, 100% pre-consumer recycled content. This high-performance card film meets industry standards, matching the clarity, rigidity and durability of virgin plastic, while significantly reducing environmental impact.

To make it happen, we collaborated with card manufacturers and brands to ensure printability, lamination and production compatibility, and then implemented sustainable material sourcing to create a closed-loop system for card film production.

SecondLife® card films can consume up to 65% less carbon than alternatives, and use less than half the water of traditional paper substrates. We will continue working with major brands that want to avail themselves of these benefits to integrate SecondLife® card films into their product lines, and explore additional recycled content options.



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Work Smarter

We have a responsibility to use as few resources as possible, as efficiently as possible, and we are always working hard to do better.

Overview →

I. Improve energy efficiency →

II. Reduce carbon emissions →

III. Stop sending waste to landfill →

Responsible water use →

1. Where legislation allows.

Highlights

52%

52% reduction in operational greenhouse gas emissions since 2019.

Zero

Our sites continue to send zero waste to landfill¹.

-19%

Overall energy use has fallen 19% since 2019.

4

Four sites have on-site solar systems, with more on the way.

63%

63% global renewable electricity procurement across all geographies.

Work Smarter

Overview

In our industry, it is widely accepted that plastic packaging manufacturers have a collective responsibility to use primary resources as efficiently as possible. We ensure that as we manufacture products (using either recycled or virgin polymers) we must minimise energy use, waste and greenhouse gas emissions.



Stakeholders trust the packaging industry to ensure that vital products, from food to medicines and beyond, reach their destination in a safe and sanitary condition. Stakeholders also expect careful stewardship of natural resources by industry. Working smarter is an important part of reconciling these critical imperatives.

For us, working smarter is about making changes that improve resource efficiency and energy management, lower greenhouse gas (GHG) emissions and help us generate less waste. We put together operational sustainability projects wherever we see a chance to boost the productivity of our operations.

“Through our Energy Task Force, we have established a forum where Group leaders and site champions can engage in knowledge sharing, idea exchange and contribute to a substantial project database, making us more efficient.”

Tobias Best
Group Manager Operations, Sustainability

Alignment with the UN Sustainable Development Goals

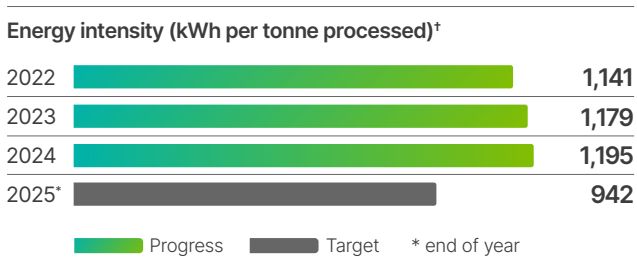


Target I.

Improve energy efficiency

Target I.

Our progress



[†] Temperature adjusted

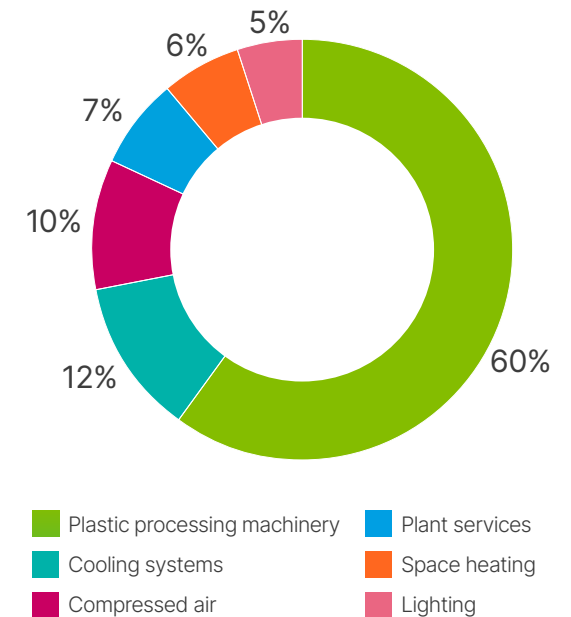
Clear business benefits arise from working smarter with energy, and clear sustainability benefits arise from using cleaner power sources.

Energy efficiency is as important to us as ever, particularly given that energy costs remained high and volatile throughout 2024. Our talented teams work hard to mitigate the impact of higher energy prices and market uncertainty.

Typically, energy consumed as heat, cooling and compressed air is required in the extrusion, calendering and thermoforming processes that we use to convert raw materials into finished products. Our operations are primarily powered by electricity, which accounts for 90% of our energy usage, with the remainder sourced from natural gas, diesel and other fuels.

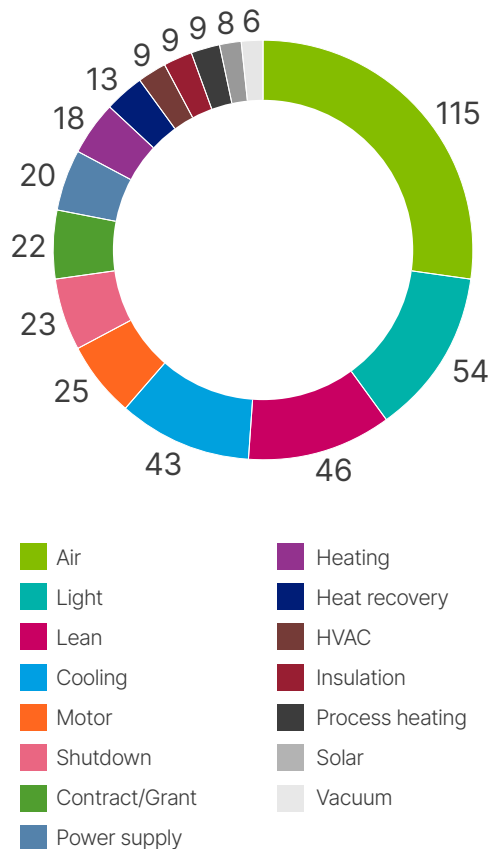
Our Operational Sustainability team works continuously with sites to improve energy efficiency and reduce waste, while our site-based energy champions continue to implement 'lean, clean and green' practices via the Energy Task Force. In 2024, the energy champions delivered around 70 additional projects globally, taking the total number of projects on our database to more than 420 since 2021. Previous investments in energy technology and equipment are now yielding good results.

kp's global energy profile



Target I. Improve energy efficiency continued

Split of 420 energy efficiency projects (2021–2025)



In 2024, we saw minimal change in the overall absolute energy consumption compared with the 2019 baseline; since 2023, it has increased by 0.6%. Energy intensity (usage per tonne) remains stable, and increased minimally by 1.5% to 1,197 kWh compared with 2023, against our target of 942 kWh by the end of 2025. While energy intensity per tonne in manufacturing has increased, our product innovations contribute to a steady reduction in the overall use of raw materials.

There is an inherent trade-off between energy intensity and product innovation: customers want lightweight packaging, but this requires production lines to run with the same speed, duration and energy demand, except with lower tonnage throughput. Since the launch of the 'Investing in Better' strategy in 2020, the thickness of packaging film has been reduced by up to 20% at selected kp sites. In 2024, we conducted further analyses into film thickness at all kp sites; a demonstrable improvement of six percentage points was achieved in energy intensity per unit, using film thickness instead of weight as the denominator.

We are proud of the success of our energy-efficiency projects this year, which covered insulation, compressed air, motors, drives, pumps, automation, lighting and air conditioning. In some of our factories, we have installed detailed energy monitoring systems at multiple points along production lines, including compressors, chillers and other equipment.

The energy-efficiency projects made cost savings of €2.6m in 2024. This success is supported by the training we provide to employees on production process and energy efficiency.

One of the key projects this year concerned improvements to how we handle compressed air, a critical part of our production process. We introduced modern detection technology and surveys to eliminate inefficiency, all within planned maintenance hours. See page 47 for information on how we are reducing GHG emissions.

The kinds of challenges recently faced by our teams included:

- 'Close the loop' ambitions require more cleaning and decontamination of recycled raw materials, which requires more energy
- Thickness reduction and down-gauging limit the usefulness of energy consumption per tonne as measurement.
- Ensuring safety and a comfortable work environment may require additional energy consumption, e.g. for air conditioning.
- Complexity of the product portfolio and the need to increase processing capacity for internal recycling and cleaning.

Outlook

As we evolve our practices and our overall 'Investing in Better' strategy, we will be changing how we organise and finance our energy-efficiency projects. By fostering a symbiotic relationship between operational efficiency and sustainability, we create a win-win for the environment and our bottom line.

kp insights

Jean-Yves Le Guerroue on reducing energy use at Pontivy

Q. You have a key role in managing and reducing energy use at kp's Pontivy site in France. What are some of the areas you focus on?

A. Since we achieved the ISO 50001 certification in 2019, I've been in charge of reducing energy (mainly electricity, with a small quantity of gas) use on site. That involves keeping a close watch on just about every way we use energy. For example, we've appointed a team to focus on energy consumption per machine, to work out why some are more energy hungry than others, and then to come up with guidance to control consumption. Recent successes include reducing gas consumption by 75% by installing heat recovery equipment on our chillers. We have standard operating procedures to reduce energy consumption to as low a level as possible when we're turning machines on and off to respond to market demands.

Q. Working Smarter often involves communicating the benefits to a wider team. How have you handled that?

A. At Pontivy, we spend a lot of time making sure that the entire team understands how important it is to minimise energy use, and to draw a clear line between what we do every day, our financial results and our impact on the planet.

It's also critical that the business and production teams understand that this can be a competitive advantage, with greater energy efficiency allowing us to achieve better prices than competitors.

Q. Have you been able to share best practice with the many other kp sites around the world?

A. We're able to do so every month at the Energy Task Force meeting, where each site shares information about the improvements they've made, and on quick wins that can be deployed on site. There are also typically annual site visits from our international colleagues.

Q. What do you think the future holds, in terms of further initiatives at Pontivy?

A. Over time it tends to become trickier to find new sources of energy efficiency, but we believe it's important to continue. Building on our existing understanding of the production process is likely the key to further improvements. Our process is complicated, and it's sometimes difficult to analyse the source of the variations in energy consumption. It's possible that AI could help us understand better and make positive changes in the future.

Jean-Yves Le Guerroue
Asset Care and Project Manager
Pontivy, France



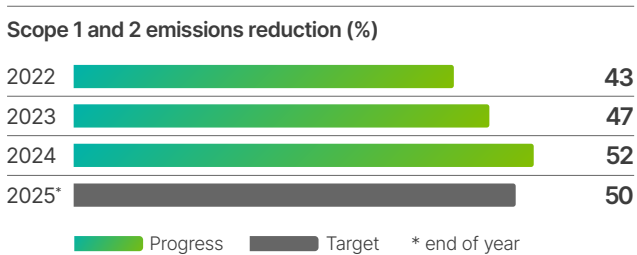
“We spend a lot of time making sure that the entire team understands how important it is to minimise energy use, and to draw a clear line between what we do every day, our financial results and our impact on the planet.”

Target II.

Reduce carbon emissions

Target II.

Our progress



We understand that global climate change can impact businesses, communities and the environment. Our response to physical effects on kp, to regulatory changes and to market conditions is to maintain strong governance, business continuity planning, commercial resilience and to prevent, mitigate and control relevant risks. Notably, kp's emissions target for Scope 1 and Scope 2 GHG emissions was achieved this year, ahead of the end-of-2025 deadline.

We manage risks and opportunities, guided by our enterprise risk management programme, to balance mitigation measures with adaptation to the physical and market effects of changing climate systems and weather variability.

Our approach combines energy management, adoption of renewable energy, promotion of resource circularity (page 21), external partnerships and product innovation, as well as consistent monitoring and reporting. We continue to disclose greenhouse gas emissions from our operations, and we are working with partners in the value chain to do the same.

While some emissions reductions can be attributed to an improvement in grid emission factors, our work on energy efficiency and increasing use of renewable electricity are the two most important programmes.

These programmes are complemented by supply chain engagement that aims to manage our Scope 3 emissions (see pages 75 and 48). Our emissions reduction work is structured around meeting defined GHG emissions targets, validated by the Science Based Targets initiative (SBTi) in 2021.

Target II. Reduce carbon emissions continued



Our overall 'lean and green' corporate target is to halve our global operational emissions by the end of 2025, versus the 2019 baseline.

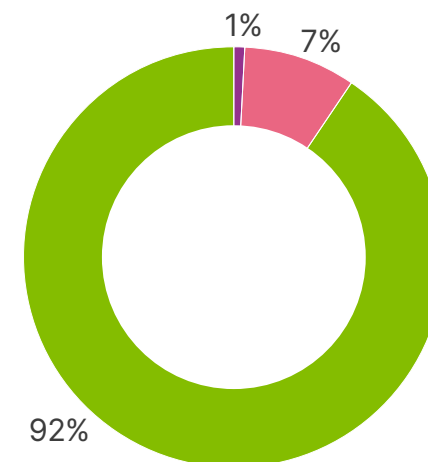
In 2024, we achieved a 52% reduction in our Scope 1 and 2 operational greenhouse gas emissions compared to the 2019 baseline. This represents the successful delivery of our emissions reduction target and reflects continued progress towards our long-term climate objectives.

The emissions intensity of our operations (Scope 1 and 2) was 0.27 tCO₂e/tonne of product produced in 2024, compared with 0.43 in 2019. This equates to a 40% improvement.

Around 90% of kp's operational energy is from electricity sources. Increasing the use of renewable energy, a key focus area, has helped us meet our emissions reduction goals and to achieve greater security of supply.

The preferred alternative energy source at kp is solar. By the end of 2024, four factories located in Thailand, Spain and Portugal were operating on-site solar energy systems, and there are a further ten installations planned at other sites. We also continue to pursue our 'Make or Buy' strategy: a mix of on-site and near-site solar systems, renewable power certificates (commodities bought on the open market representing renewable generation) and power purchase agreements (PPAs). Underlining our commitment, kp signed a three-year PPA under the Italian Energy Release 2.0 scheme, whereby 40% of all electricity will come from renewable sources from 2025 to 2027. This project will contribute additional renewable energy capacity to the Italian grid.

kp's GHG emissions breakdown by Scope



Operational emissions

Scope 1
Scope 2

Upstream and downstream emissions

Scope 3

Target II. Reduce carbon emissions continued

By the end of 2024, 63% of our electricity was generated from renewable sources² (2023: 54%), with 17 sites in ten countries using only renewable electricity. So far, we have avoided generating over 140,000 tonnes of carbon, when compared with the baseline.

Looking beyond our operations, our strategy for sustainable packaging focuses on embodied carbon emissions (a Scope 3 category). Reliable data sources suggest that plastics emit fewer GHG emissions than alternatives³; this is beneficial to all kp products where alternative materials are used at scale. Over 90% of our emissions come from Scope 3 categories, and more than 75% of those emissions arise from the raw materials we purchase; as such, partnering with the entire value chain is key to reducing emissions.

63%

of our electricity
was generated
from renewable sources

Meeting the 50m kWh challenge

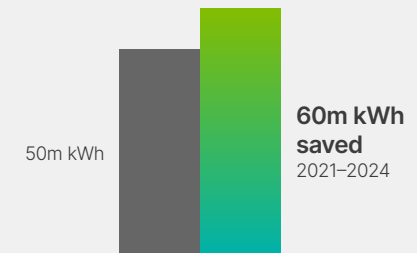
Beginning in 2020, we have run more than 420 separate energy efficiency projects of different shapes and sizes, which have had a big cumulative impact.

Typically, we attempt first to use less energy then move on to investing in greater efficiency and finally to investment in renewables – a clear ‘energy hierarchy’.

By working smarter across our operations, kp ultimately saved around 60m kWh of energy between 2021 and 2024, beating our target of 50m kWh – a substantial achievement by our teams.



Energy-efficiency savings



The biggest savings have come from improvements to cooling systems (115 projects saved 14,000 MWh), finding better ways of shutting down and starting up manufacturing equipment (23 projects saved 8,000 MWh) and implementing ‘lean thinking’ to improve efficiency (46 projects saved 8,000 MWh).

- Achieved via a combination of renewable energy certificates as well as on-site renewable energy. Note also that many of the electricity grids where we operate are gradually incorporating more renewables, which makes a small contribution to our target.
- Source: www.mckinsey.com/industries/chemicals/our-insights/climate-impact-of-plastics GHG savings range from 10% to 90%, considering both product life cycle and impact of use.

Target II. Reduce carbon emissions continued

Target II. Our progress

Scope 3 emissions reduction (%)



Our goal focuses on purchased raw materials, processing of products and end-of-life treatment; we aim to reduce Scope 3 emissions intensity (i.e. per tonne of raw materials) by 20% by 2030.

We continued with our wider programme of supplier engagement in 2024, and achieved a 3.0% reduction of Scope 3 emissions intensity. By using recycled material in our operations, we have avoided more than 317,500 tonnes of CO₂e emissions.

During the year, we worked with our ‘carbon strategic’ suppliers (65% of our upstream Scope 3 emissions) to manage emissions using targets, Life Cycle Analysis data and action programmes. By the end of 2024, 18% had their own science-based climate targets, and we received primary data from 38% of these suppliers.

The supplier data component of our GHG inventory improves year-on-year, and we continue to incorporate the primary data collected from suppliers into our GHG accounting.

Outlook

We are in the process of completing the installation of solar energy systems at our Bertinoro site in Italy. Meanwhile, our Renewable Energy Technology Assessment continues to generate a pipeline of on-site or near-site solar projects across kp’s global operations, with priority given to those that are financially viable. These initiatives reflect our commitment to expanding renewable energy sources within our operations.

We are assessing all the main categories of GHG emissions (across Scope 1, 2 and 3) to understand the implications for the business of cutting emissions as low as possible (the ‘net zero’ approach). This will involve engaging with the Executive Leadership Team and Board. Additionally, we will continue digitising aspects of our supplier engagement programme to support work in reducing ourScope 3 emissions.

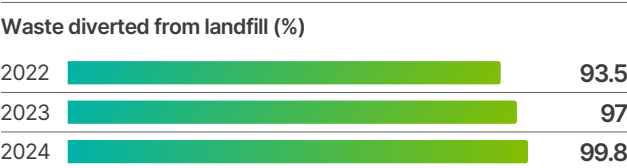
See page 79 for our TCFD disclosure.

Target III.

Stop sending waste to landfill

Target III.

Our progress



Our packaging production facilities incorporate sophisticated new technologies, automation and other advanced digital processes. While these sites are designed for high efficiency, waste generation remains an unavoidable part of manufacturing. As such, reducing and eliminating waste is a critical area of focus for us.

Waste is defined as material discarded in the normal operation of a site that cannot be reprocessed. We aim to divert all such material from landfill through reduction, reuse, recycling and waste-to-energy, and we have a strong track record of doing so. See page 73 for more on our management approach and page 92 for hazardous waste data.

In 2024, we maintained the ‘zero waste to landfill’ status achieved in 2023. Waste is managed in a variety of ways across our different sites, which often must respond to specific local challenges. This achievement is the result of the hard work and ingenuity of the teams on the ground. In both divisions, waste generated is down 4% and 2%, respectively, and we are working to increase site recycling rates to at least 90%. Our focus is on internal recycling and we have harmonised how we manage hazardous waste across the company.

In 2024, waste material sent for treatment from kp sites totalled 47,614 tonnes. The principle of a waste management hierarchy guides our actions: prevention first, followed by reuse, recycling and energy recovery.

A new Waste Stream Analysis Tool is now in place for all sites, and a new operational sustainability dashboard is used for quantitative waste tracking. Since October 2024, a new Waste Task Force has produced a scrap management policy, guidelines and monitoring tools (scrap is defined as plastic used in core production inputs that is not directly reused by kp). The guidelines help to standardise scrap classification, reuse or disposal processes across all sites. By actively participating in waste reduction initiatives, we can contribute towards a more sustainable planet and responsible resource management.

Target III. Stop sending waste to landfill continued



Task Force launched to reduce waste sent to disposal

In recent years, kp has made considerable progress in minimising the waste generated during production. Nevertheless, there are significant opportunities for further improvement.

That's why, in October 2024, we launched the Waste Task Force. This initiative has already led to the development of a new global scrap management policy, guidelines and data dashboard for use across the whole company.

The Waste Task Force is designed to standardise our approach to the management and rework of scrap materials, and to promote waste reduction projects and internal recycling of material within the kp network.

Looking ahead, we plan to ensure that further stretching waste reduction goals are part of the forthcoming 2025–2030 sustainability strategy.

Given our teams' existing familiarity with the concept of 'lean' principles, we used these to design our sustainability-focused projects. Production process efficiency and energy efficiency go hand in hand.

Outlook

Data is becoming a key part of how we manage sustainability in our operations. We use a sustainability dashboard that tracks our progress on operational sustainability across the main objectives. We update this monthly and share it with relevant stakeholders.

The new scrap management policy and improved waste monitoring processes are accelerating our waste reduction efforts. This is supported by continued focus on data quality, internal controls and audit, and consistent practices across all kp sites. Now that zero landfill is achieved, we are looking to take the lead in how we reduce and reuse materials within kp. Waste is an important element in future strategies too, and we will be expanding the use of our best practice database of waste reduction projects in 2025.

Responsible water use

While we recognise the need to help protect and restore water resources, our manufacturing processes are not water intensive.

kp factories draw municipal water and discharge wastewater to municipal systems. The quality of discharges is monitored to ensure compliance with all regional and/or local regulations.

Our roadmap for water management in manufacturing plants incorporates water efficiency projects such as rainwater reuse, automatic washer overflow and effluent treatment. We assess water supply risk and share best practice in process water systems, machine calibration and standard water efficiency metrics. Designated experts monitor water risks and run management plans.

We adopt a precautionary approach to water risk management, and our Code of Conduct commits us to compliance with water stewardship regulations.

A group-wide risk assessment is guided by a combined water stress index based on the World Wide Fund for Nature's Water Risk Filter and World Resources Institute's Aqueduct tool.

Impacts relating to withdrawal, consumption and discharge are particularly important in water-stressed areas, so our regular assessment will identify any sites exposed to the greatest risk.

All sites have a water management plan in place which conforms with local conditions; all corporate water risks are managed and kp's governance and management are robust. We therefore believe that an overarching enterprise-wide water stewardship target is not required.

When a territory withdraws 25% or more of its renewable freshwater resources, it is said to be 'water-stressed'. Of the 2.5 million m³ of water withdrawn by kp in 2024, around 2% was used within the five of our 30 locations classified as experiencing high or extremely high baseline water stress: Changzhou and Suzhou, China; Cotia, Brazil; Gebze, Türkiye; and Bertinoro, Italy.



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Act Responsibly

Everyone should be safe and feel supported at work, comfortable to be themselves and to contribute fully to the workplace community, through their diverse backgrounds, perspectives and talents.

Overview



I. Eliminate lost-time accidents



II. Become more diverse



III. Engage employees better



IV. Make a difference in our communities



Highlights

-81%

81% fewer reportable safety incidents since 2019, and a 13% reduction in 2024.

20k+

online learning courses completed in 2024.

68

68 community initiatives took place in 2024.

Act Responsibly

Overview

Acting responsibly is about keeping everyone safe, developing talent in the workforce and ensuring that diverse perspectives are heard and represented in our workplace. It is also about making a positive difference to the communities where we operate by engaging in activities that add real value. We understand our obligation to act responsibly in our relationships with employees, communities and other stakeholders, and to be held accountable for our actions.

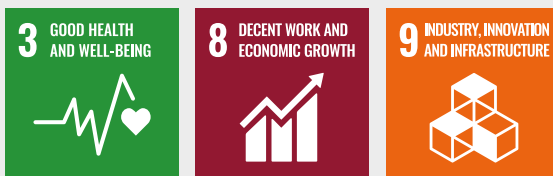
There is a very strong connection between a strong safety culture and a safe working environment. All employees and contractors on our sites understand that safety is key and are committed to ensuring that they work safely and support our ongoing push for continuous improvement in safety.

We are proud to invest in ongoing training and skills development, fair and decent labour conditions and practices, and open employee engagement. We understand that fair and flexible employment terms, excellent benefits and support for wellbeing are key elements in creating and maintaining a high-performing workforce.

Diversity, equity and inclusion programmes are also vital to both support individuals and our strategic and financial goals. In addition to complying with all relevant legislation, we maintain a professional, well-governed approach that embraces the broader benefits that come from diversity of thought and background. Our Code of Conduct and initiatives such as our Employee Resource Networks (ERNs) help us achieve this.



Alignment with the UN Sustainable Development Goals

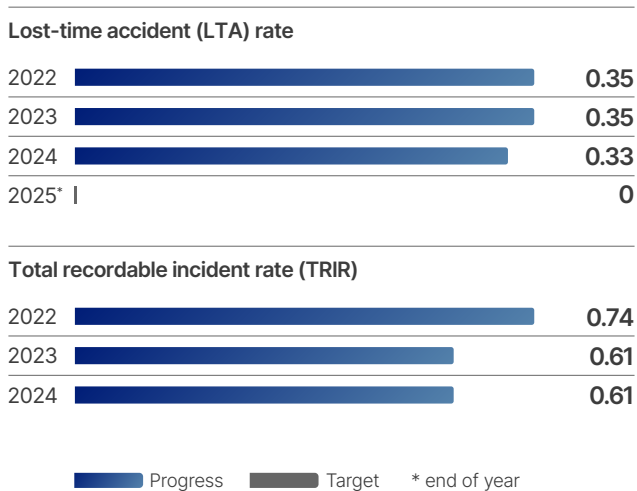


Target I.

Eliminate lost-time accidents

Target I.

Our progress



At every stage of our operations, from daily tasks to long-term strategic planning, we prioritise safety as a core value. It is embedded in our decision-making processes and our operational decisions, tasks, activities, procedures and programmes. This creates a secure and productive environment that supports our people and business objectives.

The assessment, control and elimination of risks and hazards are underpinned by our Group Safety Standards. All employees and workers on our sites are trained on the inherent risks associated with their jobs, and to apply appropriate hazard mitigation controls to avoid unsafe situations and behaviours.

By the end of 2024, our commitment to safety resulted in a consistently strong performance across all operations, with zero fatalities and 49% of our sites achieving 'zero harm' status (2023: 40%). During the year, our colleagues logged more than 748,000 '30-second risk assessments' which help employees to quickly identify hazards, assess risks and apply controls to eliminate and/or reduce the risk to an acceptable level in their workspace.

Our collective efforts were recognised in 2024 by the National Safety Council (a US non-profit organisation promoting health and safety) for achieving 1m hours without a lost-time accident or illness during the prior year. We also won awards for the Near Miss Reporting Programme and for periods of 30 or more consecutive days free of injury or illness.

The lost-time accident rate reduced by a small margin in 2024 to 0.33. While the year-over-year change was modest, our LTA rate is markedly lower than the industry average of 0.9¹. We also achieved significant reductions across key safety metrics. The total number of incidents dropped by 13%, and incidents requiring first aid saw a 41% reduction.

1. <https://www.bls.gov/iag/tgs/iag326.htm>

Target I. Eliminate lost-time accidents continued

Strengthening our audit approach

In the first half of 2024, we performed safety audits on a number of kp sites, completing valuable work begun in 2023, and were then able to establish a baseline audit score for every kp site. From this exercise, we gained the ability to analyse our strengths, weaknesses and opportunities and to see clearly where best practices exist.

More than 25 of kp's Health, Safety & Environment (HSE) managers and auditors visited different geographical regions to perform the audits, prepared with 90 questions covering safety management, risk assessment management, fire safety and workplace safety.

We identified areas for improvement that impact all sites, as well as future projects and initiatives.

These learnings have led to the revision of our company-wide-held safety standards, with the number extended from 12 to 36. The standards will be introduced in 2025 under a new POLARIS safety approach, which involves assigning a maturity level for each element of HSE.

POLARIS is a system-based model which assesses performance, identifies areas for improvement and provides a structured roadmap – supported by tools, templates and training – to enhance standards and ensure continuous improvement.



Our risk processes also account for the effects of weather variability on our teams. Controls are in place to mitigate any additional heat-related stress on workers, including temperature readings of those in active jobs, factory lighting that emits no heat, air conditioning upgrades and breathable work clothes in line with our safety standards. Controls such as flood and fire-break management are also in place to protect factory sites.

In line with previous years, over 80% of our employees are represented in a formal Safety Committee covering accidents, incidents and follow-up. The regular risk assessments and annual Safety Days were completed on each site to further embed a culture of safety. This triggers safety training and risk awareness across all sites. Employees are trained on safety during their onboarding and take part in additional training on a regular basis, in areas such as fire protection, forklift trucks, working at height and ergonomics. Contractors also receive training on kp safety procedures.

49%

of our sites achieved
'zero harm' status

Target I. Eliminate lost-time accidents continued

All PHD sites participated in internal HSE audits in 2024; FP sites having completed this exercise during 2023. Site-by-site audit scores and recommendations were presented in a 'tracker' format, allowing management to clearly see strengths and weaknesses. Risk identification and mitigation varies from site to site, of course, so our auditors visited different operations to assess their related hazards. Risk management tools and techniques could then be applied accordingly to reduce the probability, frequency and severity of workplace incidents. The audits were conducted for entire facilities and the results were cross-examined to seek out best practices. All kp sites have now been audited, with an average score of 67%. A total of 83 formally designated best practices were identified, and any employee can review these to encourage continuous improvement.



Identifying and guarding nip points

In June 2024, our PHD division organised a workshop dedicated to nip roll protection. Over 20 experts from seven different sites, along with divisional and group functions, participated.

'Nip points' are danger points where machine movement creates a narrowing, meaning there is a risk of parts of the body or the whole body being drawn in.

Examples of nip points include, but are not limited to, rollers, reels, cylinders and rotating machine parts.

Over three days, the team reviewed best practice for protecting various types of product line and agreed on the optimal guards to be implemented for unresolved issues. Eighty-five assets were identified as requiring some type of nip point guarding.

Led by the PHD Technical department and HSE group functions, all members then worked at their respective sites to implement appropriate solutions.

Target I. Eliminate lost-time accidents continued



Behavioural safety

Safety processes work by accounting for, and shaping, personal behaviours. Analysis, self-management, training, equipment and feedback are all part of the system. The combination of best-practice processes and behavioural improvements can make a life-saving difference.

We use our own behaviour-based safety audits called People Activity Safety Audits (PASA), wherein we observe the safety-related behaviours of individuals when they are performing a task in real time. Here, we track safe acts and unsafe acts, and support colleagues to make improvements with the goal of 'auditing out' complacency. In 2024, kp undertook over 34,000 PASA. They are conducted by our management teams as well as our shop floor employees – making this a true peer-to-peer behaviour-based safety observation programme.

To find out more about health and safety at kp, visit: Risk management systems (www.kpfilms.com/en/about-us/risk-management-systems).

Outlook

As sites and people become safer, we will continue to ensure constant attention is paid to risk management and hazard identification on the shop floor. Our evolving behaviour-based safety culture and incident recording process help each of us to learn from the root causes of all incidents. We will continue to increase the involvement of our employees in risk assessments. Further, we will be refining the HSE internal audit processes and audit protocols across the company to ensure uniformity.

kp insights

Preyapat Techapitaktham on building a safety culture

Preyapat Techapitaktham
Site Manager
Rayong, Thailand



Q. The Rayong plant that you manage achieved 1,000 days without a lost-time accident (LTA) during the year. What's behind this impressive achievement?

A. Continuously building a safety culture is everyone's job at Rayong. Specific things we've put in place include frequent 30-second assessments of safety, which is easy to do and significantly increases awareness. Safety statistics are trackable on phones and computers, and everyone is used to tracking things daily.

We also have managers constantly walking around and talking to the team, asking them about the work they're doing – it's an informal but highly effective approach, the complete opposite of a traditional audit.

Furthermore, we benefit from kp's approach to accident and incident reporting, which involves sharing valuable details between facilities.

Q. What are the main challenges inherent in maintaining a strong safety culture?

A. It's important that everyone is on board, with a clear shared goal that persists over time. After big launches, it's important to follow up and impress upon everyone at the plant that there are serious negative consequences for safety lapses.

Everyone has different opinions and slightly different ways of working, but safety is something everyone at every level of kp cares about, and we put the work in to ensure it's at the top of everyone's minds.

Q. How do you keep everyone at the plant engaged, so you can extend Rayong's remarkable safety record into the future?

A. We're always thinking about safety. Every quarter there's a 'near-miss' award – a small prize is given for the employee who submits the most reports to the safety committee. We also offer a quiz and safety tips in our newsletter.

Following the success of 2024's 'Safety Week', where we ran classes and talks focused on things like fire extinguisher training, disease prevention and safety-focused team building, we will look to put on more events to keep everyone on board.

Ultimately, the most powerful thing is to have management on our side – at kp, we talk about safety first at meetings with the senior leaders in the business. That sends a powerful signal to everyone that safety matters.

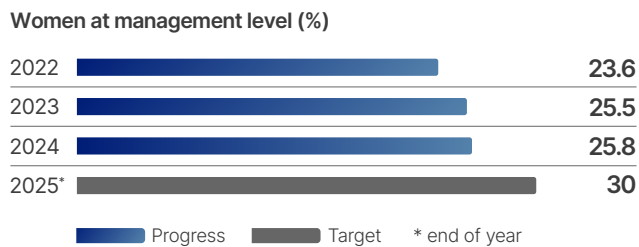


Target II.

Become more diverse

Target II.

Our progress



For organisations and workplaces to truly thrive, employees must feel that they are welcome, that their contribution is valued and that they can be themselves at work. There are real benefits – for individuals as well as businesses – in ensuring that everyone is treated equally, can be heard and is free to express different perspectives. For kp, inclusion and belonging are essential for individual and workforce engagement, contentment and stability; they also underpin the delivery of corporate strategic ambition and performance goals.

In 2024, we continued to offer diversity, equity and inclusion learning content via our kp Academy. Topics covered include resilience, personal growth and fair recruitment practices. Refresher training was also conducted during the year to reinforce kp's Code of Conduct, which covers topics such as cultural diversity, equal opportunity and harassment.

We also continued to promote the global Employee Assistance Programme, which offers employees access to support and assistance around a wide range of challenges, and we continued to give ready access to our own kp Ethics Hotline.

We are particularly proud of our employee-led Employee Resource Networks (ERNs), which delivered a range of activities, insight and discussion sessions during the year. Active ERNs include the Women's Network, which offers insight and learning opportunities, builds inclusivity and raises awareness of growth and promotion opportunities for women across the organisation. kp Ability, meanwhile, focuses on those with disabilities and their allies, generating awareness and educating others around the challenges faced by this group. Further ERNs include VOICED (Voices of Inclusion Celebrating Ethnic Differences) and kp Balance, which helps create a workplace where mental health is valued and prioritised.

Our global footprint and wide range of roles and functions enables us to offer opportunities to employees and candidates with a diverse range of backgrounds and experience. Our recruitment pledge spells out our commitment to creating an inclusive and supportive workplace environment for all candidates, with a process built upon fairness, transparency and respect. Our talent acquisition strategy seeks to recruit the best candidate for a role, focusing first and foremost on skills, while recognising the benefits of recruiting from diverse labour pools. Our recruitment teams work to ensure access to opportunities for all by seeking to remove barriers to entry wherever possible.

Target II. Become more diverse continued

We continue to work on achieving equal access to opportunities within kp, through policies covering topics such as returning to work, professional development, parental and caregiver support, and health and wellbeing.

We continued to track and analyse data to help drive continuous improvement in the quality of our recruitment, retention and diversity performance and to support our Women in Management goal. The key metrics we use show performance for 2024 as follows (2023 data in parentheses):

- Of the overall workforce, 24% are female (23.2%).
- A quarter of our management team is now female 25.8% (25.5%).
- Of the new recruits across the business during 2024, 26% were female (26.1%).
- Of the new recruits for management roles, 26.4% were female (34.9%).
- Of all promotions into and within management levels in 2024, 36.2% were women (31.2%).
- Turnover of female employees fell to 9.6% across the entire workforce (16.2%).
- Turnover of women in management fell to 11.6% (24%).



Outlook

Looking forward, we continue to recognise the multiple benefits that diverse perspectives, backgrounds and skills offer kp, and our human resources teams are committed to the delivery of initiatives and programmes to foster diversity, equity and inclusion.

As we reassess and evolve our sustainability strategy in 2025, we will reset the goals around inclusion and the initiatives that will be developed to support and drive it. This will include the launch of our new Anti-bullying and Harassment Policy, and the establishment of new leadership principles, incorporating a commitment to modelling and reinforcing inclusive behaviours.

“For diversity to thrive, inclusion must sit at the core of our culture, and we encourage an environment where everyone feels heard and valued. With diversity comes a richness of perspectives that drive innovation and collaboration, strengthen decision-making and reflect the communities where we operate.”

Garry Randall
Chief Human Resources Officer

kp insights

Estela Peralta on running the kp Women's Network

Estela Peralta
HR Manager
South America



Q. You were appointed co-Chair of the Women's Network at the beginning of 2024. What motivated you to join, and what does your role entail?

A. I joined the network at the beginning of 2023 and got a lot of value out of the experience, so I wanted to help make things even better.

Representing the voices of our members is very important to me. Collecting ideas and feedback, and considering how we can use that to improve the experiences of women at kp, is a big part of my role – it's 'bottom-up', not 'top-down'.

The network encourages participation and promotes an environment where everyone has their views are heard. We do our best to make sure everyone is comfortable and feels that they are entitled to speak up, no matter where in the world they are or what their particular role might be.

Q. For women in kp who may still be on the fence about joining the network, what do you think is the biggest benefit?

A. For many of us, it's been the opportunity to meet amazing kp women from around the world. Networking internationally is not something that would be possible without the Women's Network, and many of us have found valuable mentors and made surprising connections that have had a positive impact on our careers.

The Women's Network is a safe place that can help everyone who participates to grow in confidence, develop their skills and make positive changes.

Q. One of the main ways you connect with the membership is by running events. What did you get up to in 2024, and what's next?

A. During the year, we ran events designed to help our members avoid burnout, and to overcome imposter syndrome. We also hosted another which tackled the difficult subject of domestic violence, and a fourth which focused on celebrating family diversity. Associated content and educational material was then shared via the kp Academy.

At every turn, we've done our best to include everyone in different time zones, although, given kp's international spread, this can be tricky. Our next steps include appointing a sponsor for the network from senior management, and including content about the Women's Network in kp's induction materials.

Our goal is to build on the progress made so far so that we can make sure the women of kp feel part of something big and meaningful, and have the very best chance of succeeding in their careers.

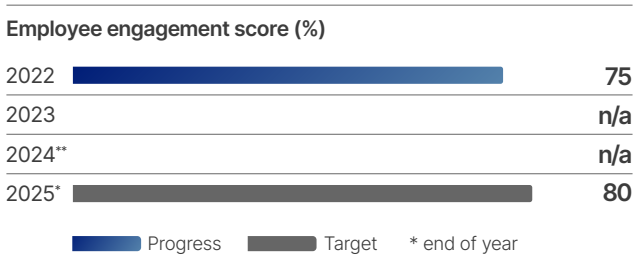


Target III.

Engage employees better

Target III.

Our progress



** Paused in 2024 to focus on evolving business needs and respond to existing employee feedback.

We understand the value of high-quality employee engagement in helping to drive retention, productivity and reputation, and in creating and sustaining work and stakeholder relationships. Recognising our responsibility for keeping our workforce engaged, we ensure that we offer fair and flexible employment terms and good local operating conditions, along with opportunities for development. We also strive to maintain honest, two-way communication.

kp has been operating worldwide for six decades and our employees have pride in our strong heritage and culture. We recognise the importance of nurturing this culture and in ensuring that we support and engage our employees in all geographies and roles, and at all levels.

Opportunities for personal and career development are key to employee engagement and in 2024 we continued to offer a range of online training and resources through our kp Academy platform, with 20,058 learning courses completed in the year. We also continued to run our Horizons suite of development programmes, taking 108 participants through our 'Developing Horizons' programme for team leaders and supervisors. We also delivered four sessions of our 'Growing Horizons' programme for people managers; forty-four participants from across kp's global locations attended sessions held in Europe and the USA. The 'Horizons' training supports participants to become more rounded leaders, which in turn helps their teams to achieve their full potential. Learners also benefit from the chance to network with colleagues – often from different locations and departments in kp.

Target III. Engage employees better continued

We continued to support individual development needs through our kp Coaching Programme, which supports our succession planning and enables honest conversations and feedback. Similarly, the kp Mentoring Programme offered participants learning and growth opportunities across a range of areas. Our annual performance review process is also critical to engaging our employees and teams in their performance and with the wider business.

Aside from our formal programmes, there were many opportunities for our people to grow and learn via sessions led by our divisions and corporate functions – for example, our online sustainability forums and virtual product insight sessions.

Our focus on employee wellbeing continued in 2024, with campaigns launched to promote our Employee Assistance Programme, alongside a number of local initiatives to support wellness. Examples include an annual calendar of activities centred on our 'Wheel of Wellness' themes, held at our shared service centre in Porto, Portugal, and a full programme of initiatives run at our Montabaur, Germany site, developed by the local Health and Wellbeing Committee. The committee meets each month to discuss topics such as workplace health and safety and to plan and organise local health and wellbeing initiatives.

Projects in 2024 included ergonomic improvements, such as customised hearing protection, adjustable desks, and enhanced workplace ventilation and lighting. Fitness training programmes and injury prevention activities were introduced to promote health and safety at work.

Demonstrating the strength of kp's culture and our engagement and talent development initiatives, 2024 also saw a positive trend in the promotion of internal candidates, with 32% of roles recruited at manager level or above filled internally.

A pulse survey in 2023, with a response rate of 60%, offered positive feedback on the quality and content of communication from line managers and supervisors. The most recent 'kp Insights' full employee engagement survey (2022) yielded a 75% employee engagement index score, with an increase in the number of respondents to 80%. We paused the survey in 2024 to focus on evolving business needs, and to respond to existing employee feedback.

“Activities and initiatives that support employee wellness play a vital role in building a more engaged, collaborative and productive workforce. Sites across kp organise a variety of local programmes and activities, underpinned by corporate schemes, such as our Employee Assistance Programme.”

Luana Knollseisen
HR Director, Group Functions

Target III. Engage employees better continued

Outlook

During 2025, we will seek out insights into current employee engagement and sentiment through a pulse-style survey, which will provide us with valuable engagement index data to guide our approach and way forward. This will form the first of a regular cadence of pulse survey activity being developed. Listening activities to support the survey are also planned – for example, so-called ‘skip-level’ focus groups, enabling senior leadership to connect directly with employees, understand their challenges and build stronger relationships with individuals and teams.

Regarding talent and personal development, we are planning the roll-out of a skills matrix for non-management roles, aimed at fostering a culture of transparency and trust where everyone has the opportunity to grow and thrive. Similarly, a detailed competency framework is in development for a wider range of job roles, along with the creation of a set of brand-new leadership competencies and behaviours, better suited to today’s evolving world and our business needs.

In early 2025, we launched our annual Feedback Fortnights, aimed at supporting our ongoing performance review process, with the first event already encouraging open, continuous feedback and meaningful conversations. This new initiative plays a key role in supporting our continued commitment to a positive, engaged and high-performing culture.

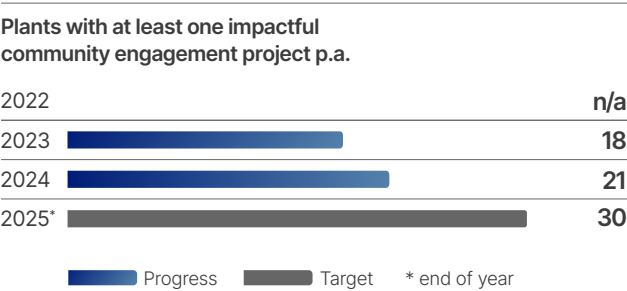


Target IV.

Make a difference in our communities

Target IV.

Our progress



We believe that a successful business must also be a responsible partner to the communities in which it operates. Strong community engagement helps to build trust, create positive social impact and fosters long-term sustainability. By investing in local initiatives, promoting environmental stewardship and supporting social programmes, we actively contribute to the wellbeing of nearby people and places.

Over the years, we have supported numerous local, national and international causes, which have had a significant positive impact on our people and our host communities. Through community outreach, our employees collaborate with local groups on projects relating to social disadvantage, environmental protection and education.

We have sites in 18 countries and therefore engage with a variety of local communities through our global outreach programme, kp Communities. Our sites ensure that projects and sponsorships are appropriate and relevant to the local community, and that they are strongly aligned with our Investing in Better strategy.

In 2024, 21 sites delivered at least one community engagement project each, with a clear positive impact. We recorded 68 completed projects (52 in 2023). Projects ranged from beach clean-ups, ecosystem conservation and charity runs, to sport sponsorship and activities supporting education.

We also supported our local communities when they were impacted by natural disasters. Our site in Cotia, Brazil was able to directly support relief efforts with essential supplies following the severe floods in Rio Grande do Sul, as well as to raise employee donations which were match-funded by kp. We also ran match-funded donation campaigns to help with emergency support and assistance in partnership with GlobalGiving, following severe floods in Valencia, Spain, Hurricane Helene in the USA and Storm Boris in Poland.

Target IV. Make a difference in our communities continued

Outlook

We remain committed to identifying the opportunities where our outreach efforts can make a meaningful impact for local communities. To strengthen our engagement, we will expand kp Communities to sites that have yet to establish such initiatives, capitalising on the experience and best practices of those who have already run successful programmes. Additionally, we have recently introduced an awards programme that recognises the best community initiative and the top-performing site.



“It’s inspiring to see the growing number of community projects that reflect the compassion and commitment of kp colleagues around the world. It’s been great to play a part in supporting their efforts and I am proud that kp has chosen to recognise and support this work.”

Imojen Jean
Corporate Communications Manager,
Sustainability

Target IV. Make a difference in our communities continued

Solidarity with those in need

In April 2024, severe flooding hit the state of Rio Grande do Sul in Southern Brazil, near to where our Cotia facility is located. The flooding had devastating impacts on the local population and infrastructure, leaving thousands homeless and disrupting electricity and drinking water for more than half a million people.

In response, the team at Cotia, with the help of our logistics partner which provided a truck for delivery, were able to donate 12,000 litres of water, 300 blankets, 440kg of animal feed, 378 litres of milk and numerous items of clothing. The team also raised €4,000, which was matched by kp.

These extraordinary flood relief efforts subsequently won 'Initiative of the Year' at the kp Communities awards. Our thanks go out to everyone whose hard work made this campaign possible, and to our dedicated team members in Cotia, including André Gonçalves, Industrial Director; Raquel Bandoni, Finance Manager; Viviani Ozorio, Procurement Manager; and Iza Lima, HR Manager.



kp insights

Aleesha Mestemaker on becoming part of the local community

Aleesha Mestemaker
BEXE Specialist and
HR Generalist
Greenville, USA



Q. kp's Greenville facility in Ohio ran 12 community projects in 2024, and you had a key part to play in all of them. Why did you decide to take such an active role?

A. I'm from Darke County, where the kp facility is based, and kp has been a big employer here for decades. However, the company wasn't as well-known as other businesses in the County, which felt like a real missed opportunity.

Earlier in my career I'd also really enjoyed running community events, which are great for building employee engagement – so setting up these events seemed like an obvious next step.

Q. Which of the projects run over the past year were the most enjoyable?

A. We particularly enjoyed supporting 'Beggars Night', a Halloween treat-trail for local children that takes place every year in downtown Greenville. While distributing candy, we were able to have many great conversations with people from the local area and received a lot of positive feedback. It was so satisfying to be able to get our name out there, and become known as a community-minded local employer.

We also contributed to the IMPACT STEM2D conference in Darke County, which aims to inspire local young women to explore careers in STEM.

We ran a booth, had many great conversations with high-school-aged girls and participated in the 'women in the workforce' panel. Our message was clear – it's possible to work for a sophisticated, international business without having to leave the County, and there are a number of great career paths available.

Q. kp Greenville is now exceptionally well-connected to the local community, and recently won 'Site of the Year' at the kp Communities awards. What would your advice be for other sites?

A. It's fair to say that we would never have achieved as much as we have without the creative freedom given to us by management. Trusting your people to do the research and think up ideas is really important.

Day-to-day, getting these projects going involves a lot of walking around and meeting people. Personal connections are vital, as are relationships with the local chamber of commerce, economic development organisations, public services – like the police department – and small business owners.

It's also worth noting that sometimes great sustainability stories can help challenge existing perceptions and stick in people's minds – for example, kp's work in repurposing ocean waste has been a compelling and memorable talking point for us.



Governance and Approach



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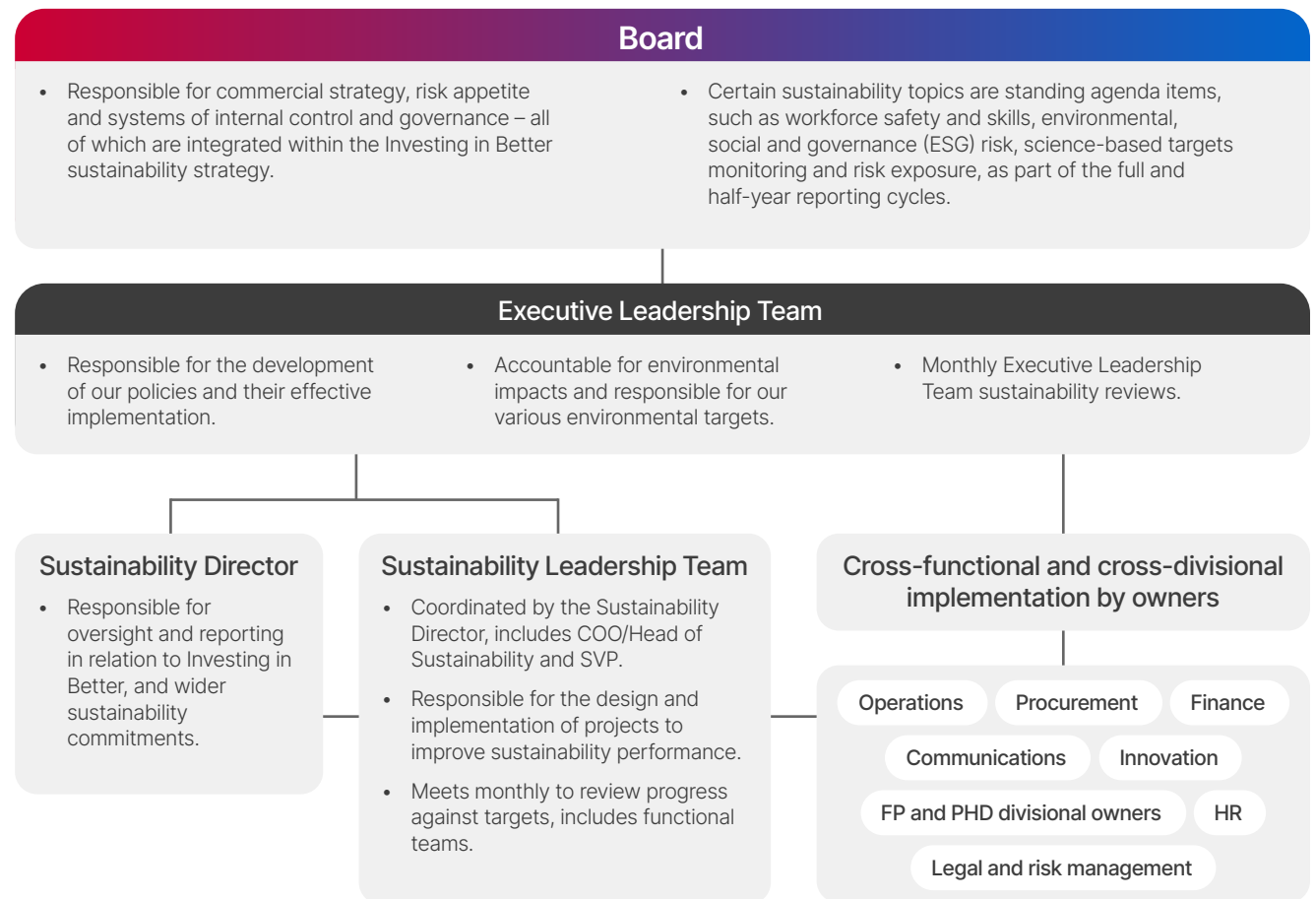


How we are governed

Corporate sustainability management is about reducing negative impacts and nurturing positive ones. We have robust arrangements in place to provide governance and oversight of such impacts, and of the financial effects relating to all material matters (see page 72).

Our Board is primarily responsible for our governance processes, strategic planning, risk appetite, systems of internal control and disclosures.

In order to engage all employees in our sustainability journey, we hold quarterly Sustainability Forums focusing on key material matters.



How we are governed continued

Material matters

Our materiality assessment identifies, prioritises and validates sustainability matters that have financial effects on the business and/or that exert impacts on society or the environment. We completed a review of our strategy in line with the materiality principle, delivering compliance with GRI Universal Standards (2021), IFRS S1 (2023) and ESRS 1 (2024).

Our latest assessment, in common with all previous assessments, was informed by customer interactions, senior management interviews, an employee feedback survey, rating agency consultations and engagement with investors, regulators and associations. Research included sources from non-governmental organisations, media reviews, and the reports of peers and customers. In the validation phase, the assessment results were reviewed by our leadership team. We continue to seek input to inform our understanding of material topics across the value chain.

The materiality process prioritised 11 topics for use in our Investing in Better strategy and subsequent reporting:

- Close the Loop: recycled content, recyclability.
- Work Smarter: energy, greenhouse gas (GHG) emissions, waste.
- Act Responsibly: health and safety, corporate integrity and governance, human rights, anti-discrimination and diversity, employee talent and skills, community involvement.

We are conducting our Double Materiality Assessment in 2025, with results to be released upon completion.

For more on climate change, weather variability and GHG emissions reporting, see Task Force on Climate-related Financial Disclosures on page 79.

Corporate sustainability management approach

The underlying foundations and ‘pillars’ of activity at kp enable the delivery of our strategy and disclosures to key stakeholders, including ratings agencies used by capital markets.

Additional information on our management approach can be found on our website, including supporting information on policies, site certifications, risk management and audits. Other publications available are our Investing in Better strategy and mandatory statements such as our gender pay gap report and modern slavery statement.

Close the Loop

At a global level, kp’s production and innovation operations are managed under the supervision of an owner, a sponsor and a finance manager; reporting of progress is on a monthly basis.

All strategic circular economy projects are in line with our risk management framework, market opportunity assessments, manufacturing standards, our Code of Conduct and product stewardship regulations, such as REACH. All procedures are subject to our Quality Assurance framework, while post-consumer resin (flake) used in our products is subject to external assurance.

In sustainable product development and design, we apply ‘stage-gate’ processes with criteria on recycled content, recyclability and material choice, for instance. Key customers are involved in running tests and input is received from suppliers, industry bodies and regulators.

At kp, post-consumer recycled material usage and recyclability are reviewed monthly and involve cross-functional teams from the divisions.

Innovations are closely monitored for technical excellence. Collaborations and engagement are fundamental to our approach, including extensive projects with customers.

kp Tray2Tray® is driven by our leadership team and run in close collaboration between innovation and procurement managers. The initiative includes employees across all kp functions, and a steering committee meets regularly to govern its direction and discuss its application in each EU country, for example.

Corporate sustainability management approach continued**Work Smarter**

Our overall approach is overseen by our Sustainable Operations management where each objective is linked to strategic business requirements and delivered through agreed interactions with kp's leadership, plant managers or human resources teams. Agreed metrics are used to evaluate performance, in alignment with our published targets in the Investing in Better strategy.

Each site systematically organises its environmental, energy and quality management processes to comply with regulations and our own policies. At the close of 2024, eight sites were certified to ISO 50001, twelve to ISO 14001 and one to EMAS level.

Project POLARIS and the kp Quality Standard bring together environmental and quality performance, while our GHG emissions (all three Scopes) are monitored in line with the GHG Protocol and ISO 14064. Our global Energy Task Force is sponsored by the leadership team, and delivers the 'lean, clean, green' site energy management techniques. Our zero waste-to-landfill programme is governed at executive level by the Chief Operating Officer/ Head of Corporate Sustainability, led by our Group Director of Operational Sustainability, guided by our international Waste Task Force (established October 2024), and directed at site level by Health, Safety & Environment (HSE) Managers, who report local data to the Sustainable Operations team.

Aided by the Operational Sustainability dashboard, each kp site reviews key performance indicators (KPIs) and audited data to evaluate progress against corporate energy, water and waste targets (found in the relevant chapters of this report). Cross-functional sustainability projects deliver overall consistency across kp and an ethos of continuous improvement.

Act Responsibly

Our occupational health and safety management system covers all employees and contractors. Our hazard identification, risk assessment and incident investigation processes are highly developed and comprise: (i) a static assessment for each machine or task; and (ii) a dynamic assessment based on behavioural safety of every individual at every level of seniority, involving 30-second risk assessments, with observation and monthly appraisals by the safety leadership team. Process quality and employee competencies are assured through our performance appraisal and total quality management systems.

Workers can report work-related hazards anonymously via safety culture assessments or our kp EthicsHotline. Any incident, such as a first aid, lost-time or recordable accident, is formally investigated and the result is reviewed by the site HSE manager and shared widely, while near-miss accidents are managed and investigated at local level.

All new recruits, including temporary staff and contractors, receive induction training on safety as it relates to our standard operating procedures (SOPs) document. Validation of the training is performed through the People Activity Safety Audits (PASA). All information coming from these tools is integrated in different action plans at corporate, divisional or site level, with targets and continuous improvement in all our HSE management systems such as SOPs, training programmes and emergency response plans.

With respect to employment terms and conditions, we collect and report a wide variety of data, which we report publicly as appropriate. We have an HR dashboard for tracking the talent pipeline and a Women in Management goal. Anti-discrimination and anti-harassment are embedded in our Code of Business Conduct and Ethics, which all kp employees have signed. Should the need arise, we have the kp EthicsHotline in place.

Sustainable procurement

We collaborate on sustainable procurement with thousands of suppliers to deliver action to manage impacts, risks and opportunities relating to human rights, labour practices, social impacts and GHGs, so that they operate in line with our corporate policies – and those of our customers.

Our annual procurement spend can influence supplier behaviour to help create positive change and remedy negative effects. By conducting a risk analysis and ESG assessments, we demonstrate how we can prevent and remedy negative impacts.

Our suppliers provide raw materials, capital equipment and other items needed for production. Supplier relationships are mainly contract-based and long term.

kp's supply chain in 2024 extended to 71 countries and around 9,000 suppliers, with whom we spent around €1.4bn¹. Most of our procurement spend is in Europe (60%) and the Americas (29%). We focus most of our procurement management resources on strategic, first-tier suppliers, which account for 80% of our total spend, with additional focus on particular carbon strategic suppliers regarding Scope 3 GHG emissions.

Procurement (% of total spend)	2024
USA	28%
Germany	16%
Spain	9%
United Kingdom	8%
Italy	7%
Others	32%

Due diligence

Due diligence brings together risk assessment, engagement, improvement plans and regulatory compliance. We use a cloud-based system to categorise and analyse risk exposure in our supply chain.

Selected strategic suppliers

We place specific focus on selected strategic and/or high-risk suppliers, and we use data to screen them based on ISO and NACE² codes that account for the following factors:

- Country governance, track record and infrastructure for monitoring and enforcement of human rights and labour laws.
- Type of manufacturing process or operational activity and the related risks to worker health and safety.
- Critical political, current affairs or business news screening.

The evaluation of the selected suppliers is through self-assessment. If required, as governed by the risk analysis, an ESG audit will be conducted on the supplier's premises. Selected suppliers complete five more specific ESG assessments in a more concrete manner via the cloud-based system on key areas: environmental protection; human rights and labour; anti-bribery and anti-corruption; health and safety; and supply chain responsibility. An extra assessment about conflict minerals is assigned to those suppliers with specific risk in this area.

As an alternative to this evaluation approach, kp acknowledges suppliers that have already achieved an EcoVadis rating as evidence of an adequate due diligence programme. Where a supplier does not meet our terms of procurement, we have a standard operating procedure in place for corrective actions and potential deselection.

By the end of 2024, 67% of our total selected strategic suppliers had achieved compliance with our ESG requirements via their assessment in the cloud-based system or via their EcoVadis rating. The supplier selection represents 80% of our supplier spend.

1. Excludes intercompany business, customs and employee spend categories.

2. ISO is the International Organization for Standardization; NACE is the Statistical Classification of Economic Activities in the European Community.

Sustainable procurement continued

Carbon strategic suppliers

Our carbon strategic suppliers, selected annually based on their Scope 3 contribution, receive a supplier sustainability questionnaire and the results are used to generate a sustainability scorecard per supplier, which supports procurement decision-making. The sustainability aspect accounts for at least 25% of our overall supplier assessment finalised in 2024. Scorecards are distributed to suppliers so that they can benchmark themselves and make improvements; the Group Procurement Manager, Sustainability & ESG, is on hand to answer any questions they may have. Compared with 2023, we have seen an improvement from our suppliers; several have moved from a low to a medium maturity level, or from medium to high, which is very positive.

GHG emissions in the supply chain

You can read more about GHGs in the supply chain on page 49.

Partnerships

Since 2022, kp has proudly partnered with the Sustainable Procurement Pledge (SPP) – a global, non-profit movement that empowers procurement professionals to drive responsible sourcing.

Our procurement leaders have contributed to the SPP's mission by sharing insights, co-authoring guides and speaking at international forums such as the 24-hour World Sustainable Procurement event.

As a member of the SPP's League of Champions, kp is helping to lead the way in accelerating sustainable procurement alongside other industry frontrunners. We are also involved in the Scope 3 Peer Group to promote supplier engagement on GHG emissions, and we participated in a series of relevant events.

Development programme

Sustainable procurement is part of kp's environmental management system. It is subject to management review for continuous improvement in response to performance monitoring, emerging customer expectations and regulatory requirements, such as the EU Deforestation Regulation or Corporate Sustainability Due Diligence Directive. kp introduced a new Rfx tool, incorporating our sustainability questionnaire, as a mandatory standard requirement for new tender processes, where appropriate. kp's procurement team is trained in sustainable procurement, and key aspects of its management are included in the personal objectives of the central buying team. Sustainability objectives and actions are reviewed as per our governance arrangements (page 71), while the monthly Procurement Leadership Team meetings review performance KPIs and any course corrections needed.

A Supplier Management Document is now in place to align procurement and quality processes.

Our Supplier Code of Conduct is available in several languages. Supply agreements and purchase orders include our supplier business principles, which contain our ESG clause and links to our Supplier Code of Conduct and our Sustainable Procurement Policy. For our supply agreements, we have added a Decarbonisation clause where we ask our suppliers to set SBTi targets and actively work on emission reduction. Our annual tracking data indicated that at the end of 2024, 26% of our spend with strategic suppliers was covered by a contract subject to the ESG clause.

Outlook

We are committed to deepening our collaboration with suppliers as we continue advancing the decarbonisation of our supply chain. By the end of 2025, our goal is to have 100% of our central procurement team trained in key sustainability topics. The team will be kept informed about the latest developments in sustainability, enabling them to make well-rounded, forward-looking decisions. Sharing best practice will further strengthen our approach, ensuring our supply chain remains both resilient and compliant. In line with our ongoing focus on due diligence, we are working to ensure that every supplier undergoes a comprehensive risk analysis by the end of 2025.



Supplier Code of Conduct

kpfilms.com/en/legal/kp_supplier_code_of_conduct_rev_2024_en_.pdf



Sustainable Procurement Policy

kpfilms.com/en/about-us/kp_Group_Sustainable_Procurement_Policy_2024.pdf



Supplier Principles

kpfilms.com/en/legal/kp_Supplier_Principles_en_2024.pdf

IT security

We recognise the critical importance of cyber security and have implemented a robust cyber security framework encompassing four key pillars: Identify, Protect, Detect and Respond, and Recover.

Identify: kp has established a dedicated cyber security team responsible for managing cyber risks, and has created comprehensive Information Security Guidelines. All employees are encouraged to understand and adhere to these guidelines to maintain the organisation's integrity, availability and confidentiality agreements.

Protect: this section emphasises the importance of identity management, access control, cyber awareness training, vulnerability management, network protection, device protection, information flows protection and back-ups to safeguard kp's assets and data.

Detect and Respond: kp employs cyber monitoring processes to identify abnormal network activities and responds promptly to any suspicious behaviour or incidents. Incident management procedures ensure swift and effective responses to cyber threats, with all employees trained to fulfil their roles during such incidents.

Recover: the recovery plan outlines strategies for restoring systems and assets affected by cyber security incidents, to minimise disruption to kp's business processes. Regular reviews and improvements are made to these plans based on lessons learned from tests and real-life incidents.

We educate employees on the ever-changing threats using quarterly awareness training. Employees can report any activity related to IT security through the internal IT Service Desk tool. These reports are investigated by the IT Security team and remediation actions are taken when appropriate.

Governance

Cyber security at kp is headed up internally by the Chief Information Security Officer, who reports and aligns the roadmap and direction with the Chief Information Officer, who is part of the Executive Leadership Team. IT Security reports into the Risk Committee.

Human rights and labour relations

Human rights due diligence applies to our supply chain and our own operations. We are committed to upholding the human rights of employees and suppliers and ensuring that our business processes comply with the laws of the countries where we operate. We adhere to human rights declarations such as the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Universal Declaration of Human Rights and the International Bill of Human Rights.

Our Global Labour and Human Rights Policy and UK Modern Slavery Act Statement, which applies globally, clarify our commitments to our stakeholders, and help to promote the behaviours and actions we expect from our people and suppliers. We use site risk assessments relating to environmental protection, human rights, slavery and child labour; our review in 2024 did not reveal any human rights nor child labour violations in our operations.

We are committed to the highest standards of corporate governance to ensure compliance in health and safety, quality, product safety and sustainability. We rigorously apply our own SOPs and Code of Business Conduct and Ethics – processes that are core to our customer focus and that set us apart from our competitors.

See page 75 for details on our approach to supply chain human rights due diligence.

Code of Business Conduct and Ethics

The kp Code of Business Conduct and Ethics covers anti-bribery, anti-corruption, kickbacks, gifts, entertainment, high-risk intermediaries and other important matters. Its content, and any revisions, is approved by the Board. We apply external principles such as the United Nations Global Compact to guide our approach, we provide the Code in 15 languages, and all employees receive training on it each year.

Alleged violations can be reported via a line manager, the Compliance Officer or the confidential and toll-free kp EthicsHotline. Reporting in good faith comes with a guarantee of no retaliation or adverse outcomes. All allegations are taken seriously and appropriate action taken, as warranted by the outcome of an investigation supervised by the kp Group Compliance Committee. In alignment with kp's Code of Business Conduct and Ethics, no political contributions were made in 2024.

TCFD report

We provide disclosures for financial and regulatory stakeholders relating to climate risk and opportunity in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Readers can also access our CDP submissions online³.

Introduction

We recognise that there are physical and market ('transitional') effects, as well as commercial opportunities, from changes in climate and weather variability. Opportunities generally arise from mitigating risks. Increasing resource efficiency is an example of this in our operations, so, fundamentally, kp is creating opportunity while mitigating risk by contributing to a circular economy.

We treat climate change as a material topic because customers and regulators expect businesses to contribute to the additional decarbonisation of operations. Within our enterprise risk management and business continuity management processes (our 'Risk Process'), we account for a number of core management principles and we apply the Precautionary Principle in all areas of sustainability impact management.

By extension, this means that we are aware of the effects and impacts of certain actions taken towards delivering net zero carbon policies and programmes, such as extraction of essential minerals and materials for the electrification of industrial systems, and the resultant actual or potential environmental and social impacts, globally.

We assess and manage climate-related risks and opportunities in our governance processes and commercial strategies and we have the capacity to manage climate impact/risk and opportunity, thereby protecting our business and reputation. As part of this, we invest in our people, innovations, processes and policies.

3. www.kpfilms.com/en/sustainability/Klockner_Pentaplast_-_2023_CDP_Climate_Change_response.pdf

TCFD report continued

Governance

Our Board and governance team recognise the impacts, risks and opportunities (IROs) associated with climate change: physically, in legislation and in the marketplace.

Such IROs are accounted for in our business strategy and investment models. We apply mitigating action to reduce our operational GHG emissions and we encourage partners in our value chain to do the same. The Board and Executive Leadership Team, led by the Chief Executive Officer, have ultimate responsibility for delivering sustainable value to our shareholders and other stakeholders. Responsibility for analysing climate-related risks (e.g. any negative impacts) sits with the Sustainability Director, following our Risk Process, which is overseen by our risk lead and Chief Operating Officer and Head of Corporate Sustainability. Climate risks are identified through trend analysis and stakeholder engagement; identified risks are presented to the Executive Leadership Team and Board and are incorporated into our risk framework to be managed by the appropriate business areas.

The oversight and management of kp's global sustainability strategy – Investing in Better – is led by our Chief Operating Officer and Head of Corporate Sustainability, who reports to our Chief Executive Officer. Climate change (mitigation and adaptation) risks and opportunities are embedded in performance management processes across the business.

Responsibility for impacts, risks and opportunities relating to climate and weather variability	
Board	<ul style="list-style-type: none"> Primarily responsible for our strategic plan, risk appetite and systems of internal control and governance – all of which account for impacts, risks and opportunities relating to sustainability. Climate-related risks and opportunities are a standing topic; the Board regularly reviews progress against our 'science-based targets' and risk profiles as part of the full and half-year reporting cycles.
Executive Leadership Team	<ul style="list-style-type: none"> Responsible for the overarching development of our policies and for effective implementation. Accountable for commercial performance, reputation, strategic planning, risk management and financial impact, while minimising our impact on the environment and owning targets to improve environmental performance.
COO and Head of Corporate Sustainability	<ul style="list-style-type: none"> Leads monthly sustainability meetings, including climate change as a standing agenda item, and reports directly to the Executive Leadership Team monthly. Oversight of projects to improve our environmental performance – mitigating negative impacts while generating opportunities – with due regard to commercial strategy. Responsible for reporting in relation to Investing in Better, and wider sustainability commitments. Chair of Sustainability Committee.
Sustainability Committee	<ul style="list-style-type: none"> An instrument of governance overseeing the implementation of sustainability initiatives and policies, including the three Investing in Better objectives, KPIs and ten underlying targets. Membership includes the full Executive Leadership Team and relevant leaders from corporate functions and divisions. Meets every quarter and reports progress to the Executive Leadership Team.
Divisions and sites	<ul style="list-style-type: none"> Responsible for day-to-day progress in relation to environmental performance and Investing in Better targets. Our Food Packaging and Pharma, Health & Protection and Durables divisions have targets that contribute to the company-wide targets. Each site runs local projects to mitigate negative environmental impacts, control risk and generate opportunities through energy and water management, and using energy action plans aligned with local conditions and regulations.

TCFD report continued

Strategy

Climate change poses opportunities and risks to any business. Our Board and Executive Leadership Team build both into our corporate strategy, which is fully integrated with Investing in Better.

In 2022 and early 2023, we assessed potential short-term (five years), medium-term (ten years) and long-term (30 years) climate and weather-related risks and opportunities. The tables on the following pages summarise those that may have a significant impact on our business.

Risk area	Risk identified and description	Impact						
		Products and services	Supply chain and/or value chain	Adaptation and mitigation activities	Investment in research and development	Operations	Acquisitions or divestments	Access to capital
Transition risks								
Market	Alternative materials: a market shift to alternative materials could affect kp's sales and reputation.	✓	✓	✓	✓	✓	✓	✓
Market/ policy and legal	Increased costs: anticipated regulations in Europe and associated technological solutions will likely result in increased supply prices for manufacturers. The price 'premiums' may in turn affect kp's sales and margins.	✓	✓		✓	✓	✓	✓
Policy and legal	Legal requirements for recyclability and circularity: fast-evolving legislative requirements pose a risk to kp's licence to operate.	✓	✓	✓	✓	✓		✓
	Policy transition risk: energy and circularity are closely related, necessitating a precautionary approach to the energy requirements to produce a tonne of product from virgin PET compared with a tonne from rPET.	✓	✓	✓	✓	✓	✓	
Market/ policy and reputation	Fast build-out risk: limitations, costs and risks associated with expanding renewable assets, relating to security of the supply of copper, rare earth materials, steel, other critical minerals and additional transport; associated reputational risk from negative environmental/social impacts during accelerated extraction in sensitive locations.	✓	✓	✓	✓	✓	✓	
Reputation	Sustainability commitments: kp may not be able to deliver on its sustainability commitments or address all its material sustainability/climate-related risks, which may result in reputational damage or even fines.			✓				✓
Physical risks								
Acute and chronic	Supply chain and raw material procurement: physical climate risks pose a threat to kp's suppliers, and dependencies on single source suppliers need to be carefully managed to address vulnerabilities within kp's supply chain.	✓	✓	✓		✓		
	Impact on manufacturing sites: kp's manufacturing sites are exposed to physical climate risks, particularly heatwaves and water stress, which have direct implications for staff comfort and kp's operations.	✓	✓	✓		✓	✓	✓

TCFD report continued

Opportunities identified	Area of opportunity			
	Resource efficiency	Energy source	Products and services	Markets and resilience
Renewable energy: investing in, and selective transition to, site-based renewable energy systems can reduce dependency on the local grid and mitigate risks associated with volatility in grid energy prices.	✓	✓		✓
Technology: investing in technologies, e.g. 'super clean technology', new equipment/retrofitting equipment and designing for chemical recycling to continue driving towards circularity.	✓		✓	✓
Collaboration and partnership: create taskforces with key customers, suppliers, local communities and other stakeholders, to explore climate change and weather variability mitigation and adaptation that yield local benefits.				✓
Governance: improved strategic understanding of impacts, data governance, institutional/governmental policy-making and climate/weather variability risks and opportunities can strengthen risk management and commercial strategies.			✓	✓
Life Cycle Analysis: performing a Life Cycle Analysis on material products to support communications to customers and consumers in order to sell the climate-related value of kp's products.	✓		✓	✓

Physical risks have the potential to impact manufacturing facilities and infrastructure, access to water and raw materials, and supply chain resilience. Direct financial consequences may include insurance and investment-related costs. At kp, our insurance policies offer cover for negative financial effects of changes in climate or weather variability. Transition risks relate to policies, regulations and legislation affecting the packaging industry, and include technology and market changes, such as shifting consumer perceptions and preferences.

Opportunities arise through product innovations that help customers to manage their own risks and opportunities.

We operate facilities all over the world, some in regions that experience the impact of natural weather variability; we analyse the frequency and severity of weather events as part of our business continuity planning. Recent scenario analysis work with an external agency covered all our operational sites globally in 18 countries, as well as key supply chain locations.

Both acute and chronic physical risks originating from climate change modelling were considered (we do however recognise the potential limitations of climate models). The scope of the exercise focused on predicted risk over a period of five, ten and 30 years, and took into account:

Scenario	Situation summary
Strong mitigation: SSP1-RCP2.6	GHG emissions begin to decline around 2020 and global mean temperatures rise approximately 1.8°C by 2100, a key goal of the Paris Climate Agreement.
Middle of the road: SSP2-RCP4.5	Overall emissions continue to rise through mid-century before beginning to decline. This is a likely scenario if governments and policy reflect a strong sense of urgency towards climate adaptation. Global mean temperatures rise approximately 2.4°C by 2100, but greater emissions raise the risk of tipping points.
High emissions: SSP5-RCP8.5	Emissions peak around 2090 and global mean temperatures rise approximately 4.3°C by 2100.

TCFD report continued

To enhance the scenario evaluations, we also included quantitative and qualitative analysis, based on extensive knowledge of our business and operating environment. None of the physical or chronic hazards raised indicated any business-critical impacts. We do note flooding, cyclones and wildfires were an acute risk for three sites, and water stresses and heatwaves could pose chronic hazards at 15 sites under the high emissions (SSP5-RCP8.5) scenario.

A value-at-risk analysis informs our business strategy and planning. We recognise the inherent uncertainty of risk and timelines regarding opportunities.

We have reviewed the quantitative impact metrics (lost production volume in kilo tonnes and in €m, and mitigation CAPEX in €m) from the third-party climate risk analysis and note the mitigation CAPEX is only a fraction of the commercial impact from the potential chronic risks. Impacts from potential acute risks are far higher than from chronic risks (as a result of the assumed scale of impact and duration of downtime).

- Our value-at-risk analysis confirmed insurance coverage is already adequate for the worst-case scenario.
- We are making good progress on our Scope 1 and 2 GHG emission reduction plans in line with the expectations of ESG-ratchet linked finance.

Risk management

Our approach endeavours to anticipate threats to delivering our key activities. We are committed to maturing our capacity and capability, to manage risk and uncertainty to ensure long-term financial resilience.

Our risk management process is based on international best practice, and our robust Enterprise Risk Process framework is in place across the whole of kp. A yearly assessment is performed by leadership, resulting in appropriate mitigation actions in line with risk tolerances. Each site systematically manages its environmental management, energy management and quality processes to ensure compliance with regulations and our own policies. Climate-related risks are being identified and we are feeding our planned mitigation strategies into our risk framework to ensure these issues have clear ownership and are regularly reviewed.

Material climate impacts are discussed within the Sustainability Leadership Team, with key risks and opportunities being promptly communicated to key decision-makers. In addition, the Board and Executive Leadership Team receive updates on overall enterprise risks, via the Enterprise Risk Process, as part of the ongoing full and half-year reporting cycle. This provides an overview of our principal risks and includes details of new and emerging risks.

Centralised and integrated policies, procedures and guidance ensure effective risk management and mitigation across our two divisions and at each of our sites, and are under continuous review and updates. With independent experts, we conducted an extensive climate risk assessment, building on and including the climate scenario analysis on physical risks to our operating sites, and with the use of stakeholder surveys and interviews. Following this, a workshop was held with internal stakeholders, including members of the Executive Leadership Team and the Sustainability Team, to validate the findings. This work informed a roadmap to address our short, medium and long-term climate-related risks and opportunities. We have identified a series of actions that arose as a result of our assessments:

To generate positive feedback

- Undertake transparent Life Cycle Analysis on relevant products.
- Identify the appropriate markets and clients for more sustainable products.
- Educate/raise awareness around the value and functionality of plastic. Provide information to allow customers to compare alternative products across the life cycle.
- Identify potential partners for industry/stakeholder collaboration.

To mitigate negative financial impacts

- Undertake a review of the product portfolio, to identify products that could potentially carry a reputational risk.
- Address gaps in governance of climate-related risks and the risk management framework.
- Proactively prepare to build resilience for the sites most likely to be affected by acute risks, e.g. flooding/drought and chronic risks, e.g. heatwaves.
- Diversification of raw materials-sourcing geographies where possible, especially single source materials.

TCFD report continued

Metrics and targets

We are committed to product innovations and reductions of operational (Scope 1 and 2) and supply chain (Scope 3) GHG emissions. Programmes to reduce our emissions rely on accurate data and monitoring.

We adapt our portfolio constantly to ensure all products are fully recyclable, contain as much recycled content as possible and are part of the solution, not part of the problem. 'Closing the loop' requires us to maximise post-consumer recycled (PCR) content quality and availability, and to collaborate with our customers to design for recyclability. Our aim is to produce optimised packaging that delivers the required protection using as little material as possible and that is fully recyclable, so it protects far more resources than it uses. Please see page 8 for performance data charts.

Our performance depends on high levels of recyclability – in plastic packaging, the two go hand in hand. Our overall recyclability is increasing: we now have recyclable alternatives for 68% of our overall product portfolio. See page 36.

Scope	Category	2019 tCO ₂ e	2022 tCO ₂ e	2023 tCO ₂ e	2024 tCO ₂ e
1	Sub total	24,418	20,475	17,571	15,339
2	Sub total (market-based)	266,826	145,558	136,726	123,741
	Sub total (location-based)	251,078	180,442	168,442	173,681
1 and 2	Total Scopes 1 and 2 (market-based)	291,244	166,034	154,297	139,081
	Total Scopes 1 and 2 (location-based)	275,496	200,917	186,013	189,020
3	Sub total (market-based)	2,245,210	1,992,464	1,690,057	1,681,979
	Sub total (location-based)	2,252,878	2,008,155	1,705,390	1,696,233
1, 2 and 3	Total (market-based)	2,536,454	2,158,498	1,844,354	1,821,060
	Total (location-based)	2,528,374	2,209,073	1,891,403	1,885,253

We are also on a mission to recover used packaging and turn it back into more of the same. Our kp Tray2Tray® programme is leading the way to create plastic trays and rigid films that can come back time and again as safe, protective, fully recyclable food packaging trays, in a fully closed loop. An increasing amount of our recycled material inputs was generated from this circular system. See page 8 for performance data charts.

We have science-based targets for all emission scopes (approved by the SBTi in 2021). We monitor and report Scope 1, 2 and 3 GHG emissions in line with the Greenhouse Gas Protocol and ISO 14064. See page 47 and below for the breakdown of our emissions.

Our supplier engagement programme reduces Scope 3 emissions. Our procurement team engages with strategic suppliers (based on their Scope 3 contribution) to collect primary data. This engagement includes support and training materials. See page 44 for detail on our energy performance.

We have achieved our target on Scope 1 and 2 emissions and we have a pipeline of sites to install solar power. See page 44.

Collaboration and recognition



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Sustainability is a team effort, and so kp has signed up to a number of voluntary commitments, collaborative initiatives and trade association memberships.

Voluntary commitments and collaborative initiatives

ANZPAC Plastics Pact



CEFLEX



Circular Plastics Alliance



New Plastics Economy –
Ellen MacArthur Foundation



NEXTLOOPP



Petcore Europe



Plastics Europe



UK Plastics Pact



Trade associations

- Asociación Argentina de PVC
- Asociación Española de Industriales de Plásticos
- Associação Portuguesa da Indústria de Plásticos
- Association of Plastic Recyclers
- Australian Institute of Packaging
- Australian Packaging Covenant Organisation
- British Plastics Federation
- Ecosense
- Elipso
- European Plastics Converters
- Federazione Gomma Plastica
- Flexible Packaging Europe
- Food Marketing, Inc.
- Foodservice Packaging Association
- IK Industrievereinigung Kunststoffverpackungen e.V.
- Incpen
- IVK Europe
- National Association for PET Container Resources
- OPRL – On-Pack Recycling Label
- PAC Packaging Consortium
- Petcore Europe
- PET Sheet Europe
- Polish Union of Plastics Converters
- Polymer Comply Europe
- RECOUP
- RecyClass
- Sustainable Packaging Coalition
- Vinyl Films and Sheets Europe

Collaboration and recognition continued

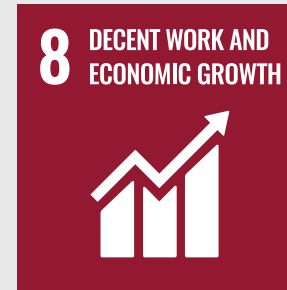
SDG alignment

The Sustainable Development Goals (SDGs) were launched by the United Nations in 2015 with ambitious targets to address major global issues.

We have identified key areas where we believe our people, our expertise and our sustainable portfolio of products can have the greatest impact – by preventing food waste, delivering medication and protecting the integrity of countless products. The SDGs that overlap with the objectives of our sustainability strategy are as follows:



[Read more about the United Nation's Sustainable Development Goals here](#)



About this report

This report provides relevant information for our stakeholders to form an opinion on the impact of our business on the environment and society, as well as the impact of sustainability risk and opportunity on our business.

Scope

The performance information and data in this report relate to all assets under the control of kp. Where possible, we provide historical data for comparisons. The reporting period is the calendar year 2024. Unless otherwise stated, we report data for our operations on a 100% ownership basis. Data is reported using the metric system and euros. Unless otherwise stated, all workforce data is limited to permanent and temporary employees. TCFD reporting (page 79) provides disclosures for financial and regulatory stakeholders relating to climate risk and opportunity in line with recommendations. Readers can also access our CDP submissions online⁴. We declare no significant restatements since the previous report.

Assurance

External assurance is used for certain data listed in the 'selected information' paragraph of the assurance statement provided by our external assurance provider – see page 88.

Data disclosures

Data relates to 2024 performance unless otherwise stated. Key data points are found in the relevant chapters, with supporting tables and charts, as well as the GRI index.

4. www.kpfilms.com/en/sustainability/Klockner_Pentaplast_-_2023_CDP_Climate_Change_response.pdf

Assurance statement

DNV Business Assurance Services UK Limited (“DNV”, “us” or “we”) were engaged by Linpac Group Holdings Ltd. to provide limited assurance to Klöckner Pentaplast (“kp”) over Selected Information presented in the kp Sustainability Report 2024 (the “Report”) for the reporting year ended 31st December 2024.

Our observations and areas for improvement will be raised in a separate report to kp’s management. These observations do not affect our conclusions set out below.

Selected Information

The scope and boundary of our work is restricted to the key performance indicators (the “Selected Information”) included within the Report for the 2024 reporting year, as listed below.

Selected Information	Reported value 2024	Unit
Scope 1 Greenhouse Gas (GHG) emissions	15,339	tCO ₂ e
Scope 2 GHG emissions, location-based	173,681	tCO ₂ e
Scope 2 GHG emissions, market-based	123,741	tCO ₂ e
Energy intensity (non-temperature adjusted)	1,196	kWh per tonne of product produced
Total waste generation	47,614	tonnes
Total number of zero waste to landfill sites	28	number
Waste to landfill	95	tonnes
Waste to energy	9,182	tonnes
Waste recycled	38,338	tonnes
Women at management level	25.8	%
Lost-time accident (LTA) rate	0.33	accident per 200,000 hours
Post consumer recycled content in packaging	24.4	%

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used kp’s Basis of Reporting 2025 (the “Criteria”), which can be found [here](#).

Our Conclusion

On the basis of the work undertaken, nothing came to our attention to suggest that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained overleaf.

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV did not provide any services to kp that could compromise the independence or impartiality of our work. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

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Assurance statement continued

Standard and level of assurance

We performed a **limited** assurance engagement of specified data and information using the 'Greenhouse Protocol – A Corporate Accounting and Reporting Standard' (revised 2015) and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised) issued by the International Auditing and Assurance Standards Board. To ensure consistency in our assurance process, we conducted our work in accordance with DNV's assurance methodology, Verisustain™, applying only the pertinent sections of the protocol relevant to the specific purpose of the activity. This methodology ensures compliance with ethical requirements and mandates planning and execution of the assurance engagement to obtain the desired level of assurance.

DNV applies its own management standard and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and are shorter in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed.

Disclaimers

The assurance provided by DNV is limited to the selected indicators and information specified in the scope of the engagement. DNV has not conducted an assessment of the reporting organisation's overall adherence to reporting principles or the preparation of the Report. Therefore, no conclusions should be drawn regarding the reporting organization's compliance with reporting principles or the quality of the overall submission. The assurance provided by DNV is based on the selected indicators and information made available to us at the time of the engagement. DNV assumes no responsibility for any changes or updates made to the indicators or information after the completion of the assurance engagement.

Inherent limitations

DNV's assurance engagements are based on the assumption that the data and information provided by kp to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement. We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement. The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

Assurance statement continued

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with kp's management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Review of processes and systems for preparing data at group level for each selected information through remote assessments for the most material sampled sites. We were free to choose the sites we sampled for our remote assessment;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and their scope provided to us by kp for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

In performing these activities, we did not come across any limitations to the agreed scope of work.

We found a limited number of non-material errors, and these were corrected prior to inclusion in the Report.

For and on behalf of DNV Business Assurance Services UK Limited

London, UK
1 July 2025

Arun Aravind A

Arun Aravind A
Lead Verifier
DNV Business Assurance
Services UK Limited

Paul O'Hanlon

Paul O'Hanlon
Technical Reviewer
DNV Business Assurance
Services UK Limited

Responsibilities of the Directors of kp and DNV

The Directors of kp have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to kp in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. Our Independent Limited Assurance Report represents our independent conclusion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Limited Assurance Report.

DNV Supply Chain and Product Assurance

DNV Business Assurance Services UK Limited is part of DNV – Supply Chain and Product Assurance, a global provider of certification, verification, assessment and training services, enabling customers and stakeholders to make critical decisions with confidence.

WHEN TRUST MATTERS
www.dnv.co.uk



Sustainability data

Environmental KPIs

Energy consumption

Scope	Category	Unit	2019	2020	2021	2022	2023	2024
Energy intensity	External temperature adjusted using degree days	kWh/tonne	no data	1,116	1,111	1,141	1,179	1,195
	Non temperature-adjusted*	kWh/tonne	1,134	1,116	1,118	1,142	1,179	1,196
	Total energy consumption	MWh	761,076	760,402	749,935	693,941	628,826	633,901
	Total renewable energy	MWh		159,684	179,984	312,273	301,836	354,985
	% of renewable electricity	%	no data	26	28	52	54	63
Breakdown of different fuels	Electricity	MWh	664,066	658,443	653,178	609,361	553,627	560,093
	Natural gas	MWh	66,926	61,952	61,565	55,295	46,520	45,312
	Steam	MWh	28,157	28,443	25,191	18,339	15,915	14,435
	Compressed air	MWh	1,927	1,937	1,671	1,353	1,352	1,193
	Propane	MWh	1,389	1,509	1,708	1,887	1,687	2,551
	Solar energy	MWh	0	23	112	839	5,435	4,723
	Diesel	MWh	9,545	8,095	6,510	6,866	4,289	5,594
	Reduction in energy consumption	MWh	no data	12,956	10,467	55,994	65,115	-5,075
	% of renewable energy	%	no data	21	24	45	48	56

*Indicator assured by DNV. See assurance statement (pages 88-90).

Greenhouse gas emissions – measured in tCO₂e (except where noted**)

Scope	Category	2019	2020	2021	2022	2023	2024
Scope 1	Delivery vehicles	6,712	7,572	5,191	5,538	5,404	2,584
	Diesel	2,705	2,195	2,002	2,192	1,838	1,762
	Natural gas	12,414	11,391	11,276	10,094	8,473	8,253
	Production gas	513	518	404	362	409	412
	Propane	301	316	370	409	361	547
	Refrigerants	1,774	1,873	2,723	1,880	1,086	528
	Company cars	0	0	0	0	0	1,254
Sub-total Scope 1*		24,418	23,865	21,967	20,475	17,571	15,339
Scope 2	Electricity – market-based	261,869	223,036	193,880	142,427	133,867	121,147
	Electricity – location-based	246,121	209,154	203,219	177,311	165,583	171,086
	Steam	4,957	4,910	4,301	3,131	2,859	2,595
Sub-total Scope 2 – market-based*		266,826	227,945	198,181	145,558	136,726	123,741
Sub-total Scope 2 – location-based*		251,078	214,064	207,520	180,442	168,442	173,681
Scope 1 and 2 total – market-based		291,244	251,810	220,148	166,034	154,297	139,081
Scope 1 and 2 total – location-based		275,496	237,929	229,487	200,917	186,013	189,020
	GHG intensity (**tCO ₂ e/tonne product produced)	0.43	0.37	0.33	0.33	0.29	0.26
Scope 3	Category 1: Purchased goods and services	1,691,174	–	–	1,601,955	1,368,433	1,371,135
	Category 2: Purchased capital items	16,808	–	–	18,640	14,707	18,179
	Category 3: Fuel and energy-related activities (market-based)	57,803	–	–	34,321	30,210	31,518
	Category 3: Fuel and energy-related activities (location-based)	65,471	–	–	50,013	45,543	45,772
	Category 4: Upstream transportation and distribution	83,923	–	–	78,734	56,988	59,101
	Category 5: Waste generated in operations	3,214	–	–	4,253	2,056	417
	Category 6: Business travel	6,467	–	–	5,545	3,884	3,496
	Category 7: Employee commuting	4,039	–	–	2,642	2,601	2,824
	Category 9: Downstream transport and distribution	233,930	–	–	114,959	113,582	108,141
	Category 10: Processing of sold products	134,269	–	–	121,989	91,272	83,581
	Category 12: End-of-life treatment of sold products	13,583	–	–	9,425	6,325	3,587
	Sub-total Scope 3 – market-based	2,245,210	–	–	1,992,464	1,690,057	1,681,979
Sub-total Scope 3 – location-based		2,252,878	–	–	2,008,155	1,705,390	1,696,233
TOTAL Scope 1, 2 and 3 – market-based		2,536,454	–	–	2,158,498	1,844,354	1,821,060
TOTAL Scope 1, 2 and 3 – location-based		2,528,374	–	–	2,209,073	1,891,403	1,885,253

Sustainability data – Environmental KPIs continued

Water management

Category	Unit	2019	2020	2021	2022	2023	2024
Water withdrawn	m³	3,049,419	2,989,705	3,065,305	3,080,386	2,583,892	2,503,788
Discharged water	m³	2,542,516	2,512,623	2,593,616	2,574,818	2,191,279	2,130,544
Water consumed	m³	506,904	477,082	472,689	505,568	392,613	373,244
Water consumed in water stress areas	m³	55,046	46,290	45,832	39,890	40,759	42,364
Site with high risk of water stress	number of sites	5	5	5	5	5	5
Recycled water	m³	0	0	0	0	0	0

Waste management

Category	Unit	2020	2021	2022	2023 ¹	2024
Waste to energy*	tonne	2,817	3,430	5,469	6,775	9,182
Waste to energy – non-hazardous	tonne	no data	3,364	5,228	5,804	7,961
Waste to energy – hazardous	tonne	no data	66	241	971	1,220
Recycled *	tonne	39,972	43,190	56,081	41,645	38,338
Recycled – non-hazardous	tonne	no data	43,102	55,337	41,645	37,766
Recycled – hazardous	tonne	no data	88	743	0	572
Landfill*	tonne	6,935	7,665	4,264	634	95
Landfill – non-hazardous	tonne	no data	7,664	4,262	634	95
Landfill – hazardous	tonne	no data	1	2	0	0
Total*	tonne	49,724	54,285	65,814	49,054	47,614
Total non-hazardous	tonne	no data	54,130	64,827	48,083	45,822
Total hazardous	tonne	no data	155	986	971	1,792
Zero waste to landfill sites*	number of sites	10	15	24	29	28
Percentage of total waste from company operations diverted from landfills	tonne	86%	86%	94%	99%	100%
Total weight of waste recovered	tonne	no data	no data	6,227	5,560	6,319

Materials and Product end of life

Category	Unit	2019	2020	2021	2022	2023	2024
Post-industrial recycled content	tonne	36,103	27,110	14,452	13,815	8,587	9,511
Post-consumer recycled content	tonne	125,197	123,620	134,023	114,344	119,032	118,316
% post-consumer recycled content in our packaging*	%	no data	21.5	23.3	21.3	25.0	24.4
% of products designed for recyclability	%	no data	no data	28	30	31	32
% of employees trained on specific environmental issues	%	no data	no data	no data	100	100	100
% operational sites assessed on specific environmental risks	%	no data	no data	no data	100	100	100

1. 2023 waste data has been adjusted and restated due to methodology changes to improve data quality.

*Indicator assured by DNV. See assurance statement (pages 88-90).

Sustainability data

Social KPIs

Workforce

Category	Unit	2020	2021	2022	2023	2024
Total number of employees	number	5,768	5,728	5,603	5,593	5,532
Total number permanent employees: female	number	1,217	1,176	1,166	1,198	1,273
Total number temporary employees: female	number	127	117	91	99	46
Total number permanent employees: male	number	4,259	4,231	4,187	4,122	4,105
Total number temporary employees: male	number	165	204	159	174	105
Total number permanent employees: female – Americas	number	181	191	182	205	205
Total number temporary employees: female – Americas	number	6	10	5	5	2
Total number permanent employees: male – Americas	number	895	946	997	998	972
Total number temporary employees: male – Americas	number	7	12	4	11	12
Total number permanent employees: female – Asia	number	82	76	71	76	77
Total number temporary employees: female – Asia	number	1	0	0	0	0
Total number permanent employees: male – Asia	number	243	238	236	236	235
Total number temporary employees: male – Asia	number	0	0	0	2	0
Total number permanent employees: female – Australia	number	15	13	8	10	11
Total number temporary employees: female – Australia	number	6	3	1	2	0
Total number permanent employees: male – Australia	number	50	35	29	26	30
Total number temporary employees: male – Australia	number	6	10	6	7	0
Total number permanent employees: female – Europe	number	939	896	905	907	979
Total number temporary employees: female – Europe	number	114	104	85	92	45
Total number permanent employees: male – Europe	number	3,071	3,012	2,925	2,862	2,872
Total number temporary employees: male – Europe	number	152	182	149	154	92
New employee hires	number	630	839	820	767	1,188
New employee rate	%	10.9	14.6	14.7	13.7	21.5
New hires – female	number	211	213	204	213	309
New hires – male	number	419	626	616	554	879
New hires – junior	number	537	667	613	557	956
New hires – supervisory	number	25	94	104	106	123
New hires – management	number	66	69	103	98	90
New hires – top management	number	2	2	0	6	19
Total turnover rate	%	12.8	17.3	18.2	16.3	16.6

Workforce (continued)

Category	Unit	2020	2021	2022	2023	2024
Voluntary turnover rate	%	7.5	11.5	12.0	10.0	8.7
Total turnover rate – female	%	15.4	21.9	20.3	16.2	9.6
Total turnover rate – male	%	12.1	16.0	17.6	16.3	8.5
Total turnover rate – junior	%	11.7	18.4	20.9	18.1	8.5
Total turnover rate – supervisory	%	11.0	13.5	12.3	10.7	8.7
Total turnover rate – management	%	10.6	15.4	13.4	15.5	9.5
Total turnover rate – top management	%	0.0	9.2	19.2	28.6	11.0

Diversity

Category	Unit	2020	2021	2022	2023	2024
Women in workforce	%	22.8	22.0	22.0	23.2	23.8
Women at management level*	%	23.6	23.9	23.6	25.5	25.8
Women – junior management	%	no data	24.3	23.5	25.8	26.4
Women at top management	%	no data	21.6	24.0	26.1	23.1
Women on company board	%	0	0	0	0	0
Average unadjusted gender pay gap	%	no data	no data	11.3	10.9	14
% of employed workers who are from minority groups ² and/or vulnerable groups in relation to the total organisation	%	2.7	2.8	3.7	5.2	7.0
% of employed workers who are from minority groups ² and/or vulnerable groups in management positions (excluding steering committee, board members)	%	4.9	4.2	6.0	8.3	9.3

2. Minority groups are identified as employees non-citizens from the operating location; on average, we have 25% of unknown nationalities.

*Indicator assured by DNV. See assurance statement (pages 88-90).

Sustainability data – Social KPIs continued

Average learning hours

Category	Unit	2020	2021	2022	2023	2024
Total number of training hours provided to employees	number	no data	no data	34,948	26,616	15,476
Average learning hours	number	no data	no data	6.1	4.8	2.8
Average learning hours – female	number	no data	no data	5.5	4.6	3.0
Average learning hours – male	number	no data	no data	6.3	4.8	2.7
Average learning hours – junior	number	no data	no data	5.0	4.5	2.1
Average learning hours – supervisory	number	no data	no data	8.7	4.7	4.4
Average learning hours – management	number	no data	no data	8.2	6.1	4.2
Average learning hours – top management	number	no data	no data	2.0	1.7	2.5

Performance and career development reviews

Category	Unit	2020	2021	2022	2023	2024
Number of employees who receive performance and career development reviews	number	837	878	1,013	1,257	1,286
% of employees who receive performance and career development reviews	%	15.0%	15.9%	18.8%	23.1%	23.2%
Breakdown by male/female	%	29.3% female/ 70.7% male	28.8% female/ 71.1% male	30.7% female/ 69.3% male	34% female/ 67% male	36% female/ 64% male
% of total workforce across all sites who received career or skills-related training	%	no data	no data	42	53	50
% of total workforce at all sites who received training on preventing discrimination and human rights violations	%	no data	no data	41%	28%	22%
% of total workforce trained on business ethics issues	%	54%	81%	48%	100%	95%

Working conditions and Social dialogue

Category	Unit	2024
% of employees covered by bonus scheme	%	31
% of employees covered by a company retirement plan	%	60
% of employees covered by formally-elected collective agreements	%	62
% of employees covered by formally-elected employee representatives	%	26

Human rights and Living wage

Category	2023	2024
% of direct employees covered by a living wage benchmarking analysis	17	20
% of direct employees paid below living wage	0	0
% of all employees paid below living wage, including direct employees, individual contractors and dispatched workers	0	0
% of internal employees and contract workers paid below living wage	0	0
% of average wage gap for direct employees paid below living wage against a living wage benchmark	0	0
% of operational sites assessed for human rights impact or risks	100	100

Employee Health and Safety

Category	Unit	2019	2020	2021	2022	2023	2024
Lost-time accident rate, LTA*	rate	0.25	0.33	0.33	0.35	0.35	0.33
Total recordable incident rate (TRIR)	rate				0.74	0.61	0.61
30-second risk assessment	number	467,031	748,334	810,000	818,261	771,512	748,253
% of sites that achieved zero harm status	%	12	25	31	25	40	46
Fatalities	number	0	0	0	0	0	0
Number of hours worked	number	12,001,600	11,683,360	11,941,280	11,885,120	11,604,320	11,487,840
Number of days lost to work-related injuries, fatalities and ill health	number	no data	no data	no data	no data	1,046	1,626
Number of work-related accidents	number	239	147	94	76	52	45
% of the total workforce across all locations represented in formal joint management-worker health and safety committees	%	no data	no data	no data	87	87	87
% of operational sites for which a detailed health and safety risk analysis has been conducted	%	no data	no data	no data	100	100	100

Customer Health and Safety

Category	Unit	2021	2022	2023	2024
% of products for which we offer to provide regulatory customer declarations including SDS	%	100	100	100	100

*Indicator assured by DNV. See assurance statement (pages 88-90).

Sustainability data

Governance KPIs

Management system certifications

Category	Unit	2022	2023	2024
Operational employees covered by ISO 9001 or equivalent certification	%	82	89	92
Operational employees covered by ISO 14001 or equivalent certification	%	52	55	55
Operational employees covered by ISO 50001 or equivalent certification	%	35	39	40
Operational employees covered by ISO 45001 or equivalent certification	%	21	18	18
Operational sites with RecyClass or equivalent certification	%	9	39	40

Board effectiveness

Category	Unit	2020	2021	2022	2023	2024
Average Board meeting attendance	%	100	100	96	100	100
Average Board tenure	months	2	13	16	18	25

Business ethics

Category	Unit	2021	2022	2023	2024
Number of confirmed information security incidents	number	0	0	0	0
Number of reports related to child labour, forced labour and human trafficking	number	0	0	0	0
% of all operating sites for which an internal audit/risk assessment on business ethics issues was performed	%	no data	100	100	100
% of all operating sites with certified anti-corruption management system	%	0	0	0	not reported
% of all operating sites with an Information Security Management System certified to ISO 27000 (or other equivalent/similar standard)	%	3	3	3	3
% of total workforce trained on information security issues	%	no data	18	10	45

Sustainable procurement

Category	Unit	2022	2023	2024
% of targeted suppliers that have signed the sustainable procurement charter/supplier code of conduct ³	%	89	100	100
% of spend covered by strategic suppliers with contracts that include clauses on environmental, labour, and human rights requirements ⁴	%	13	16	26
% of targeted suppliers ⁵ that have gone through a CSR assessment (e.g. questionnaire) ⁶	%	40	53	67
% of targeted suppliers ⁵ that have gone through a CSR on-site audit	%	0	0	0
% of targeted suppliers ⁵ that have received training on sustainable procurement	%	11	22	0
% of targeted diverse suppliers (minority owned or minority led, women, disabled people, ethnic minorities or member of other discriminated communities)	%	0	0	0
% of targeted suppliers ⁵ screened for environmental and social/human rights risks vs total number of targeted suppliers	%	100	100	100
% of audited/assessed suppliers engaged in corrective actions or capacity building	%	5	2	0
% of buyers across all locations that have received training on sustainable procurement	%	89	94	95
% of spend covered by suppliers in high-risk countries that have gone through a CSR assessment (e.g. questionnaire)	%	22	32	46
% of relevant suppliers with available information regarding conflict minerals	%	100	100	100

3. Sustainability clauses included in PO.

4. Spend based.

5. By targeted we have calculated based on strategic suppliers.

6. This number is based on count of suppliers.

GRI content index

Statement of use	kp has reported in accordance with the GRI Standards for the period January 1st to December 31st 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard/other source	Disclosure	Location	Additional comments and references
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organisational details	11	Klöckner Pentaplast Group. Read more about our organisation at www.kpfilms.com/en Corporate office located in London. Registered office in Luxembourg. Read more about our operations at www.kpfilms.com/en/contact-us/our-locations Ownership: Kleopatra Holdings 2 S.C.A, registered in Luxembourg; investment manager: Strategic Value Partners LLP, London, UK. Read more about the markets we serve and our scale at www.kpfilms.com/en/about-us
	2-2 Entities included in the organisation's sustainability reporting	-	Entities are listed online at www.kpfilms.com/en/contact-us/our-locations Report scope includes all of Klöckner Pentaplast Group. Read more about our organisation at www.kpfilms.com/en
	2-3 Reporting period, frequency and contact point	-	January to December 2024, annual. Please contact us at sustainability@kpfilms.com
	2-4 Restatements of information	87	
	2-5 External assurance	88-89	
	2-6 Activities, value chain and other business relationships	12-14, 16-19, 75-76, 85	Read more about our activities, brands, products and services at www.kpfilms.com/en
	2-7 Employees	93-94	
	2-8 Workers who are not employees	93	
	2-9 Governance structure and composition	71-72, 74, 77-78, 80, 95	Read more about governance at www.kpfilms.com/en/sustainability/governance-ethics Read more about our leadership at www.kpfilms.com/en/about-us/ceo-management-team
	2-10 Nomination and selection of the highest governance body*	*	
	2-11 Chair of the highest governance body*	*	
	2-12 Role of the highest governance body in overseeing the management of impacts	71	Read more about our governance at www.kpfilms.com/en/sustainability/governance-ethics
	2-13 Delegation of responsibility for managing impacts	71	
	2-14 Role of the highest governance body in sustainability reporting	71	The Board (kp's highest governance body) is responsible for reviewing and approving the reported information, including the organisation's material topics, by a process of review within formal meetings involving our Head of Communications and Head of Sustainability. Board members have also been involved in the sustainability strategy launch research consultation phase.

* Reason and explanation for omission. Information unavailable/incomplete. We apply rigorous and thorough governance procedures – information can be found here: www.kpfilms.com/en/about-us/governance-ethics, but we do not publish all details as listed in the GRI Standards. We will review the opportunities to close information gaps over the coming years.

GRI content index continued

GRI Standard/other source	Disclosure	Location	Additional comments and references
GRI 2: General Disclosures 2021 (continued)	2-15 Conflicts of interest	71	Read more about our governance www.kpfilms.com/en/sustainability/governance-ethics
	2-16 Communication of critical concerns	60, 71, 74, 78	Read more on the kp EthicsHotline at www.kpfilms.com/en/sustainability/governance-ethics
	2-17 Collective knowledge of the highest governance body*	*	
	2-18 Evaluation of the performance of the highest governance body*	*	
	2-19 Remuneration policies*	*	
	2-20 Process to determine remuneration*	*	
	2-21 Annual total compensation ratio*	*	
	2-22 Statement on sustainable development strategy	4-5, 7	Read more at www.kpfilms.com/en/sustainability/Investing_in_Better/
	2-23 Policy commitments	73-74, 76, 78, 81-82	
	2-24 Embedding policy commitments	51, 61, 73-74, 76, 78, 95	Our governance arrangements provide the high-level accountability and responsibility for implementing our Investing in Better commitments. Our 'Context and overview' subsections describe the need for the strategy, and the performance sections describe how we integrate our strategic commitments into policies and procedures, supported by business relationships, training and engagement.
	2-25 Processes to remediate negative impacts*	22-23, 50, 52, 57, 78, 82-83	
	2-26 Mechanisms for seeking advice and raising concerns	74, 77-78	Read more on the kp EthicsHotline at www.kpfilms.com/en/sustainability/governance-ethics
	2-27 Compliance with laws and regulations*	*	
	2-28 Membership associations	85	Read more about our memberships at www.kpfilms.com/en/sustainability/External-Engagement/
	2-29 Approach to stakeholder engagement	7, 10, 14, 18, 22, 27, 30-32, 35, 40, 59, 63, 69, 85	Read about our sustainability strategy www.kpfilms.com/en/sustainability/kp_Investing_in_Better_Brochure_2021.pdf Read our Group sustainability policy www.kpfilms.com/en/sustainability/kp_Group_Sustainability_Policy.pdf
	2-30 Collective bargaining agreements	-	Pharma, Health & Protection and Durables – four of our ten manufacturing sites are subject to collective bargaining or tariff agreements and around 1,100 employees are covered by such agreements (47% of the workforce). Food Packaging – employees at manufacturing sites comprise the majority of our workforce; 14 of our facilities recognise collective bargaining and approximately 2,150 employees are covered by such agreements (67% of the workforce).

* Reason and explanation for omission. Information unavailable/incomplete. We apply rigorous and thorough governance procedures – information can be found here: www.kpfilms.com/en/about-us/governance-ethics, but we do not publish all details as listed in the GRI Standards. We will review the opportunities to close information gaps over the coming years.

GRI content index continued

GRI Standard/other source	Disclosure	Location	Additional comments and references
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	72	
	3-2 List of material topics	72	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	74, 76, 78	Read more about our governance www.kpfilms.com/en/sustainability/governance-ethics
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	94-95	
Tax			
GRI 3: Material Topics 2021	3-3 Management of material topics	–	Read more about our tax strategy www.kpfilms.com/en/about-us/tax-strategy
GRI 207: Tax 2019	207-1 Approach to tax	–	Tax strategy refers to the UK jurisdiction. Read more about our tax strategy www.kpfilms.com/en/about-us/tax-strategy
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	8-9, 18, 21-22, 26, 33, 39	
GRI 301: Materials 2016	301-2 Recycled input materials used	8, 22, 91	In the scope of the PCR calculation, we include all products from our FP division, and we only include our packaging products from our PHD division, and as such all durable products (e.g. flooring, construction, etc.) are out of scope.
	301-3 Reclaimed products and their packaging materials	8, 13, 22, 28, 92	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	43, 45, 48, 74	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	91	
	302-3 Energy intensity	9, 44, 91	Measured in kWh consumption per tonne processed, including: electricity, natural gas, steam, compressed air, diesel, propane. Details on temperature-adjusted methodology: weather conditions influence the variability of energy use in kp buildings, particularly the thermal energy (natural gas, fuel oil) used for heating buildings. Accurate energy analysis, to understand true energy efficiency, depends on the use of widely available ‘degree days’ data (analysis of energy use in relation to the outside ambient air temperature to calculate a ‘heating degree day’ (HDD) by subtracting the average daily temperature in a given location from your chosen base temperature (15.5°C), multiplied by the number of days).
	302-4 Reduction of energy consumption	44, 48, 91	
	302-5 Reductions in energy requirements of products and services	17-18, 37	

GRI content index continued

GRI Standard/other source	Disclosure	Location	Additional comments and references
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	52, 74	Not formally a material topic, we provide additional information on water for certain stakeholder groups. Water discharge management: we meet all required compliance limits, including on priority substances of concern. Consumption: we only source from municipal systems.
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	52	Our formal water risk assessment has not revealed any significant negative water-related impacts. We recognise that water is a scarce resource, and that access to good quality freshwater is fundamental to an equitable society. We continue to monitor the case for water-related management targets in the context of public policy and local catchment conditions. We interact with various stakeholders in our approach to water and share best practice across the Group.
	303-2 Management of water discharge-related impacts	52	We discharge to municipal systems and our sites generate very little industrial wastewater. We do not currently report the municipal minimum standards set for the quality of effluent discharge.
	303-3 Water withdrawal	92	
	303-4 Water discharge	92	
	303-5 Water consumption	92	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 46, 74-76, 83-84	Greenhouse gases included within the boundary: CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs and SF ₆ , expressed in CO ₂ e. Emissions from biologically sequestered emissions have not been included. Organisational boundary: This report takes the operational control consolidation approach. All Scope 1, 2 and 3 emissions from operations over which Klöckner Pentaplast has operational control. Most emissions factors that are used to convert activity data (e.g. kWh energy or passenger kilometres travelled) are taken from the 'UK Government GHG Conversion Factors for Company Reporting', published by UK BEIS and UK Defra each year. Emissions from electricity use are estimated using 'location-based' and 'market-based' approaches. For the location-based approach, the average emissions factor for the country is used, applying country-specific emissions factors published annually by the International Energy Agency (IEA). The alternative 'market-based' approach refers to renewable energy certificates (given zero emissions), and where no supplier-specific data is held, factors published for residual emissions. For further information, see our TCFD disclosures.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	91	
	305-2 Energy indirect (Scope 2) GHG emissions	91	
	305-3 Other indirect (Scope 3) GHG emissions	91	
	305-4 GHG emissions intensity	47, 49, 91	
	305-5 Reduction of GHG emissions	91	

GRI content index continued

GRI Standard/other source	Disclosure	Location	Additional comments and references
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	18-19, 21, 50, 74	
	306-1 Waste generation and significant waste-related impacts	15, 18, 21, 30, 50	
	306-2 Management of significant waste-related impacts	51	Read more about our environmental management www.kpfilms.com/en/sustainability/risk-management-systems Read about our waste related R&D projects www.kpfilms.com/en/about-us/innovation
GRI 306: Waste 2020	306-3 Waste generated	92	
	306-4 Waste diverted from disposal	92	
	306-5 Waste directed to disposal	92	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	54, 60, 63, 74	Read more about recruitment and careers at www.kpfilms.com/en/careers/
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	93	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	60-61, 64	We ensure that our employees are rewarded and recognised. Our kp Total Rewards Policy is designed to be competitive in the job market, ensure compliance with all countries’ minimum wage requirements, ensure internal equity and reward employees based on our pay-for-performance approach. It also provides a framework to create programmes that attract, motivate and retain talent. We are committed to help our employees have a better work-life balance and as such offer different flexible work arrangements, which could include flextime, work from home, part-time, compressed workweeks, etc. These arrangements provide employees with increased flexibility with their work schedule while allowing kp to maintain a progressive and productive work environment. Employee Assistance Programmes (EAP) are implemented globally and look to support the wellbeing of our employees and their families. These EAP include, but are not limited to, wellbeing and mental health support, counselling sessions (face-to-face or online) and support with financial wellbeing. There is a standard portfolio of benefits offered to each permanent kp employee in the USA regardless of the site. However, in other countries employee benefits vary, partly owing to whether or not an employee's main site is a legacy Linpac site or a kp site. Some of the countries do not offer benefits to new hires because the insurance is provided by the local governments. In these countries, kp pays a portion of the employees’ cost of the benefits offered by the government. The benefits offered to permanent employees are listed below. <ul style="list-style-type: none">• Medical Insurance• Dental Insurance• Life Insurance• Accident Insurance• Disability Insurance• Retirement/Pension Account• Paid Time Off/Sick and Vacation Time
	401-3 Parental leave	61	We offer parental leave across the countries where we operate; this varies in length and benefit depending upon the country. Most of our employees are entitled to a 12-week maternity leave and two-week paternal leave; these vary from country to country. We consistently track this data in Germany and we are looking at evolving our reporting to expand our disclosure on this indicator in the future.

GRI content index continued

GRI Standard/other source	Disclosure	Location	Additional comments and references
Labour/management relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	74, 78	
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-	Before making operational changes that could substantially affect our employees, we provide a period of notice outlining the proposed changes. The minimum period and provisions for consultation and negotiation are specified either in the collective agreements or in the local laws. On average, the minimum notice period is 41 days.
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	54, 74	Read our Health and Safety Policy www.kpfilms.com/en/sustainability/kp_Group_Health_and_Safety_Policy.pdf
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	55-58, 94	Group-wide, 30 sites (100%) are covered by the OHS system. Read more about how we act responsibly at www.kpfilms.com/en/sustainability/Our-Strategy/Act-Responsibly
	403-2 Hazard identification, risk assessment and incident investigation	56, 58	
	403-3 Occupational health services	74	In line with EU law and other host country laws, we manage safety in a way that identifies and seeks to eliminate hazards and minimise risks. Our OHS management system, our People Activity Safety Audits and our We Care framework help ensure the quality of safety and workers' access to information and support regarding safety at work.
	403-4 Worker participation, consultation and communication on occupational health and safety	56, 58-59	More than 90% of our sites have a Safety Steering Meeting, where worker consultation and participation takes place. Any formal request relating to safety is made (from a regulator or union, for example), and is managed by the H&S Committee, with specific participation from employees' representatives. All learning on safety is shared across all sites, while safety topics are identified and communicated on a monthly basis and displayed either on monitors on site, at the canteen or via newsletters. The site and divisional senior management teams communicate the 'zero harm' goal and status via newsletter and video. For unionised plants, the representatives of the workers are consulted on any new rules before implementation.
	403-5 Worker training on occupational health and safety	55-56, 74	
	403-6 Promotion of worker health	61, 64	There are various ways worker health is promoted, e.g. our Code of Conduct, our sustainability policies and site-level communication. We also exercise proportional disciplinary action for any transgressions of safety and health rules, the outcomes of which are shared to help avoid them happening again. Read more about governance and ethics www.kpfilms.com/en/about-us/governance-ethics
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56, 59, 74	As a result of the formal risk assessment process, near miss or injury investigation, any corrective action to either mitigate or remedy the risk is considered and deployed as appropriate.
	403-8 Workers covered by an occupational health and safety management system	74, 94	All legal requirements are monitored, complied with and audited to ensure every worker has adequate attention in case of work-related injuries or illnesses. Employees travelling abroad are covered by specific insurance programmes.
	403-9 Work-related injuries	55, 94	No fatalities or recordable cases resulting from ill health occurred at kp.
	403-10 Work-related ill health	55, 94	

GRI content index continued

GRI Standard/other source	Disclosure	Location	Additional comments and references
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	63, 74	Training and development are key parts of our Employee Value Proposition, which is designed to attract, grow and retain the best talent in our industry. To manage this successfully, we depend on our online kp Academy to improve skills, standards and values. Other management tools included in the training syllabus are the kp Code of Conduct, as well as policies on cyber security, data privacy, health & safety, the environment and diversity. Read more on working at kp at www.kpfilms.com/en/careers
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	94	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	63-64, 94	
	404-3 Percentage of employees receiving regular performance and career development reviews	94	Our People Strategy aligns people and their capabilities with our vision, strategy, priorities and goals. The formal performance management process involves objective setting and formal feedback during the year, accompanied by more informal meetings to monitor progress, identify improvement potential and raise any concerns or escalate problems.
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	60, 74	Read more about the working environment www.kpfilms.com/en/careers
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	93	Read more about the senior leadership team www.kpfilms.com/en/about-us/ceo-management-team
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	60, 74	Read more about the working environment www.kpfilms.com/en/careers/
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	94	
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	66	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programmes	66, 94	
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-13, 15, 18, 24, 37-38	Read more about medical packaging films www.kpfilms.com/en/pharma-medical/medical-device-packaging-films/
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	94	All (100%) of our significant product and service categories are assessed for health and safety impacts as part of our product design and manufacturing quality processes.

Glossary

Circular economy/circularity: an economic system aimed at eliminating waste and depletion of resources. Circular systems employ reuse, sharing, repair, refurbishment, remanufacturing and recycling to create a closed-loop system.

Controlled blending: involves precisely combining different plastic materials, additives, and colourants in a repeatable and accurate manner to achieve consistent product quality and minimise waste.

Design for Recyclability: the process of designing a product so that recycling infrastructure is able to process it and circulate it in the market, at scale.

Film: plastic film is a thin continuous polymeric material; thicker films are often called sheets. Films are used to separate areas or volumes, to hold items, to act as barriers or as printable surfaces. Plastic films are used in packaging, plastic bags, labels, building construction, landscaping, electrical fabrication, photographic film, etc.

High-density polyethylene (HDPE): a thermoplastic polymer produced from the monomer ethylene. It is commonly recycled, with the number '2' as its resin identification code.

Life Cycle Analysis: a method for assessing environmental impacts associated with all the stages of the life cycle of a commercial product, process or service.

Plastics: synthetic or semi-synthetic materials that use polymers as a main ingredient.

Polyethylene terephthalate (PET): the most common thermoplastic polymer resin of the polyester family; used in fibres for clothing, containers for liquids and foods, in thermoforming for manufacturing and in combination with glass fibre for engineering resins.

PET has a resin identification code of 1. Prime uses for recycled PET are polyester fibre, strapping and non-food containers. Mechanical recycling of PET is very common. Chemical recycling of PET will become cost-efficient only in high-capacity recycling lines.

Polymer: a natural or man-made material comprising molecules made up of many repeating units that provide strength, as well as other properties expected of everyday objects such as plastic packaging.

Polyolefin: a type of polymer produced from a simple olefin (an alkene) as a monomer. For example, polyethylene is the polyolefin produced by polymerising the olefin ethylene.

Polyvinyl chloride PVC (vinyl): widely produced synthetic plastic polymer, in rigid and flexible forms, used for making various products, from drainpipes to packaging.

Post-consumer waste: waste produced by the end consumer of a material or commodity. Post-consumer waste is distinguished from pre-consumer waste, which is the reintroduction of manufacturing scrap (such as trimmings) back into the manufacturing process.

Recycled PET (rPET): a more sustainable alternative to virgin PET plastic. rPET is produced by recycling existing PET, such as plastic bottles, and reusing the material.

Secondary materials: this refers to materials recovered through all forms of recycling, reuse and remanufacturing.

Thermoforming: a manufacturing process where a plastic sheet is heated to a pliable forming temperature, formed to a specific shape in a mould, and trimmed to create a usable product such as a tray or film.

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