



# Investing in Better

Sustainability  
Report 2023



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# An introduction from our CEO

## Roberto Villaquiran

During my first full year as CEO, amid significant change for kp and the leadership team, I've been consistently impressed by the strength and resilience of our business.

Even though market conditions have been challenging, it's clear to me that our sustainability strategy, in combination with our innovative product portfolio and talented workforce, means we are well-positioned for the future.

The world remains an unpredictable place, where the pace of change is only increasing. Regulations in the EU around reporting, recycling, emissions and greenwashing continue to become more stringent – something we welcome, on the basis that it creates a level playing field and delivers clear societal and environmental benefits.

The world is likely now approaching 'peak carbon' – this year or next should prove to be the high water-mark for man-made carbon emissions, and it's exciting to think that the tide is finally turning – although there are doubtless many challenges left to face.

Looking ahead, given that so many of the things we have achieved since the launch of our Investing in Better strategy could only have happened with the help of our customers and suppliers, we will continue to deepen these partnerships for the benefit of all.

We will also continue to evolve our internal processes and strategy to ensure that kp remains a leading supplier of sustainable packaging solutions.

Finally, I would like to thank our people for their commitment and energy – you have all made Investing in Better something that has a meaningful impact on the world.

**Chief Executive Officer**  
Roberto Villaquiran

**“Our sustainability strategy, in combination with our innovative product portfolio and talented workforce, means we are well-positioned for the future.”**





# COO and Head of Corporate Sustainability's review

## Alan Richards

After some six years as Chief Operating Officer, this year saw me expand my remit to lead sustainability at kp, allowing me to bring hands-on operational experience and perspective to the role.

I've inherited a robust strategy and an outstanding team, and this year we have continued to make good progress against our three strategic objectives: Close the Loop, Work Smarter and Act Responsibly.

The standout milestone of 2023 was the fulfilment of our commitment to achieve zero waste to landfill across our entire global footprint, wherever it was legally possible to do so. We aim to build on this success story and to continue pursuing the remainder of our ambitious goals.

We are incredibly proud of the numerous innovations within our sustainable portfolio that support a circular economy. Furthermore, our products add significant value by reducing carbon emissions and waste while extending the shelf life and efficacy of medication and perishable food products.

Recent highlights include the introduction of our first 100% rPET tray made exclusively from recycled food trays – a direct result of kp's Tray2Tray® initiative, as well as our work with the Keep Sea Blue initiative to remove a thousand tonnes of PET plastic from at-risk coastlines and recycle it into new food packaging.

In addition, more than 95% of our ShoreCycle® card film is now comprised of plastics recovered from beaches and waterways in developing coastal communities.

In 2024, we plan to review our strategy and objectives as they near the five-year mark. We are very much aware of the need to update and refine our goals as we start to reach major milestones, and the world continues to change around us.

**Chief Operating Officer and  
Head of Corporate Sustainability**  
Alan Richards

**“The standout milestone of 2023 was the fulfilment of our commitment to achieve zero waste to landfill across our entire global footprint.<sup>1</sup>”**



1. Where legally possible.



# Our sustainability strategy



## 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 19

## 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 42

## 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 59



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# 2023 highlights

## Zero

waste to landfill  
achieved<sup>2</sup>



## 47%

reduction in  
Scope 1 and 2  
emissions vs. 2019



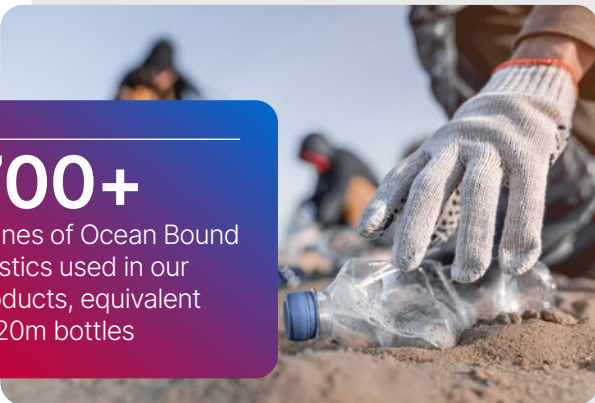
## 78%

fewer reportable  
safety incidents  
vs. 2019



## 700+

tonnes of Ocean Bound  
Plastics used in our  
products, equivalent  
to 20m bottles



## 321,000

tonnes of CO<sub>2</sub>  
emissions avoided by  
using recycled content



## 25%

post-consumer  
recycled material  
in our packaging



2. By end of 2023 and where legislation allows.

## 2023 highlights (continued)

### Recognition

#### Sustainalytics top rating – third consecutive year

As of February 2024, kp was ranked in the top 2% of companies assessed in the containers and packaging sector. Sustainalytics' analysis showed that we have low exposure to material ESG issues, paired with strong risk management.<sup>3</sup>



#### 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 Accelerators as well as the DEI Working Group.



**First CDP submission**  
Granted a 'B' score



**EcoVadis – third consecutive year**  
Overall score of 72/100

<sup>3</sup>. Disclaimer: Copyright ©2024 Sustainalytics, a Morningstar company. All rights reserved. This page includes information and data provided by Sustainalytics and/or its content providers. Information provided by Sustainalytics is not directed to or intended for use or distribution to India-based clients or users and its distribution to Indian resident individuals or entities is not permitted. Morningstar/Sustainalytics accepts no responsibility or liability whatsoever for the actions of third parties in this respect. Use of such data is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

### A word from our Group Sustainability Director

We reached several key sustainability milestones in 2023, and it's fair to say that we are seeing our work to Invest in Better paying off in tangible ways.

For the first time this year, we submitted our climate disclosures to CDP (formerly the Carbon Disclosure Project). We were proud to achieve a 'B' rating, which underscores our dedication to reducing environmental impact.

Our GHG emissions (Scope 1 and 2) are now 47% lower than our 2019 baseline, demonstrating substantial progress.

Meanwhile, our use of post-consumer recycled material (PCR) across kp now stands at 25%, a hard-won, industry-leading achievement.

As we look to 2025 and beyond, we will continue to push the boundaries in our journey to achieve our target to make our entire packaging portfolio recyclable. We continue to look for solutions and to have recyclable alternatives for all our applications.

During the year, we ran a series of sustainability forums with the aim of engaging employees across kp with our sustainability strategy, goals and achievements. As ever, sustainability is a team sport and everyone must be on board if we are to continue making progress.

We are very excited and proud to share more detail on these achievements and others, throughout our 2023 sustainability report.

**Group Sustainability Director**  
Aida Cierco





# Close the Loop Performance

Progress  
Target

\* end of year unless stated otherwise

## Target I Use more recycled materials

PCR material in our packaging (%)



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

### Highlights

We maintained a strong level of PCR usage through a focus on optimising process efficiencies. A combination of our own ability to innovate and external market forces continues to shape progress.

### Future outlook

We will continue to devote significant R&D resources to developing new films for novel packaging applications, which will include a greater proportion of PCR material.



On track to hit target by end of 2025



Read more on page 21

## Target II Close the packaging loop

Share of kp's entire PCR content from kp Tray2Tray® (%)



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

### Highlights

We increased our share of kp Tray2Tray® in a challenging market thanks to strong supplier partnerships.

### Future outlook

Despite the progress made towards achieving our ambition to originate 30% of our PCR consumption from pots, tubs and trays by 2025, the slower pace on growing the current collection and sorting scenario is limiting our ability to progress at expected pace. Strong partnerships are key to stable supply across the value chain and we are committed to expanding this programme as quickly as possible.



Progress is being made, but more work is needed to achieve goal



Read more on page 28

## Target III Recyclability

Recyclability of our packaging portfolio (%)



100% of our packaging will be recyclable.

### Highlights

Our products designed for recyclability have now increased 9% by volume to 31% since 2019. We now have recyclable alternatives for 68% of our overall product portfolio.

### Future outlook

Our immediate focus is to have as many recyclable alternatives as possible for our product portfolio, but we may need to go beyond 2025 to achieve our target to make all our packaging recyclable. We are fully committed to working with the whole value chain to ensure recyclable packaging is recycled at scale.



The target is a challenge, even with more recyclable options available



Read more on page 33

# Work Smarter Performance

Progress  
Target

\* end of year unless stated otherwise

## Target I Improve energy efficiency

Energy intensity (kWh per tonne processed)

2022	<div></div>	1,141
2023	<div></div>	1,179
2025*	<div></div>	942

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

### Highlights

The substantial changes in demand and production volumes tested our operational agility, introducing unprecedented complexity. Consequently, our energy efficiency declined, but our teams developed numerous innovations to mitigate the impact.

### Future outlook

With a robust foundation and a skilled team, we are well-equipped to handle our energy efficiency efforts.



Some challenges in 2023



Read more on page 44

## Target II Reduce carbon emissions

Scope 1 and 2 emissions reduction (%)

2022	<div></div>	43
2023	<div></div>	47
2025*	<div></div>	50

Scope 3 emissions reduction (%)\*\*

2022	<div></div>	0.1
2023	<div></div>	2.1
2029*	<div></div>	20

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 are progressing well in reducing our Scope 1 and 2 emissions and have engaged with our supply chain with the aim of reducing our Scope 3 emissions.

### Future outlook

We will continue to invest in renewable energy sources to further reduce our Scope 1 and 2 emissions and we will continue to decarbonise the value chain through our supplier engagement programme.

\*\* 2022 and 2023 data has been restated due to methodology changes to improve data quality.



On track to hit operational target by end of 2025 and 2029



Read more on page 49

## Target III Stop sending waste to landfill

Waste diverted from landfill (%)

2022	<div></div>	93.5
2023	<div></div>	97

We will send zero waste to landfill or incineration without energy recovery where legislation allows.

### Highlights

We've made significant progress and have now achieved zero waste to landfill in our sites, where legally possible.

### Future outlook

We will work hard to protect and build on this achievement.



Achieved, with a delay



Read more on page 54

# Act Responsibly

## Performance

Progress  
Target

\* end of year unless  
stated otherwise

### Target I Eliminate lost-time accidents

Lost-time accident (LTA) rate	Total recordable incident rate (TRIR)
2022  0.35	2022  0.74
2023  0.35	2023  0.61
2025*   0	

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

#### Highlights

While our LTA rate has remained stable, we now have more 'zero harm' sites than ever before, with 32% fewer incidents year on year.

#### Future outlook

Safety culture is well implemented throughout our sites. We will further embed it by continuing our root cause assessments and sharing best practices.



On track to hit target by end of 2025



Read more on page 61

### Target II Become more diverse

#### Women at management level (%)

2022  23.6
2023  25.5
2025*  30

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

#### Highlights

We have made good progress towards our target. We have also conducted the UNGC Gender Equality Accelerator self-assessment to improve our gender equity.

#### Future outlook

We will continue to incorporate best practice into our training, policies and processes to further embed gender equity into our business.



Progress is being made, but more focus is needed



Read more on page 66

### Target III Engage employees better

#### Employee engagement score (%)

2022  75
2023  n/a
2025*  80

Our employee engagement score will improve to over 80%.

#### Highlights

In 2023 we moved from the global survey to a pulse survey targeting specific topics, starting with a focus on communication.

#### Future outlook

We are currently reviewing a plan to conduct a global engagement survey towards the end of 2024.



On track to hit target by end of 2025



Read more on page 70

### Target IV Make a difference in our communities

#### Plants with at least one impactful community engagement project p.a. (%)

2022  n/a
2023  18
2025*  30

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

#### Highlights

Our sites continued to engage with the communities and in the past year we had 52 projects in 18 sites.

#### Future outlook

We are excited to partner with our local communities and explore the variety of ways we can give back.



On track to hit target by end of 2025



Read more on page 73



# About us

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 8,000 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).

Our global presence

## 30 plants in 18 countries across 5 continents

The Americas  
8 locations

Europe  
18 locations

Asia & Australia  
4 locations

# Two complementary divisions

## Pharma, Health & Protection and Durables

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



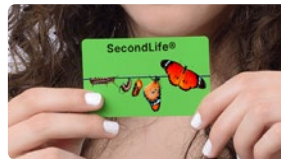
### Pharma

- 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.



**61%**  
of EBITDA



**10**  
manufacturing plants



**2,230+**  
employees



**2,720+**  
customers

## 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 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.



**39%**  
of EBITDA



**20**  
manufacturing plants



**3,020+**  
employees



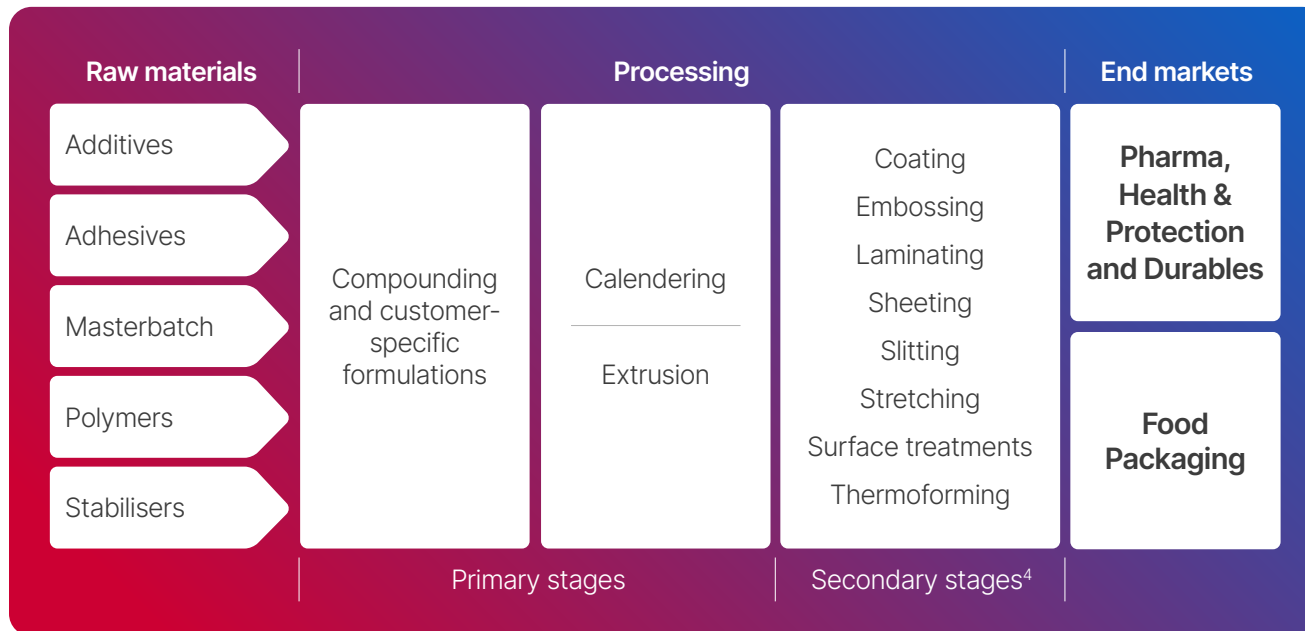
**4,300**  
customers

# Our business model

## 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 customer specifications and legal requirements.



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

## How we create value

Building up manufacturing capacity requires high initial capital investment, but it enables us to work with numerous customers over both long and short timescales, to meet orders large and small. Our customers and suppliers 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.



## 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.



### Protection

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



### Preservation

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



### Barrier

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



### Strength

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



### Recyclability

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



### Versatility

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



### Lower carbon

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



### Look and feel

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

## Our business model (continued)

### Key competitive advantages

#### Sustainability focus

As industry leaders in sustainable packaging, we leverage our experience and expertise to help our customers stay ahead of legislation. 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. Investment in training, automation, technology and equipment, then ensuring all of this is available in a location conducive to rapidly meeting customer needs, is critical.

#### Ability to innovate

With eight dedicated kp iCenters in Charlottesville (US), Girona (Spain), Featherstone (UK), Pravia (Spain), Gendorf (Germany), 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 three years, we have launched 45 new products in the Pharma, Health & Protection and Durables division and 44 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 team 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.



# Product innovation

## Unique market-leading products

### Pentapharm® kpNext® RB5

Vinyl-free and halogen-free recyclable barrier films



- Alternative blister films with the same thermoforming functionality as traditional packaging.
- Perfect in existing production lines; no retooling or line speed changes required.
- Suitable for liquids or products requiring high moisture resistance for enhanced stability.

Watch our product video



### kp FlexiFlow® EH 145 R

Ultra-lightweight, fully recyclable barrier flow wrap films



- 75% weight reduction compared with typical rigid tray/lid combination.
- Exceptional clarity and food protection.
- Certified by third-party organisations and designed in line with Ceflex recyclability guidelines.

Watch our product video



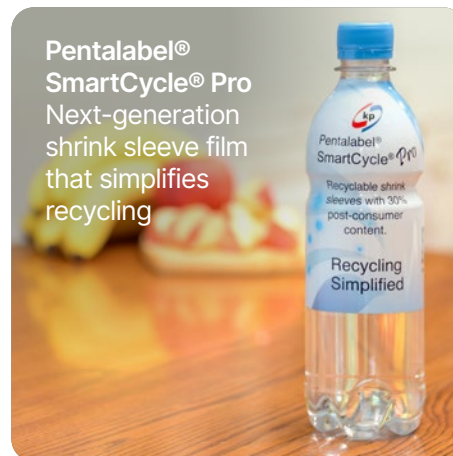
- Can be recycled directly with any PET bottle or container – no need to remove the label sleeve.
- Helps increase the amount of PCR material available and so reduces demand for new raw materials.
- RIC 1 recyclable, with certified 30% post-consumer, mechanically recycled content.

Watch our product video



### Pentalabel® SmartCycle® Pro

Next-generation shrink sleeve film that simplifies recycling



- Design removes the need for absorbent pads and adhesives.
- Significantly improves recyclability of rinsed trays.
- Made with up to 100% rPET in a mono-material.

Watch our product video



### kp Zapora®

Fully recyclable padless fresh protein tray





## Product innovation (continued)

### Sustainable product development

Our product managers and innovation 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, the needs of the end user and to ensure they incorporate sustainability attributes like 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, production '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, they 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 US. Our stackable tray designs also ensure that storage and loading volume is reduced.

### Design and consumer behaviour

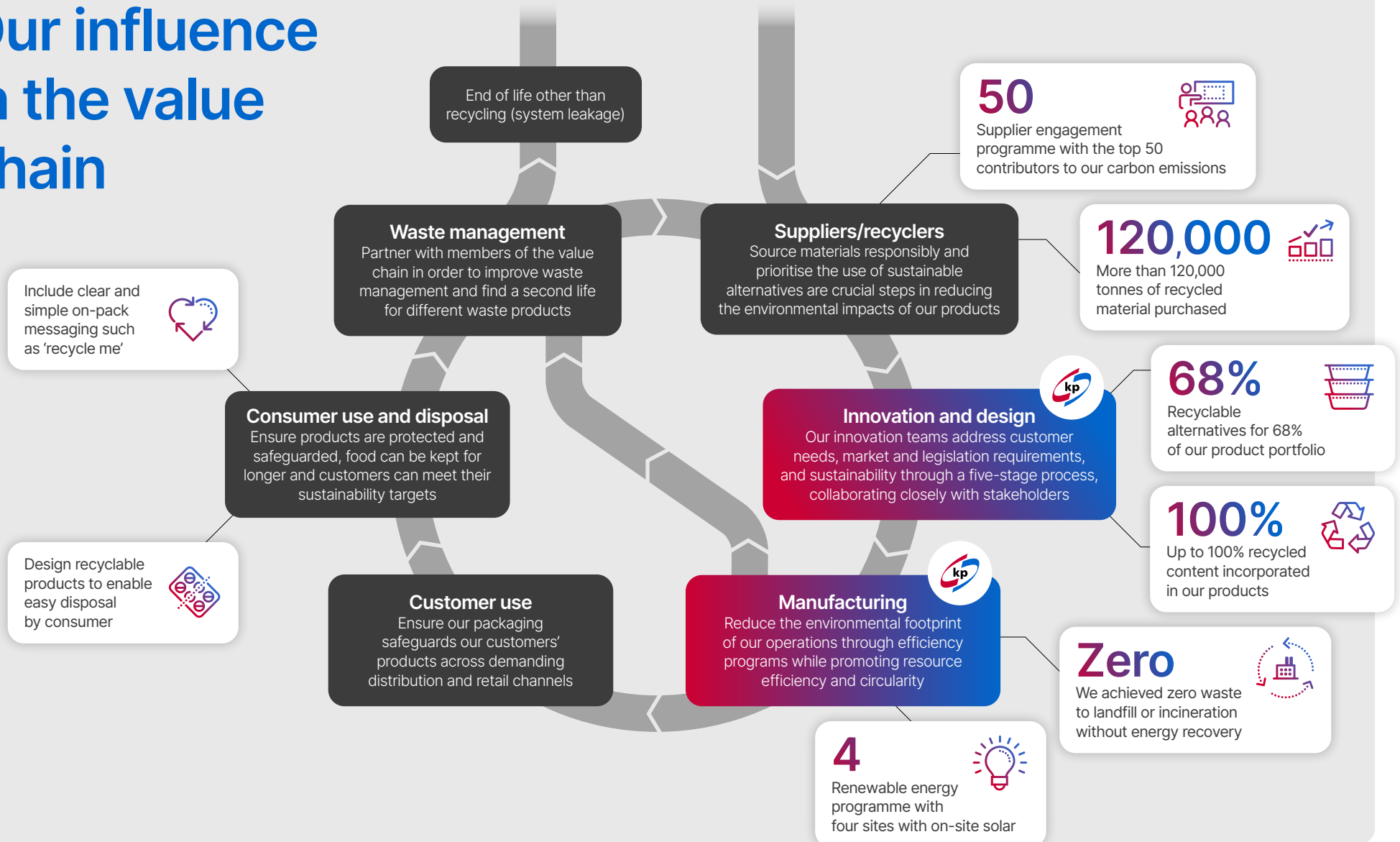
The 'use phase' of packaging means meeting the consumer's need to receive a product in its optimal state – for example, protected, fresh and hygienic. The best packaging can help reduce waste while delivering, for example, a high-quality consumer food experience, or the reassurance that medicines remain sterile.

Designing for sustainability includes making it as easy as possible for the consumer to recycle our products – that is why we've introduced innovations such as padless protein trays (kp Zapora®) and labels which 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



# 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.

## Highlights

- 25% of the plastic packaging we produced last year comprised post-consumer recycled (PCR) material.
- 11.4% of our recycled material was from kp Tray2Tray®.
- Recyclable alternatives offered for 68% of our product portfolio.
- 31% of our products by volume are designed for recyclability, a 9% improvement since 2019.



Find out more  
at [kpfilms.com](https://kpfilms.com)



Context and overview →

I. Use more recycled material →

II. Close the packaging loop →

III. Recyclability →

Durables →

# Close the Loop

## Context and overview

Plastic packaging guarantees extended protection for medicines and food. Plastic is easy to transport and offers convenience, durability and transparency, where required. All packaging must be designed to both extend the life of the packaged product and to be recycled once it has served its purpose. At the product's end-of-life stage, we focus on maximising the reuse of valuable plastics, avoiding landfill and any long-term impacts of plastics being incorrectly discharged to the natural environment.

'Closing the loop' so that packaging is recycled at scale demands a high degree of collective action on policy, regulation, consumer education and municipal infrastructure. In Europe, a leader in this area, nearly two-thirds of post-consumer plastics collected originate from packaging, and the amount of post-consumer plastics sent to recycling has increased in recent years by 8.5%<sup>1</sup>. Latest data estimates suggest the supply of PCR plastics has increased. Yet while estimates indicate that 21% of PET trays were collected and sorted for recycling across Europe<sup>2</sup>, collection and sorting rates for trays and flexible packaging will need to increase significantly in many EU states for packaging to be considered truly recyclable.

It is critical that the European example is replicated – and built upon – elsewhere, given that the share of secondary materials<sup>3</sup> consumed by the global economy has decreased from 9.1% in 2018 to 7.2% in 2023<sup>4</sup>. Industry is working hard to prevent the billions of items of packaging produced annually ending up as pollution, yet this is a problem that can only be solved collectively. At kp, we are part of the solution, and collaborate with consumers, customers, partners, manufacturers and government agencies to maximise the value of plastics.

### Alignment with the UN Sustainable Development Goals

**3** GOOD HEALTH AND WELL-BEING



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

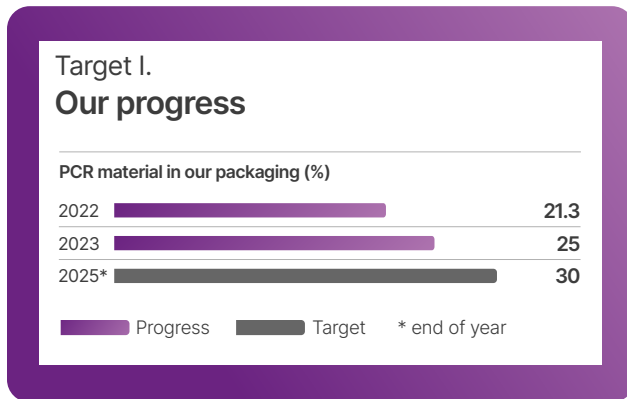


1. The latest study by Plastics Europe estimates 29.5m tonnes of plastic waste was collected in 2020, 61% of which is packaging; data for EU27+3 (i.e. Norway, Switzerland and the United Kingdom). Source: <https://plasticseurope.org/knowledge-hub/the-circular-economy-for-plastics-a-european-overview-2/>
2. 2024: <https://www.plasticsrecyclers.eu/wp-content/uploads/2024/05/PET-Market-in-Europe-State-of-Play-2022-Data-V2.pdf>
3. Secondary materials refer to materials recovered through all forms of recycling, reuse and remanufacturing
4. <https://www.circularity-gap.world/2024>



# Target I.

## Use more recycled material



For nearly two decades, kp's high-quality products have continuously met global safety standards and consumer expectations. To achieve this, we have developed technology which enables us to incorporate PCR material into our products, which enables our customers to achieve their sustainable packaging commitments. Keeping valuable raw materials in circulation conserves energy and resources, and avoids the need for landfill and incineration.

We work hard to respond to the various challenges which arise on the journey to incorporate more recycled material in our products. For example, the materials collection industry now faces various limitations owing to underinvestment, complexity and its structural variability at sub-regional levels. And while relevant legislation is put in place around the world to encourage more use of recycled material, this can be slow to tackle certain market challenges and achieve much-needed harmonisation.

Our innovative approach has enabled us to launch the first food packaging solution using mechanically recycled PCR content, and to use polymers other than PET. We are now seeking to increase the use of recycled polystyrene (rXPS) trays, to comply with demanding new European legislation. In addition, kp is also active in Petcore Europe<sup>5</sup>, helping to promote PET thermoforms across the value chain and shrink sleeve labels for drinks bottles that are more easily sorted and recycled.

### Performance

In 2023, around a quarter of the raw material we used was classed as PCR. Our Food Packaging (FP) division uses the most PCR – around 40% in 2023. A combination of our own ability to innovate and external market forces continue to shape progress.

<sup>5</sup>. Petcore Europe is the voice of companies and associations involved in the PET value chain in Europe. It promotes PET as a sustainable packaging material, supports recycling solutions and represents the industry before the European institutions. <https://www.petcore-europe.org/>

## Target I. Use more recycled material (continued)

In 2023, our FP teams continued to deliver innovative products in line with our strategic 'roadmap'. Novel products such as our SmartCycle® rigid films range contribute significantly towards our target to increase PCR content into our portfolio, along with other innovations, such as:

1. rXPS trays for fresh meat, which enable retailers to meet consumer expectations, particularly around food presentation, can include up to 50% recycled content while enabling retailers to meet consumer expectations.
2. kp FlexiLid® EH 332+, the thinnest laminated flexible film on the market, containing 30% PCR material. Produced at our Pontivy site in France, following sustainable production best practice, this product is already used on an industrial scale by UK meat packers.
3. Blending recycled content with polymers such as polypropylene (PP). This year, we conducted the first successful proof-of-concept trials of 'NEXTLOOP'. However, despite recent supportive advances in US regulations, the use of mechanically post-consumer PP in food contact applications still faces challenges vis-à-vis current European legislation.



### Lightweight, rXPS trays containing recycled content change the game in Italy

Many of our customers in Italy have a strong preference for the traditional look and feel of expanded polystyrene trays, the lightest trays in the market. Our team in Verona developed the new kp rXPS and kp rXPS MAP protein trays. These new trays contain up to 50% recycled polystyrene and are the lightest option in their class, reducing overall carbon use. They can also be combined with a variety of fully recyclable kp lidding and overwrap films.

This proves that recyclability of polystyrene is viable at scale as collection, sorting and recycling is now in place, allowing us to incorporate it into new products.

## Target I. Use more recycled material (continued)

### Launching innovative 100% recycled debit, credit and loyalty cards

kp SecondLife® Card Core Films are 100% post-industrial recycled films, launched in 2023 as a response to clear demand from credit, debit and loyalty card manufacturers.

The project began in mid-2022 and involved overcoming several challenges, including sourcing clean, qualified rPVC material, obtaining certifications and successfully processing the recycled source material. Customers responded well, and many are now aiming to avoid any reliance on first-use plastic entirely, with products like SecondLife® at the heart of that effort.



Within the SecondLife® family, we recently expanded our available colours to include green, red and blue, giving our customers more options. We also launched SecondLife® overlay films. All of this makes kp a one-stop-shop for card film applications.

Our SecondLife® films can also be used in conjunction with our well-regarded line of laminated kpFoil® card films.

In 2023, our Pharma, Health & Protection and Durables (PHD) division increased the level of PCR content in its products to 3.1%, aiming to shift away from using vinyl wherever possible. Our PHD division produces packaging for both the consumer product and healthcare markets, but recycling in the latter is strictly limited by healthcare regulations. Even so, our PHD division is steadily increasing its use of PCR content in response to requests by retailers and demands by regulators in the USA. Meanwhile, a greater number of kp consumer packaging products with higher PCR content are available, particularly in the USA. In recent years, PHD has brought to life impactful product innovations:

1. kpEnhance® RM1, a product that meets the highest quality and regulatory standards, which incorporates a minimum of 30% of recovered ocean plastic PCR content.
2. Our consumer packaging SmartCycle® portfolio, a range of PCR films that provide various packaging options to consumers, while also helping consumer product companies and retailers to reach their sustainability commitments.
3. A line of PCR content medical device films was recently launched under our brand SecondLife® MD.



## Target I. Use more recycled material (continued)



### Certifications

During the year, our PHD division achieved third-party certification of its recycled content claims for all of its consumer product packaging films<sup>6</sup>. Group-wide, we have expanded our third-party certification of recycled content claims, in line with European Standard EN 15343:2007 Plastics Recycling. We have also achieved certificates from RecyClass, AENOR and RETRAY, which verify the origin and the traceability of recycled plastics at different stages of the value chain. At least one certification is in place in 13 kp sites globally.

### The prospects for chemical recycling

Significant technical and efficiency improvements have been made recently in the field of chemical recycling. Our plant in Montabaur, Germany, was the first in Europe to produce medical device packaging with chemically-recycled resins that meet the strict guidelines for this type of packaging. We were also pleased to achieve the ISCC Plus mass-balance certification at Montabaur and our Rural Retreat and Gordonsville sites in the USA<sup>7</sup>.

Also known as 'advanced recycling', the technology is still emerging, and remains relatively energy-intensive as a process, despite keeping more material in the circular system. However, its expansion means that hard-to-recycle materials, such as coloured rejects from mechanical recyclers, pre-consumer fibre or green strapping, can now be used as feedstock and converted into virgin-quality material. Chemical recycling can be used in particularly demanding circumstances, where there are regulatory limitations on medical applications, or risks of 'system leakage' (i.e. pollution), or 'migration' (i.e. movement of impurities). In the future, kp will likely remain 'mechanical-first', but chemical recycling has a place.

Accordingly, we are working closely with partners with advanced recycling processes to qualify the use of these materials as part of our portfolio.

In our FP portfolio, two research projects have allowed us to demonstrate to the wider industry the quality, workability, cost, availability and efficiency of these recycling technologies when applied to complex packaging that is hard to recycle with mechanical processes. We innovate to solve the sustainability challenges faced by our industry. Projects such as BHET<sup>8</sup> and RPET-Q<sup>9</sup> are just two examples of vital work that we are doing with different funding. These projects allow us to engage and collaborate with leading universities and research and technology centres.

<sup>6</sup>. We used SCS Global Services Recycled Content Certification, which independently verifies the percentage of a product that was made from recycled content or recycled materials. <https://www.scsglobalservices.com/services/recycled-content-certification>

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

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

<sup>9</sup>. 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.

## Target I. Use more recycled material (continued)

In our PHD division, we already use chemically-recycled content as long as it is of comparable quality to virgin polymer. As described on page 24, fully recyclable films are produced using chemical recycling. SmartCycle® Plus helps us use plastics that are hard to mechanically recycle, while helping to support the nascent resin recycling industry and satisfying demand for such products from brands and customers.

**“kp has an obligation as an industry leader to break through barriers and explore new paths. kpEnhance® RM1 is an excellent example of this mindset in action.”**

Kirstin Hedin  
Vice President Product Line  
Management and Marketing, PHD



### Preventing plastic from reaching the ocean

kpEnhance® RM1 is a blister film containing 30% PCR material, sourced from our partner, Prevented Ocean Plastic. This recycled material, recovered from at-risk coastal communities, would otherwise end up in the ocean.

This new product offers our ‘nutraceutical’ customers, primarily based in Europe, a more sustainable product versus their traditional mono-layer films. Including 30% recycled material will help our customers avoid plastic taxes in certain

regions and support a circular economy. In future, we plan to work with our partners to devise a viable lid film solution.

kp’s FP division also plays its part in ‘closing the loop’ on plastic waste by using Ocean Bound Plastics, a certified post-consumer recycled raw material which is recovered from beaches, coastal areas and areas within 10km of the shoreline in the Mediterranean basin.

Fresh food packaging using Recycled Coastal Plastics® is produced at our sites in Girona and Pravia (Spain), Crumlin (UK) and Infia (Italy), and is supplied to Germany, Italy, Portugal and the UK.

## Target I. Use more recycled material (continued)

### Market-leading fully recyclable lightweight labels

Incorporating 30% PCR content in recyclable films, kp has expanded its SmartCycle® family of label films that are fully recyclable in the RIC-1 stream.

Products include SmartCycle® Pro, which uses 30% mechanically recycled content, and SmartCycle® Plus, which incorporates hard-to-process plastics that have therefore been chemically recycled.



### Outlook

To reach the point where packaging material never becomes waste will require us to maintain our clear and consistent efforts on technical innovation, policy advocacy and building commercial resilience.

We will continue to devote significant R&D resources to developing new films for novel packaging applications, which will include a greater proportion of PCR material. We also look forward to forging new, deeper collaborations with customers who use our mono material products (kp MonoSeal®, kp Infinity®, kp Hotfill® and kp Elite®) which will make recycling easier for consumers.



kp insights

# Carla Alves on the recycled plastic market

Carla Alves  
Group Procurement  
Manager



## How do you add value to kp in your role as Group Procurement Manager (rPET)?

I've been involved in buying recycled material since the 1990s and my role involves a lot of problem-solving – sorting out quality and supply issues and avoiding any damage to the broader supply chain.

Over the years, it's become clear that to be an expert in recycled content, you must be an expert in recycler relations and be prepared to be hands on. I work very closely and collaboratively with recyclers, and we learn from and teach each other.

## This market is highly regulated. What impact have regulations had on your work?

European regulatory changes came into effect in October 2022 requiring a lot of work during the year. In some cases, we offer training on new regulations to suppliers, on the basis that the regulations are unclear and open to interpretation – it is up to us to comply with legislation, particularly food safety legislation. Regulations like the European Packaging and Packaging Waste Regulation represent a step change in the market – we need to make sure that we and the whole supply chain are prepared.

## The rPET market can often be volatile. How do you manage this to ensure good outcomes for everyone involved?

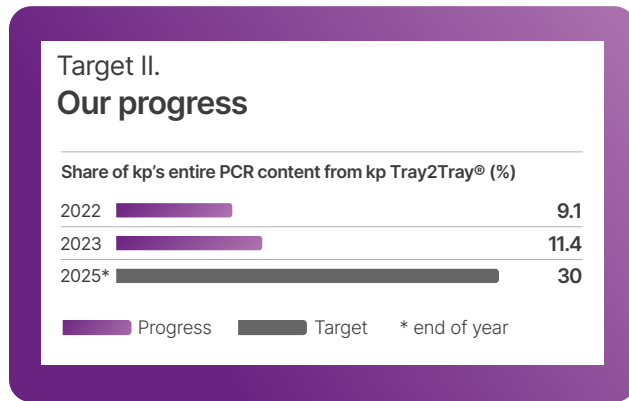
Over time, we hope that the market will stabilise and move on from frequent periods of huge oversupply or undersupply, as well as the attendant pricing swings. Speculation has been a barrier to consistent pricing, as has the fragmented nature of European markets.

Instability means that recyclers also suffer, and so we engage with them to understand the nature of their volumes and accommodate their needs where appropriate, which benefits us in the long term.

In 2023, the market demand for rPET was relatively low. We aim to prevent recyclers accepting deals to sell at very low prices, encouraging them to be confident in their power in the supply chain. This is to avoid the scenario where volumes and prices both rise sharply in the future.



# Target II. Close the packaging loop



kp Tray2Tray® is circularity in action – recovering and recycling kp's food tray and rigid film products to make new ones of the same quality, again and again.

PET plastic bottles are frequently recycled, but that tends not to be the case for the billions of plastic trays produced every year. kp Tray2Tray® offers a solution by:

- Creating a 'closed loop' of food packaging trays through managed recovery and reprocessing.
- Working with municipalities; the collection, sorting and recycling industry; packers and retailers to secure a separate supply of rPET pots, tubs, and trays.

Pioneering initiatives such as this support our customers' sustainability goals and differentiate kp in the market, steadily creating changes in consumer behaviour and altering perceptions of plastic packaging.

kp has been instrumental in building up the tray recovery and reprocessing market in many countries. While most existing collection systems target PET bottles, only a small number of countries collect PET trays for recycling, and most that do capture relatively few. Consequently, the rate of trays sorted for recycling in the EU was just 25% in 2022<sup>10</sup>. Today, kp Tray2Tray® is a flagship programme that aims to turn the tide, steadily growing in volume, with the potential to bring more than 50,000 tonnes of rPET back into use and reducing the need for virgin material accordingly.

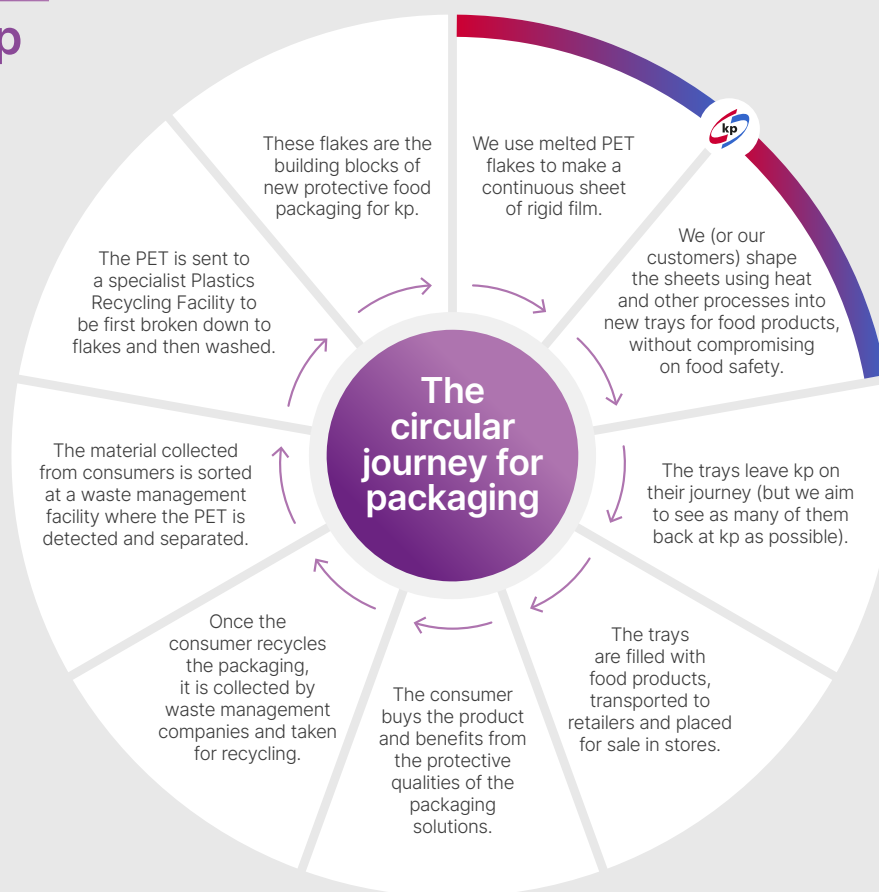
Meanwhile, our solid relationships with suppliers, retailers and packers means we can access the required material and grow demand.

<sup>10</sup>. <https://www.plasticsrecyclers.eu/wp-content/uploads/2024/05/PET-Market-in-Europe-State-of-Play-2022-Data-V2.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

There are significant challenges inherent to improving, scaling up and accelerating high-quality collection and sorting. In 2023, 11.4% of our recycled material was from kpTray2Tray®.

Despite the progress made towards achieving our ambition to originate 30% of our PCR consumption from pots, tubs and trays by 2025, the slower pace on growing the current collection and sorting scenario is limiting our ability to progress at expected pace.

## Target II. Close the packaging loop (continued)

### Upstream engagement

We work closely with the recycling industry to ensure our products are recyclable at scale. In 2023, we focused on supporting recyclers and reprocessors, who can in turn support the collection industry to make more material available. We recognise that there has been growing investment in waste management and reprocessing capacity in recent decades, but we also 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.

Closing the packaging loop also means working to influence policy and partners, and being prepared in advance of upcoming regulations. Upstream work involves third-party certification and developing audit schemes covering UK and EU material supply chains, and supporting suppliers to achieve controlled blending and chain of custody certification. See page 80 for more on procurement.

### Market-leading kp Tray2Tray® programme goes from strength to strength

Our kp Tray2Tray® initiative enables us to use material recovered from PET food trays to manufacture new trays – a great example of ‘closed-loop’ thinking.

Our widely offered trays and rigid films incorporate up to 35% kp Tray2Tray® flake, which is suitable for food contact.

Our customers can claim an eco-tax discount in certain countries, such as France, where Extended Producer Responsibility (EPR) schemes incentivise the use of PCR PET from food trays.

This year, our R&D team collaborated across all FP Division departments (Operations, Procurement, Quality, Marketing) to launch a flagship product incorporating 35% of kp Tray2Tray® material into our SmartCycle® PET range without impacting performance. The purchasing team sourced sufficient quantities to support our French customers to obtain the Citeo bonus for household packaging recycled content incorporation from pots, tubs and trays at the end of 2023.

# 35%

recycled content included in our kp Tray2Tray® SmartCycle® range for the first time





## Target II. Close the packaging loop (continued)

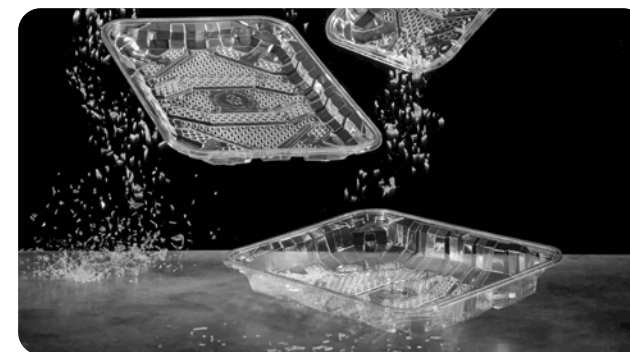
### Downstream engagement

Consumers are part of the value chain and circular systems can only succeed when they adjust their buying habits and perceptions of packaging. A change is already underway: we know that consumers now accept colour variation in plastics, as they do with the differing texture and feel of recycled paper. There remains, however, a significant opportunity to elevate market acceptance and demand, to promote the value of all recyclable packaging and to inspire consumers to go the extra mile and help get material back into the loop.

Consumers are adjusting their habits, and we note how manufacturers and brands can influence public opinion and buying behaviour. Consumers need the right information to make an informed purchase and avoid poor decisions. Fortunately, perceptions about plastic packaging can be changed gradually as consumers better understand how the recycling industry works.

kp Tray2Tray® products offer an opportunity to further engage with customers and consumers via several attributes:

- The way the product looks on the shelf and its transparency compared with virgin material – there is a very slight colour variation that is a clear selling point to end consumers, showing that the pack contains recycled material, supported by a third-party certification label.
- The flake used performs like any other recycled PET and can be sorted and recycled back into more food grade packaging with no compromise on functionality or safety.
- The safety, quality and rPET traceability in our tray and rigid film supply chain are certified by RecyClass and RETRAY. The certificates are available on request.
- Lower costs – in many countries, we see an effective discount for using kp Tray2Tray® on the basis of the lower 'eco' taxes levied where EPR schemes incentivise the use of PCR PET from bottles and/or food trays.



### Outlook

We will maintain our active involvement with suppliers in the recycling industry to find ways of reducing the loss of trays in material flows, and to expand volumes of available material.

Securing supplies of good quality tray flake will help meet customers' expectations at scale. We continue to encourage our customers to buy pots, tubs and trays that incorporate recycled content. They, in turn, are working on ways to ensure consumers are fully engaged.

We will continue our work to ensure each stakeholder understands the value of the materials, even as product formulations or market regulations change.

kp insights

# Samuel Pardo on how kp is shaping the future of packaging

Samuel Pardo  
Senior Innovation Manager,  
Food Packaging



**kp has long invested significantly in innovation. How do you and your team ensure that kp continues to produce the packaging of the future?**

We think constantly about new materials we could use, new technology we could deploy and new functionality we could offer.

And we work across the whole process of coming up with something new – from listening to customers, proposing ideas and then ultimately implementing them on the factory floor. It's a highly collaborative process, as we often bring our customers in and help them become part of the innovation journey; for example, sending over prototypes and asking for feedback.

I focus primarily on circular economy implementation across the main iCenters in the UK, Spain and France working on trays, rigid film and flexibles segments.

**Packaging is becoming a more highly regulated product than ever before. How has this affected your work over the past year?**

New regulations have indeed been driving a lot of our work recently. For example, new EU legislation recently came into force which focused on single-use plastics, food safety and the safe use of recycled content. By 2030 all packaging must be recyclable, and the regulations will only become more stringent after that.

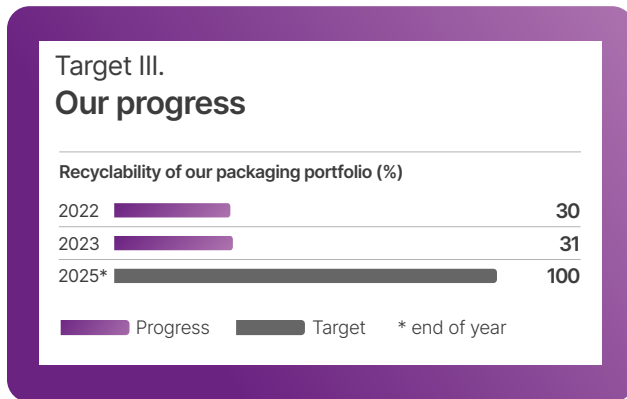
Decisions currently being made at the EU level will shape the industry going forward, with the ultimate goal being to unlock investments and create a thriving recycled materials industry.

**Which key milestones have you reached recently – and what does the future look like?**

It was very exciting to prove that it's possible to produce a tray made entirely from recycled trays, which we did as part of the kp Tray2Tray® programme. We're also very proud of our expanded polystyrene rXPS tray, which now incorporates up to 50% recycled content, and our recent launch of the first lidding film to incorporate 30% PCR content. All of these innovations are in line with our aim to find the best balance between functionality, use of recycled content and recyclability.

Looking ahead, while we of course think all the time about new technology and adjustments to our materials, much of the innovation that will reshape our industry will actually arise from deploying new business models and processes. These new models will emphasise collaboration across the value chain, and be based on strong relationships between stakeholders.

# Target III. Recyclability



Successful flows of material rely on technical developments in product design, improvements in recycling infrastructure, well-informed operators and educated consumers. Real change happens via collaboration with the waste and recycling industry, suppliers, converters, local authorities and customers – all the way through to consumers.

Recyclability is a key attribute which makes markets more efficient by attracting high-quality products that allow greater amounts of high-quality feedstock into collection, sorting and recycling systems. The concepts of recyclability and quality go hand-in-hand.

It is known, however, that quality and production systems can be compromised if 'design-for-recycling' approaches around the world are not standardised and clear. And standardised design can only work when recycling facilities receive the materials destined to be included in new packaging products.



## Target III. Recyclability (continued)

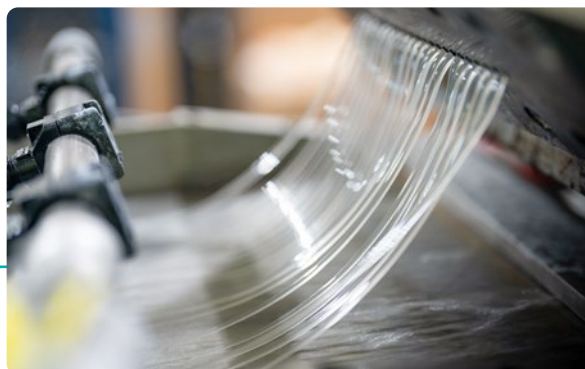
That's why our processes and products align with the Design for Recyclability standards advocated by RecyClass, the Association of Plastic Recyclers in America, CEFLEX, RETRAY, TCEP (Tray Circularity Evaluation Platform), and EPBP (European PET Bottle Platform).

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.

### Global qualitative definition of recyclability<sup>11</sup>

Plastics must meet four conditions for a product to be considered recyclable:

- The product must be made of plastic that is collected for recycling, has market value, and/or is supported by a legislatively mandated programme.
- The product must be sorted and aggregated into defined streams for recycling processes.
- The product can be processed and reclaimed or recycled with commercial recycling processes.
- The recycled plastic becomes a raw material that is used in the production of new products.



<sup>11</sup>. 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.



### Design for Recyclability

Design for Recyclability is the process of designing a product so that it conforms to the requirements for a scaled recycling infrastructure that is proven to work.

When we say 'recyclability' at kp, we mean that our products are Designed for Recyclability. When we Design for Recyclability, we set our products up to be recycled in any place where there is scaled infrastructure for recycling, and we consider that to be our primary role in the circular economy as a packaging manufacturer.



## Target III. Recyclability (continued)

### EU legislation

We recognise that improvements are needed in certain areas for recycling at scale to be achieved and that EU-level regulatory standardisation will make it more straightforward for us to offer a uniform, recyclable product range across different European countries.

Broadly speaking, we seek to influence policy-making to encourage recyclable product market demand, clear standards and consumer acceptance. We are monitoring the effects, for example, of the EU's Directive on single-use plastics. This will mandate certain recycled content levels for PET bottles in 2025 and would be an early indicator of what we can expect from the EU Packaging and Packaging Waste Regulation (PPWR) more broadly. The PPWR will reinforce mandatory recycled content levels and will introduce methodology incorporating Design-for-Recycling guidelines and recyclability evaluation protocols to standardise recyclability performance, thereby shaping markets in a favourable manner.

### kp Infinity® helps our customers adapt to changing UK regulation

Many types of single-use plastic, banned in Scotland since 2022, are now also prohibited in England and Wales. For many of our UK customers, the solution is kp Infinity®, an Expanded Polypropylene (EPP) fully recyclable mono-material pack.

kp Infinity® is light, relatively little energy and water is used during its manufacture, and it is fully compatible with existing UK recycling infrastructure. Under testing, kp Infinity® showed the lowest overall carbon footprint (kg CO<sub>2</sub>e) when recycling is factored in, outperforming both bagasse and board-based packaging.

During 2023, to make sure our wholesale customers and foodservice vendors in the UK were fully aware of the change in the law, we launched a social media campaign on TikTok to spread the word. One well-known food vendor, SpudMan, even live-streamed from our St. Helen's production site. We're proud to have won the Marketing Campaign Award at the Foodservice Packaging Association Awards for our 'Beating the Ban' kp Infinity® TikTok campaign.



**"The pressure is on for foodservice businesses, and the distributors they rely on, to move away from XPS single-use packaging. However, our customers are now in a prime position; kp Infinity® is a true game-changer."**

**Sally Molyneux**  
Sales Director UK,  
Ireland, Australia and  
Global Account Director

## Target III. Recyclability (continued)

Such legislation will help reduce waste and create a stronger market for recycled plastics and innovative packaging. With implementation expected from 2025 onwards, it would mean that all packaging available in the EU would need to be designed explicitly to be recyclable by that date. By 2035, operators would also need to demonstrate that packaging is recycled at scale and to have appropriate recycling infrastructure in place.

Building on the collaborations described, kp recently participated in the creation of the CPET<sup>12</sup> consortium of film manufacturers, ink manufacturers, converters, brand owners and recyclers, to prove that CPET is the future of shrink sleeve labels. The consortium has gained recognition among regulators and advisory bodies in Europe, while kp has been demonstrating the functionality of CPET and washable inks with local extended producer responsibility programmes e.g. Citeo (France), Ecoembes (Spain), Fost Plus (Belgium).

### Collaboration

Partnerships and collaborations in all their forms must focus on tangible action if they are to have a real impact. In 2023, we continued to participate in working groups covering topics such as recyclability definitions and alignment. We actively participate in the CEN Standardisation working group, where industry and associations from all EU countries work to ensure that standardisation is a part of future regulation and aligned with available state-of-the-art technologies. Clear guidance can then be given to consumers.

We can strongly influence our products' recyclability by designing them appropriately for the sorting and recycling process at the end of the value chain. However, kp can only influence the total recyclability process of a product to a relatively small degree. That's why we work with others to promote improvements in infrastructure, such as recycling facilities and supplier support (see page 30).



<sup>12</sup> Crystallisable PET technology is used to make labels recyclable/compatible in the RIC1 PET bottle stream.

## Target III. Recyclability (continued)

Furthermore, our 'design thinking' helps us engage with consumers, with the ultimate aim of adjusting their behaviour. For example, more kp products are made from mono materials, and more have simple on-pack messaging encouraging recycling. Of course, consumer brands also have a significant role to play in explaining to consumers why recyclability matters, and 'nudging' them to make better decisions.

Our contribution involves consistently elevating the message that we offer recyclable materials and products to the market. For that reason, we aim to ensure that every function in kp promotes and expands the message that recycled materials have value.

### Performance

In 2023, the recyclability of our packaging portfolio, based on our sales volumes, was 31%, up 9% since 2019.

Without any compromise on their primary purpose of protection, 68% (2022: 63%) of our product range has a recyclable alternative, and we are constantly expanding the recyclable options available in our portfolio.

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 light-weighting and market benefits from sustainable attributes.

After extensive research and development we launched our innovative kp Infinity® packaging, a fully recyclable, extruded, polypropylene mono-material foam pack that can replace extruded polystyrene (XPS). Crucially, the UK government's single-use plastics ban (in force in England and Wales since 2023) does not apply to kp Infinity® food containers and trays. kp Infinity® therefore allows us to offer a suitable alternative in the UK; one which is durable, microwavable and light.

Notable recent food packaging highlights include: kp MonoSeal®, kp Hotfill®, kp Elite®, kp FlexiLid® EH 145 R, kp Infinity® and SmartCycle® films. 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 but it is also 7% lighter than multi-layer films and has been endorsed by the TCEP of Petcore Europe<sup>13</sup>. In food packaging flexibles, we offer market-leading recyclable alternatives for our lidding, flow and vacuum films, certified by Interseroh and cyclos-HTP. The relevant brands include kp FlexiLid® EH 145 R, kp FlexiFlow® EH 145 R, kp FlexiVac® R and kp FlexiLid® Shrink EH 23.

In our Pharma, Health & Protection and Durables (PHD) division, our light-blocking shrink sleeve film, Pentalabel® eklipse®, protects light-sensitive ingredients in dairy, juice, fortified beverages, isotonic and other products. It replaces difficult to recycle multi-barrier primary containers, allowing for the recycling of the bottle it covers. Additionally, we are working on enhancing the sortability of Pentalabel® eklipse® by avoiding the use of carbon-black, which can hinder scanners designed to recognise recyclable materials.

These and many other examples are supported by kp's internal continuous improvement programmes and external consumer behaviour change initiatives, such as the 'Recycle me' on-pack messaging.

Technical engineering and product performance is at the core of design, supported by engagement with customers and users, and compliance with regulations.

<sup>13</sup>. <https://petcore-europe.org/images/2022/tcep-endorsement-letter-kp-monoseal-nov22.pdf>

## Target III. Recyclability (continued)

### Protecting fresh food in the EU with ultra-lightweight, fully recyclable films

By 2030, all plastic packaging used in the EU must be designed for recyclability. kp is moving ahead of the new legislation, and so in 2023 we launched kp FlexiFlow® EH 145 R.

This barrier flow wrap film was engineered by our Innovation team in Pontivy, France, to offer the perfect combination of good transparency and full product protection, while minimising plastic weight and being fully recyclable.

The film, available in an incredibly thin gauge of 45 microns, is certified by Interseroh and cyclo-HTP and designed in line with CEFLEX guidelines for D4ACE PE mechanical recycling.



# 75%

reduction in pack weight versus typical rigid tray/lid combination

### Outlook

We continue to develop our own range of high-quality, Designed-for-Recycling alternatives that meet relevant certification requirements, and will continue to promote their benefits to our customers. Furthermore, we will continue with collaborations in product design, stage-gate processes and the alignment of kp's strategy with customer product developments. There are an increasing number of innovation projects underway within kp which incorporate sustainability attributes.

While we continue to look for solutions and to have recyclable alternatives for all our product ranges, we may need to go beyond 2025 to achieve our target to make all our packaging recyclable.

Meanwhile, kp colleagues in every manufacturing, R&D, sales, procurement and commercial support function continue to be aware of the need to promote recyclability and to review investment opportunities supporting the recyclability of all products. 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

# Devesh Mathur on innovations in progress

Devesh Mathur  
Vice President Innovation,  
Pharma, Health & Protection and Durables



**You're charged with coming up with new ideas to help kp become more sustainable. What are your main priorities?**

My role is to lead the creation of new products that generate value for our customers and kp, while serving the purpose of becoming a more sustainable society. That might involve creating products that incorporate more recycled content, are recyclable, or do more with less in terms of materials. Taking existing products and reformulating them to reduce or remove unsustainable materials is often a key focus for the team.

Core to this is aligning what sustainability means to the industry and key customers, and translating it to a product roadmap to drive the industry segments forward. Then aligning the product strategy to a capability plan.

kp is investing in new physical assets that help us to make more recyclable products that contain more recycled material – this underpins both our commercial and sustainability strategies.

**What challenges have you faced as you work to come up with new ideas?**

With sustainability being so important, one of the challenges is how the extra cost of various sustainability factors can be incorporated into the pricing of products in the value chain. Good value doesn't always mean 'low cost' in this context.

Recycled content products can often be more expensive than virgin material due to processing and formulation. This could be a barrier to mass adoption of recycled material and supportive regulation would help tip the balance.

**Chemical recycling is a hot topic within the industry at the moment. Is it the future?**

Where mechanical recycling works, 'closing the loop' is within reach. But some polymers will likely always require a different approach, which is why we're looking at chemical recycling. That can help us avoid plastics entering landfill and the natural environment.

It has several benefits – for example, by eliminating cross-contaminants, chemically recycled material can be used for demanding applications like pharmaceuticals and medical device packaging. The quality is similar to virgin polymer.

That said, the extent of the carbon emissions generated by chemical recycling is still evolving as the technology matures. We do know that reducing a polymer back to its monomeric/intermediate state and then building it back up takes a lot of energy – if that problem can be solved, it could be the future. For the time being, we will use chemical recycling where mechanical cannot be used.

# Durables: part of the closed-loop story

Our 'Durables' product category consists of plastics engineered for a long life. The portfolio is vast and includes dozens of unique markets. Engineered industrial films are used, for example, to make luxury vinyl tile flooring, kitchen cabinets, drywall insulation, or computer server cooling components, along with bank cards, charge cards and retail packaging.



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

1. Modern, sustainable alternatives – the most sustainable solution in the market, where each new product is more sustainable than its predecessor. This is achieved mainly through greater process efficiency but also by avoiding chemicals of concern such as Dioctyl terephthalate and solvent additives.
2. Providing our patented Surphyx film solution to customers and partners to develop and scale Direct Air Capture (DAC) solutions for industrial scale carbon capture.
3. End-of-life recovery – working with customers and recycling partners on both sides of the Atlantic, we have a robust and expanding closed-loop sourcing and buy-back system that diverts products from landfill, reprocesses them and brings them back to kp as raw materials for technical films. We see the potential to divert more than 15,000 tonnes per year from landfill and reduce our reliance on virgin plastics.

## Durables (continued)

We recognise the challenges, of course – no closed-loop system exists to bring post-consumer PVC back into durable products. Very little PVC is recoverable from industrial and construction sectors; end-of-life products become contaminated in waste streams and most durables are laminated with other plastics, thus limiting segregation and recovery.

As kp rises to the challenge, a successful recycling programme that delivers a Durables product with PCR content will only be possible if we are able to:

- Partner with recyclers and customers to identify and test a particular end-of-life stream, allowing for conversion back into a 'calenderable' (suitable for heavy rollers) grade feedstock for kp.
- Obtain sufficient data and knowledge to scale up trials in our factories.
- Ensure that our procurement team engages with stakeholders in all areas of the business.

- Locate data on where the waste streams arise, to support planning, cost-effectiveness and environmental management.
- Communicate to end users the benefits of diverting material from landfill (takes time, freight and money) and forwarding to an established recycler.
- Show customers that each product can have a recyclable and recycled alternative.

### Transforming coastal communities with ShoreCycle™

ShoreCycle™ rigid films contain at least 95% post-consumer recycled materials that are gathered from at-risk coastal communities. Not only are these films a truly sustainable solution, but they also help improve the communities where the materials are sourced by restoring the environment and providing a new source of income for local people.



Continue reading at  
[kpfilms.com](https://kpfilms.com)





# 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.

## Highlights

- Our sites now send zero waste to landfill<sup>1</sup>.
- Overall energy use has fallen 19% since 2019.
- Four sites have on-site solar systems.
- 47% reduction in operational greenhouse gas emissions since 2019.

<sup>1</sup>. By end of 2023 and where legislation allows.



Find out more at [kpfilms.com](https://kpfilms.com)



Context and overview →

I. Improve energy efficiency →

II. Reduce carbon emissions →

III. Stop sending waste to landfill →

Responsible water use →



# Work Smarter

## Context and overview

It is widely acknowledged that governments, global industry and society as a whole must make better use of primary resources. Manufacturing is resource intensive, and the raw materials and energy used to manufacture plastic packaging are mainly derived from hydrocarbon sources.

Our stakeholders have a strong preference for industry to reduce greenhouse gas (GHG) emissions at a faster rate by increasing the use of renewable energy and carbon-reduction measures. At the same time, 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. Reconciling these two critical imperatives has never been easy, but Working Smarter is an important part of the way we try.

For us, Working Smarter is about making investments that improve resource efficiency and energy management, lower GHG emissions and help us achieve zero waste to landfill.



### Alignment with the UN Sustainable Development Goals

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE

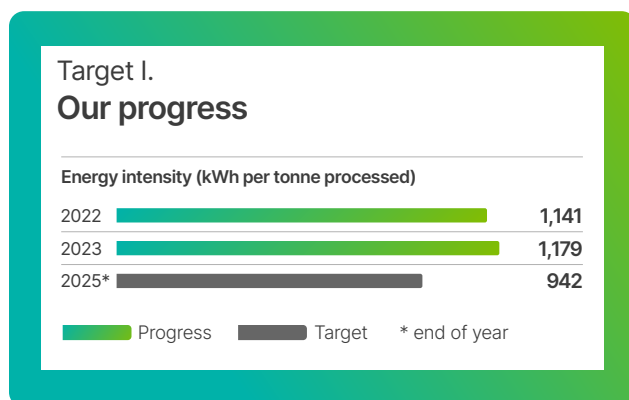


**13** CLIMATE ACTION



# Target I.

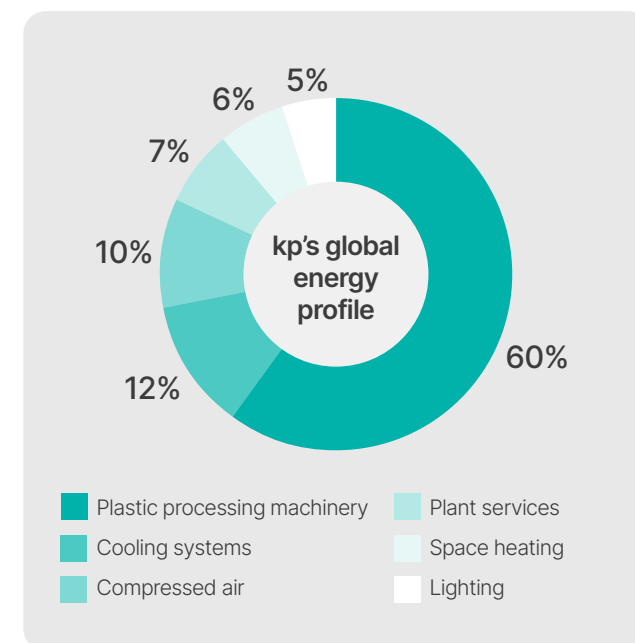
## Improve energy efficiency



2023 saw continued high energy costs and further geopolitical turbulence, following the price volatility of 2022. This climate has made it more important than ever to continue improving energy efficiency by adjusting production methods and upgrading equipment. We've demonstrated repeatedly that the impact of higher energy prices, uncertainty and market complexities can be mitigated by our talented teams and investment in new technology.

Within kp, energy is consumed during plastic processing whereby heat, cooling and compressed air are required in extrusion, calendaring and thermoforming processes to convert raw materials to finished products. Our operations are powered mainly by electricity (90%), with additional natural gas, diesel and other fuels making up the remainder.

Our expert 'Energy Champions' implement many of the lessons learned from our 'lean, clean and green' programme, and in 2023, through the Energy Task Force, they delivered more than 100 projects globally. During the year, we invested €2m in sustainability-related technology and equipment.



In 2023, we saw a 19% reduction (149,665 MWh) in absolute energy consumption compared with the 2019 baseline. However, due to lower production volumes and the changing nature of our products, our energy intensity per tonne increased by 3% against our target of a 17% reduction.

## Target I. Improve energy efficiency (continued)

### Meeting the holiday shutdown challenge

For many years we have been fighting the 'Battle of the Baseload' – in other words, working to reduce the amount of energy used in our plants for anything other than manufacturing our products.

In 2023, we focused our efforts on the extended shutdown for the December seasonal holiday, with all sites following a comprehensive shutdown process ahead of these non-production days. Our kp 'Energy Champions' offered guidance across our factories, and all employees performed the appropriate shutdown procedures in a logical order so as to minimise energy used over the holidays.

The results were outstanding: 1,000,000 kWh of energy was saved in one week alone. For context, a baseload of <10% is considered a good result in a manufacturing environment, yet multiple sites reached <5%, including our Holiday Shutdown Challenge 2023 winner, Valencia, which reached <1%. All teams can be proud of their very worthwhile efforts.

**36%**  
drop in energy  
consumption versus 2022

**€300k**  
saved



There is an inherent trade-off between energy intensity and product innovation; customers want lightweight packaging which requires production lines to run with the same speed, duration and energy demand, but with lower tonnage throughput. We are now effectively providing customers with the same product (expressed in surface area of film), but using 15% less raw material. At a selection of kp's sites, packaging film thickness has been reduced by up to 20% since the Investing in Better strategy was launched. So while energy used in manufacturing has increased, our product innovations contribute to a steady reduction in the overall use of raw materials.

We are particularly proud of the impressive progress made via our energy efficiency projects during the year, which have covered insulation, compressed air, motors, drives, pumps, automation, lighting and air conditioning. These projects achieved cost savings of €2.7m in 2023.

Production process efficiency and energy efficiency go hand-in-hand, so we train our employees on the connections between waste treatment and energy consumption. Best practice is shared across all sites as part of helping energy management collaboration at kp.

## Target I. Improve energy efficiency (continued)

A perfect example is the management of compressed air, a critical part of our production process. Modern technology allows us to see air leaks on production lines. Tackling these leaks through air detection surveys is part of all planned maintenance.

The case studies in this chapter provide additional details on recent achievements. Alongside these, our teams managed a series of tough challenges during the year:

- Our 'close the loop' ambitions resulted in approximately 20% higher energy consumption per production line, given that PCR material needs to be cleaned, treated and heated. The cleaning and decontamination of recycled raw materials is a process to which our energy managers pay close attention.
- Providing a safe and comfortable work environment can use additional energy; to meet this need, kp has made the necessary investments in new air conditioning systems.
- Factory expansions will naturally result in higher energy consumption. We have grown our US operations, which leads to greater absolute energy usage with no immediate gains in energy intensity.



### Vast energy savings in Germany

This year, we implemented a new, more advanced shutdown mode on production lines at the Montabaur and Gendorf sites in Germany. Prior to the new mode, calender lines were cooled down to 120°C during shutdowns. All machinery was operated at this temperature level when production was stopped. The process of switching lines to standby mode was therefore relatively inefficient, as lines idled at higher temperatures than required.

In our streamlined shutdown operation, only circulation pumps and safety-relevant components remain in operation. This approach ensures optimal functionality without sacrificing reliability or lead times. We remain focused on maintaining peak performance while minimising negative effects.

Through this initiative, illustrative of kp's commitment to 'lean' thinking, we saved a remarkable 4,600,000 kWh of electricity, natural gas and steam – equivalent to €1.7m worth of energy annually. For context, 1,500 homes could be run for a year from the energy saved through this initiative.



## Target I. Improve energy efficiency (continued)

### 'Lean' thinking makes a big difference

During 2023, more than 70 energy projects were implemented within our Food Packaging division, all contributing to reducing CO<sub>2</sub> emissions from our operations.

No site was left untouched by our efficiency projects, with initiatives covering renewable energy, insulation, compressed air, line planning, cooling systems, motors, drives and pumps, automation, heating systems, material transportation, LED lighting and air conditioning, among others. Particularly notable are the solar energy installations at our Valencia and Pravia sites in Spain and our Santo Tirso site in Portugal.

Ultimately, we delivered annual energy cost savings of €2.9m (8,500 MWh), reducing operational carbon emissions by 12% versus 2022. This equates to 2,500 fewer tonnes of CO<sub>2</sub> emitted versus 2022.



### Outlook

Our Investing in Better sustainability strategy requires us to use less, become more efficient and invest in alternative energy sources where appropriate. To help us do so, we are refreshing our governance and organisational structure by expanding the remit of the Energy Task Force, which will now be known as the Sustainability Task Force.

kp insights

# Ethan O'Brien on the energy efficiency challenge

Ethan O'Brien  
Group Director of  
Operational Sustainability



## What is your background, and how does it help you in your role at kp?

I started at kp as an Energy Manager, and this background helps a lot, since much of our impact on the planet comes from either direct or indirect use of energy. I try to make sure we use only the energy we need.

Global energy prices and availability have been impacted in recent times by geopolitical unrest of the sort we haven't had to deal with for a generation.

We use about the same amount of energy as 200,000 typical European homes each year – even though our consumption is down 20% since the launch of our strategy – so energy efficiency has become more important to kp than ever.

## How do you work to change minds and build awareness of the value of sustainability?

Sharing best practice is very important, but ultimately getting stuck in and changing processes and products is the only way to make a real difference. My role at kp typically involves finding new ways to reduce carbon use in our operations, and then taking as many people as possible with me on the journey.

Hearts and minds must be won, and a cultural as well as operational shift must happen – it's critical that everyone at kp understands the value of sustainability, and its connection to our profitability.

With our Chief Operating Officer also taking on the role of Head of Corporate Sustainability, we have taken a big step towards embedding sustainability-first thinking within kp.

## kp has a legacy of using 'lean' manufacturing principles to tackle sustainability challenges. How does that work?

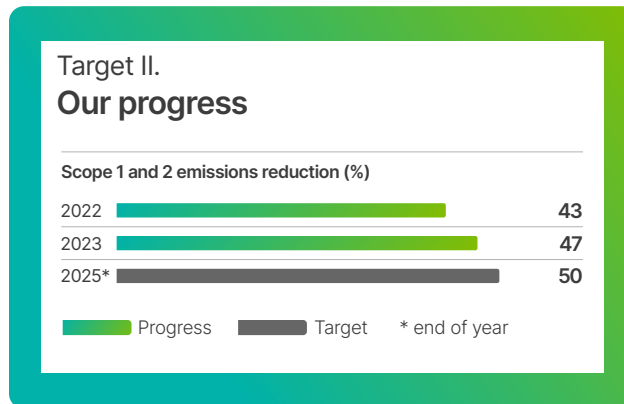
Essentially, we eliminate material and energy waste from our processes wherever possible. We run multiple continuous improvement projects and share best practice among our global manufacturing sites.

We have a very strong track record in implementing lean principles and, given our teams' familiarity with the concept, when we used these same principles to design our sustainability-focused projects they were ready to get going straight away. We continue to go from strength to strength in tackling carbon emissions.



# Target II.

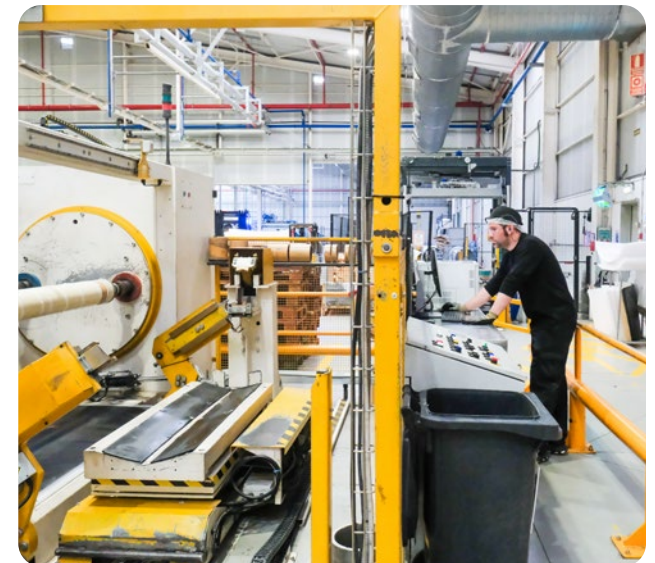
## Reduce carbon emissions



We recognise that climate change can ultimately lead to more extreme weather, market instability and regulatory change. In response, we are reducing greenhouse gas (GHG) emissions from our operations and engaging with partners in our value chain to ensure they do the same. This helps us improve business resilience and to mitigate risks.

Risks related to climate and weather are recognised by our leadership team, our customers and other stakeholders.

We actively manage risks and opportunities in several ways, principally guided by our enterprise risk management and business continuity planning. These help us to balance mitigation measures with adaptation to the physical and market effects of changing climates and weather variability. In practice, our approach includes a mix of energy management, renewable energy deployment, resource 'circularity', external collaborations, product innovation, monitoring and reporting (see page 78 for more information).



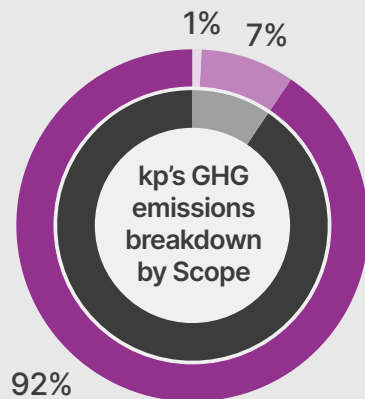


## Target II. Reduce carbon emissions (continued)



### SCIENCE BASED TARGETS

Following our comprehensive GHG emissions analysis in 2020, we set targets in September 2021 which were validated by the Science Based Targets Initiative<sup>2</sup> (SBTi). Our analysis shows that just under a tenth of our GHG emissions come from our own operations (Scopes 1 and 2), as shown in the chart below.



Scope 1

Scope 2

Scope 3

Operational  
emissions

Upstream and  
downstream emissions



2. SBTi is a charity which develops tools and guides to help companies and financial institutions worldwide achieve their emissions reduction ambitions.



## 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 a 2019 baseline. The previous section on energy management covers the 'lean' element, and in this section we focus on 'green' – the switch to alternative, lower-carbon fuel sources. We are making good progress on this front: in 2023, we reduced our operational GHG emissions by 47% compared with 2019.

Emissions intensity for our operations (Scopes 1 and 2) was 0.29 tCO<sub>2</sub>e/tonne of product produced, compared with 0.43 in 2019. This equates to a 32% improvement on a per tonne basis.

Our operational energy use generated 148,000 tonnes of CO<sub>2</sub>e emissions, 90% of which comes from the use of electricity in our manufacturing plants. Consequently, increasing the use of renewable energy is a key focus area for kp, to help meet our emissions reduction goals and to secure our supplies of energy.

3. 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.

Our 2023 internal Renewable Energy Technology Assessment identified solar energy as the best option for kp, from a range that included wind, hydrogen, biomass and battery storage. By the end of 2023, four factories (Rayong, Thailand; Valencia and Pravia, Spain; and Santo Tirso, Portugal) were operating on-site solar energy systems, and there are a further nine installations in the pipeline (five at food packaging sites and four at pharmaceutical packaging sites).

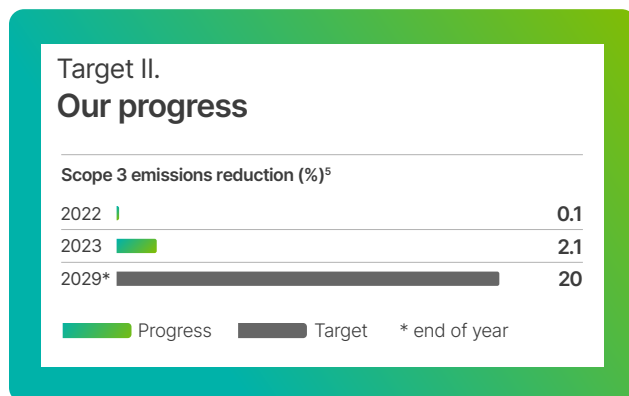
We are also making use of renewables certificates (commodities bought on the open market representing renewable generation) and we are actively pursuing renewable power purchase agreements for large parts of our energy consumption. In summary, we are making progress by generating renewable energy on site and procuring renewable energy products from the market.

By the end of 2023, 54% of our electricity was generated from renewable sources<sup>3</sup> (2022: 52%). We have now increased the amount of renewable electricity used for four years in a row, with 17 sites using only renewable electricity.

We avoided the generation of approximately 14,000 tCO<sub>2</sub>e from our operations (4,000 tCO<sub>2</sub>e through energy management, and around 10,000 tCO<sub>2</sub>e via renewable energy certificates and on-site solar).



## Target II. Reduce carbon emissions (continued)



Looking beyond our operations, our strategy for sustainable packaging focuses on embodied carbon emissions (also Scope 3). Reliable data sources suggest that plastics emit fewer GHG emissions than alternatives<sup>4</sup>, and this applies to all kp products for which alternative materials are used at scale. Innovative plastic product design at kp delivers a range of benefits: the protection of products such as food and medicines, and a lower-carbon life cycle profile (see also page 14 on the wider benefits of plastic).

Most of our Scope 3 emissions relate to raw materials and processing upstream (80%) while the remainder principally relate to transportation, product distribution and business travel. We aim to reduce Scope 3 GHG emissions per tonne of raw materials by 20% by 2030, against a 2019 baseline. Our goal focuses on the purchased goods to make our products, the subsequent processing of the products and end-of-life treatment.

As part of our supplier engagement programme, we prioritise our top 50 suppliers (by Scope 3 category 1 – purchased goods and services, representing 74% of our total emissions), who are responsible for more

than 50% of overall Scope 3 emissions. We request that these ‘carbon-strategic’ suppliers manage GHG emissions using targets, Life Cycle Analyses (LCA) and action programmes. Responsiveness and data from these suppliers continue to improve year on year. At the end of 2023, 16% of these suppliers set their own science-based targets, and we received primary data from more than 40%.

Supplier primary data is now included in our GHG inventory, and it improves year on year. Further, the improvements have been retro-applied to our baseline year to allow a clear comparison.

In 2023, we achieved a reduction of 2.1% in Scope 3 emissions per tonne of raw material (baseline: 2019; 2022: 0.1%)<sup>5</sup>. We continue to work with suppliers to cut the carbon intensity of petrochemical supply chains and continue with our supplier engagement programme. By using recycled – rather than virgin – material in our operations, we have avoided more than 321,000 tonnes of CO<sub>2</sub>e emissions.

<sup>4</sup>. Source: <https://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.

<sup>5</sup>. Data has been restated due to methodology changes to improve data quality.

## Target II. Reduce carbon emissions (continued)

### Securing lower-carbon raw materials

Many of our suppliers now offer raw materials that are produced with renewable energy, and which therefore have a smaller environmental impact.

In 2023, we agreed a contract with one of our largest PVC resin suppliers which guaranteed us supply of a material that consumes 25% less carbon in its production.

The material, called GreenVin®, constitutes around 18% of our total PVC consumption and is backed by renewable energy certificates. It is now supplied to our sites in Montabaur and Gendorf in Germany, and Gordonsville and Rural Retreat in the USA.

Looking ahead, we will strive to buy more of these materials, while encouraging our other suppliers to make their production processes more efficient.

### Outlook

In 2024, we will continue to use more renewable power sources. We are planning to develop further on-site or near-site solar projects, where financially viable. And we look forward to making progress against our targets based on a planned mix of physical installations, long-term power purchase agreements and renewable certificates.

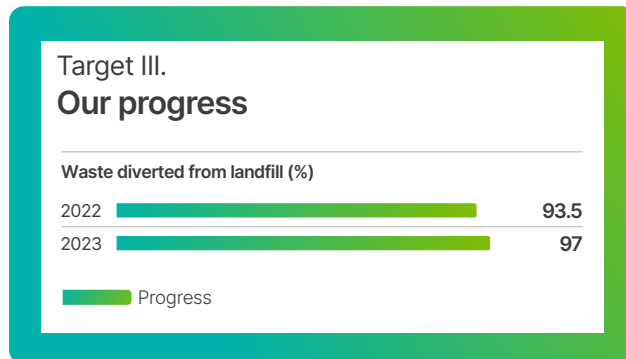
We also plan to review our strategy and objectives. We will carry out a comprehensive review and adjustment process with industry best practices. We are dedicated to setting ambitious yet achievable targets that drive meaningful progress.

See page 85 for our TCFD disclosure.



# Target III.

## Stop sending waste to landfill



Process efficiency is fundamental to achieving the efficient use of materials and reducing environmental impacts. Our packaging production facilities incorporate sophisticated new technologies, automation and other advanced digital processes. Such places are designed to be highly efficient, however, as with all manufacturing activities, waste is still generated, and its reduction and elimination are key areas of focus for us.

‘Waste’ comprises material from production that cannot be reprocessed, or used items discarded in the normal operation of a site. We aim to divert all such material from landfill through reduction, reuse, recycling and waste to energy. See page 78 for more on our management approach and page 98 for hazardous waste data.





## Target III. Stop sending waste to landfill (continued)

When we launched the Investing in Better strategy and associated objectives and targets in 2020, 15% of our waste was sent to landfill. In 2023, we sent zero waste to landfill<sup>6</sup>. In early 2024, an external audit confirmed our zero waste to landfill status.

Given that the way waste is managed across all our sites varies considerably, we owe this achievement to the hard work of our teams on the ground and their ingenuity in solving each problem that arose on the way to zero landfill. We achieved this significant milestone through:

- Engagement with local plastics processors to take waste that we cannot reprocess or recycle, in some cases at no cost.
- Specific negotiations with preferred local suppliers in the USA, where zero waste to landfill was problematic for the Rural Retreat, Beaver and Greenville sites.
- Finding innovative, alternative solutions; for example, waste to energy at our Montreal site, where waste treatment suppliers and reprocessors occasionally face challenges preventing them from delivering the contracted service.
- Strategic decisions by kp leadership in some locations, recognising that although landfill was the most financially attractive option, it was important to commit to more circular methods of waste treatment, through a strong commitment to avoiding landfill.

6. By end of 2023 and where legislation allows.

### Working together to achieve zero waste to landfill

Given kp's significant geographical span, many sites face unique challenges which made meeting our 'zero waste to landfill' goal particularly difficult. This year, we achieved zero waste to landfill at six more sites, meaning that we have now met our target in full.



The key to our success is 'lean' thinking in managing waste. Lean thinking is highly relevant to sustainability in manufacturing environments, as it promotes efficiency, waste reduction, and continuous improvement all of which are crucial for sustainable practices.

- In Montreal, Canada, we found a new recycling supplier, and a new waste contractor in Rural Retreat, USA.
- In Beaver, USA, we installed a new waste compactor, and in Melbourne, Australia, we found a waste-to-energy plant in a neighbouring state.
- We regrind our laminated waste in Argentina to send to Brazil for recycling as a raw material for our site in Totoral, as Argentina lacks suitable recycling infrastructure.

Following the achievement of zero waste to landfill, our focus now moves to further minimising waste overall. Reducing waste remains a perennial focus area for kp.

## Target III. Stop sending waste to landfill (continued)



### Outlook

In line with other areas of sustainability, we are ensuring that waste-related functions are aligned with kp's refreshed processes. This ensures rigour in how we govern and manage impacts. Waste management is an example of our continuous improvement ethos, ensuring clear objectives, resources, effective internal relationships and public reporting of outcomes. For more information about the Operational Sustainability team, please see page 78.

We always seek to reduce waste generation wherever possible and we are aiming for a further 5% reduction by the end of 2024. In addition, we are working to standardise the way that hazardous waste management is carried out across all sites.

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**“Don’t underestimate how long the mindset shift and the changes different sites will need to put into place will take. It gets easier as you get more sites over the line.”**

David Midgley  
Group Business Excellence Manager

kp insights

# Steffen Kast on the zero waste to landfill journey

Steffen Kast  
Vice President Operations,  
Food Packaging



**This year, kp hit a major milestone by sending zero waste to landfill for the first time. Can you explain your role in making that happen?**

As Vice President Operations, for our Food Packaging division, I have oversight of many of kp's plants. Across the estate, we've been working hard to hit the zero waste to landfill target since it was set three years ago.

The key change we've made, which ultimately meant we could hit the target, is to strive to produce far less waste in the first place. Over the past two and a half years, we've achieved significant reductions overall in waste volume. Some of our US sites even managed to reduce waste by 50% compared with the prior year.

**So reducing the amount of waste generated meant that kp could hit the target. How is that achieved in practice?**

We run hundreds of small improvement projects across all of our sites. We do things like reducing downtime, reusing as much material as possible and introducing new, less wasteful processes. We can reuse much of the material internally to help make our products. And this doesn't stop because we hit the target – we have generated 20% less waste already this year.

To some degree, it's a psychological or cultural shift more than anything – everyone at kp needs to comprehend that waste isn't just someone else's problem – rather, it often has a real value for the business.

**What happens to the waste generated that might have ended up in landfill in years past?**

We monitor waste very closely now, using advanced tracking methods and detailed reporting, to make sure it never ends up in landfill. To that end, we have contracts with many companies who can use our waste plastic to create, for example, pallets or plant pots.

**Now you've hit this key target, what's next?**

This process is really a marathon, not a sprint. It's taken three years to reach this point and the work will definitely continue. We don't see this as just a short-term project but as a permanent change in the way we all work. The internal culture must change completely.

Maintaining zero waste to landfill status will also require constant effort, as the business expands and certain solutions become more or less practical. But we're up for the challenge.



# Responsible water use

Water is a scarce resource, and we recognise the need to help protect and restore water resources where possible. Our manufacturing sites use water for cooling, albeit in relatively low volumes, since our processes are not water intensive.



Typically, kp factories draw municipal water and discharge very small volumes of wastewater to municipal systems. The quality of discharges is monitored to ensure compliance with all regional and/or local regulations. In 2023, we developed a roadmap for water management in our manufacturing plants. Examples of water efficiency projects include rainwater reuse, automatic washer overflow and effluent treatment.

Furthermore, we work on water supply risk and share best practice in process water systems, machine calibration and standard water efficiency metrics. At site level, we use external tools and internal designated experts to monitor water risks and manage plans to further minimise those risks.

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 Worldwide Fund for Nature's (WWF) Water Risk Filter and World Resources Institute's Aqueduct tool.

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

All sites have a water management plan in place, adapted to 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 2.6m<sup>3</sup> of water withdrawn by kp in 2023, 2% was within locations with high or extremely high baseline water stress. These are in South America, Asia and Europe, where five of our 30 sites are located: Changzhou and Suzhou, China; Cotia, Brazil; Gebze, Türkiye; and Bertinoro, Italy.



# Act Responsibly

Everyone should be safe at work, feel they belong to a community and be empowered to contribute based on their diverse backgrounds, perspectives and talents.

## Highlights

- 78% fewer reportable safety incidents since 2019, and a 32% reduction in 2023.
- Global delivery of Effective Hiring training, female recruitment and promotion targets, and improved maternity pay in the US and UK.
- New 'pulse' survey launched to seek and address employees' views.



Find out more  
at [kpfilms.com](https://kpfilms.com)



Context and overview →

I. Eliminate lost-time accidents →

II. Become more diverse →

III. Engage employees better →

IV. Make a difference in our communities →

# Act Responsibly

## Context and overview

We understand that we have an obligation to act responsibly, particularly when it comes to the way in which we treat people – our own employees, our stakeholders and the communities in which we operate. Acting responsibly is about keeping everyone safe, offering a sense of community and ensuring each and every member of a diverse and talented workforce has a ‘voice at the table’.

We believe that the best way to deliver the outstanding levels of safety expected of us is to instill a strong safety culture in a safe working environment. That means all employees and contractors on our sites understand the risks involved and are ready and able to change the way they work to improve safety.

While a safe working environment is paramount, several other fundamental needs must also be met at work, including training and skills development, and fair and decent labour conditions. We are committed to meeting these needs. We understand that a high-performing workforce requires fair and flexible employment terms, open communication, excellent benefits and support for wellbeing.

Diversity, Equity and Inclusion (DE&I) are also vital to our strategic and financial success. We believe that we must go further than simply complying with relevant legislation, and ensure that we are highly professional, well-governed and embrace true diversity of thought and background. Our Code of Conduct and values help us achieve this.

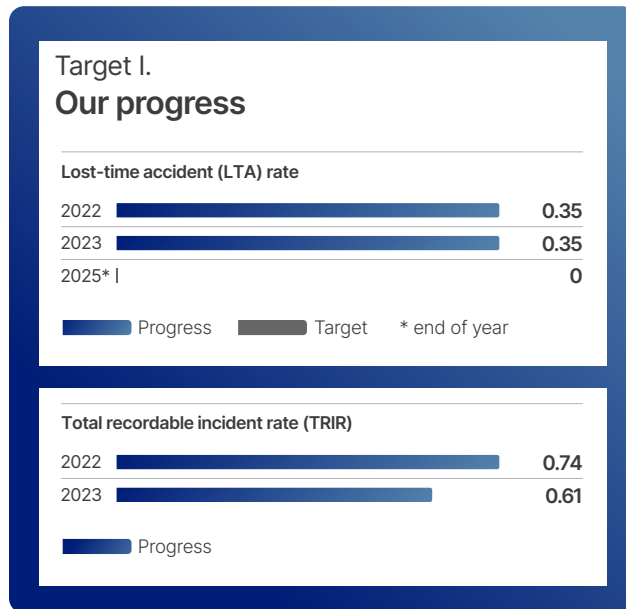


### Alignment with the UN Sustainable Development Goals



# Target I.

## Eliminate lost-time accidents



Safety is a critical success factor for any manufacturing business and it is routinely taken into account in all of our operational decisions, tasks, activities, procedures and programmes.

Risk assessment and control and hazard elimination are embedded in all of our processes, underpinned by our Group Safety Standards. In practice, this means that all employees and workers on our sites must understand the inherent risks associated with their jobs and are encouraged to change how they do things to avoid unsafe situations and behaviours.

At the close of 2023, safety performance was once again consistently strong across all of our operations, with zero fatalities and 40% of our sites achieving 'zero harm' status (2022: 25%). Our colleagues logged more than 770,000 30-second risk assessments, in line with 2022.

Lost-time accidents have decreased by 5% year on year since 2022, indicating consistent attention to this issue across all sites. We recorded a 32% reduction in the total number of incidents, a 35% reduction in Occupational Recordable Incidents and a 47% reduction in incidents requiring first aid.

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 are also in place to protect factory sites, such as flood management measures and fire-break management, owing to changes in exposure to risks relating to weather patterns.



## Target I. Eliminate lost-time accidents (continued)

### Rolling out a new internal safety audit process

As part of our ongoing commitment to workplace safety, during 2023 we rolled out a new internal safety audit process in our Food Packaging division. This involves an internal kp auditor visiting a site – importantly, not their own – and providing a snapshot of the site's safety status, along with an improvement plan (if needed) containing several actions that can be implemented quickly.

To develop this new process, we benchmarked against other companies in our industry, and built on the existing kp Group Safety Standards and associated policies. The audit includes 90 questions, across four different topics.

By following this process, we identified best practice in the majority of our FP sites which will be shared across all sites. During 2024, the initiative will be extended to our PHD division and the score calibrating process will be applied to the different sites.



# 75%

average score for  
all sites audited

# 14

sites audited  
during 2023

In line with previous years, 87% of our employees are represented in a formal Safety Committee covering accidents, incidents and follow-up. Our revised risk assessment was again completed on all of our sites, and following a 2022 pilot, we ran a Safety Day at each site in 2023 to further embed a culture of safety. This triggered more safety training and risk awareness, sometimes stretching over several weeks and including all colleagues on participating sites.

Employees are trained on safety matters during their onboarding and take part in additional training on a regular basis, in areas such as ergonomics, fire protection, forklift trucks, etc. Contractors also receive training during their onboarding which covers kp safety procedures.



## Target I. Eliminate lost-time accidents (continued)

### Behavioural safety

Safety processes work best if they account for and shape personal behaviours. Analysis, self-management, training, equipment and feedback are all part of the system. Lives can be saved when best-practice processes and behaviour improvements work in combination. In 2023, we started using Cority, an award-winning, behaviour-based environmental, health and safety (EHS) software tool. Cority helps managers reduce hazards, risks and incidents by identifying and analysing unsafe behaviour, then suggesting safer alternatives.

We evaluate progress using People Activity Safety Audits (PASA). All PASA-trained managers now record findings using photos and comments in the Cority application. Typically, a manager and employee will use Cority to review opportunities to reduce hazards and then explore safer practices. In 2023, around 30,000 observations were recorded.

### Cority: the unified safety software platform

Until now, our sites around the world have used their own record-keeping systems to track performance against key operational and safety performance indicators. To simplify this fragmented arrangement, we have now rolled out a single, unified software platform, supplied by leading developer, Cority.

Tangible benefits arising from this change include removing reliance on old paper-based systems, and real-time tracking of certain safety numbers. Daily, 30-second risk assessments, mandatory for every employee, are also entered into the new software, making them even easier to complete.

In 2024, we will expand the scope of the software to track lagging indicators for accidents and near-misses, and ensure these are followed up.



## Target I. Eliminate lost-time accidents (continued)

### Safety day and safety week events improve engagement worldwide

In 2022, we held our first 'safety day' at our Bukowice site in Poland. This aimed to reinforce our commitment to safety, increase employee awareness of safety measures and promote pro-safety behaviours. The event was a great success and in 2023 all of our sites held either a safety day or safety week, tailored to topics of their choice.

The first event of the year took place in Girona, Spain, which incorporated a simulation of an accident and its health implications. Both theoretical and practical exercises were offered at many sites, including live fire extinguisher and fall protection training.

Safety days and weeks will be held again in 2024, as the events were judged to have had a significant positive impact, and best practice from 2023 has been collected and shared.



### Outlook

As sites and people become safer than ever before, we continue to pay constant attention to safety management. This involves ensuring a high level of alert to risk on the shop floor. A behaviour-based safety culture, coupled with thorough incident recording, will continue to help each of us understand the root causes of all incidents.

“We will keep developing our safety audit process to ensure that safety is maintained as a core value at all of our sites. We will drive a safety culture change by using new technology and empowering our people to make positive changes.”

Luis Ed Vicente  
Group HSE Lead Europe/Asia

kp insights

# Jim Davis on building an outstanding safety culture

Jim Davis  
Operations Manager,  
KBF



**You're the Operations Manager at kp's KBF plant, which recently celebrated its 18th year without a lost-time accident. What is the secret to your success?**

I had the opportunity to train and work as a voluntary medic early in my career and based on that experience, I've always been extremely attuned to the importance of safety. I've been working at KBF for 44 years now and this 18-year run without a serious accident is the achievement of which I'm most proud.

The way we've achieved it is straightforward, really – it's been a team effort, led by the operators working on the factory floor. If there is a secret to our success, it's simply encouraging operators to be constantly

watching for unsafe behaviour – which is behind 80-90% of the accidents that occur in modern plants – and then to speak up about it. This way there's a constant loop of feedback and reinforcement.

I often say to the operators that this isn't kp's safety system or safety record, it's theirs.

**Day-to-day, which measures have you put in place which cement the plant's outstanding safety culture?**

Every day you've got to be conscious of it. Every word out of your mouth has to support the safety culture. And safety has to be a positive thing – for example, instead of talking about unsafe acts, we talk about the percentage of actions that were correct.

We're constantly looking at leading indicators and adjusting our approach – for example, if personal protective equipment (PPE) standards look like they're dropping, we move quickly to retrain everyone on the importance of wearing the right PPE.

Ultimately, we want everybody to cultivate an eye for unsafe behaviours and then to feel completely comfortable saying 'that's unsafe'.

**How are you making sure that this record continues to hold into the future?**

It's critical for the different generations of operators, some of whom have been with us for 30 years or more, to pass on the core principles of our safety culture to new hires, and we make sure that happens.

While we can't rest on our laurels, I'm confident that we'll continue to keep everyone safe because of the hard work and high standards of our teams, including the maintenance and quality control groups, and our supervisors.

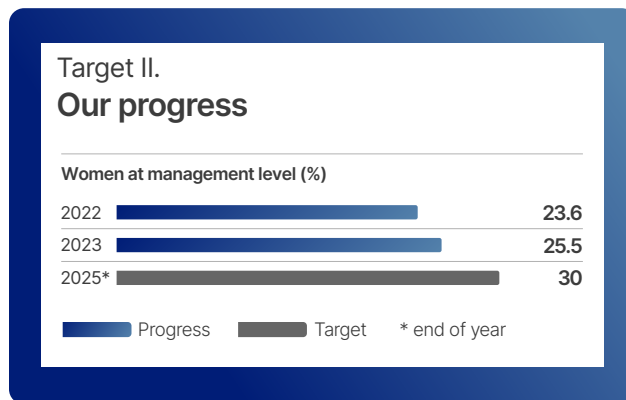
Of course, we're very happy to share our expertise, either at the corporate level or by working directly with other kp plants. Safety is the ultimate team sport.





# Target II.

## Become more diverse



People are attracted to a workplace where everyone is respected and valued for their contribution, and where they are treated equally. Each of us has the right to be heard and to be free to hold different perspectives on many topics. Our approach to diversity nurtures inclusion and belonging which contributes to the delivery of corporate strategic ambition and financial success.

In order for hiring and promotion decisions to be made based truly on merit, we must ensure that kp has a strong 'zero discrimination' ethos at all levels. With this goal in mind, we continue to develop the kp culture and to continuously improve, learn and change course where necessary.

In 2023, we continued to deliver DE&I training and activities, with focus areas including empowerment, resilience, personal growth and recruitment. For example, our Effective Hiring training was delivered globally throughout the year, to help us hire quality talent with the right skills, via a truly fair and inclusive interview process.

During the year we developed or amended several policies, such as enhanced maternity pay in the UK and US. At the same time, we developed improved tracking mechanisms relating to the recruitment and promotion of women. Further, kp continues to focus on employee engagement and empowerment to promote the benefits of diverse perspectives and skills through various Employee Resource Networks including the Women's Network, kp Ability (disability), VOICED (race and ethnicity) and kp Balance (wellbeing and mental health). These employee-run networks raised the profile of issues via events, workshops and networking, helping kp become a more inclusive employer.



## Target II. Become more diverse (continued)

### Employee Resource Networks go from strength to strength

Since 2022, we have supported three Employee Resource Networks (ERNs) – kp Balance, kp Ability and kp Women's Network. In 2023, we welcomed the launch of a new ERN, VOICED, a network for ethnic and racial minorities, and their allies. Our ERNs comprise groups of employees who connect in the workplace based on shared characteristics or life experiences. Each ERN is sponsored by a member of kp's leadership team. Open to all, they exist to educate, improve workplace equality, provide support and encourage professional development.

kp Balance covers all elements of mental health and wellbeing, breaking the stigma and encouraging honest, open conversations across the business. During the year, the network launched a Health and Wellbeing Mandate, held events connected to 'Movember' and welcomed a new co-chair.



kp Ability, meanwhile, is for those with disabilities and their allies to create awareness and educate others around the challenges faced by those in the community, and to ensure that everyone has equal access to the workplace. The ERN has been working on developing training resources and reviewing provision for disabled people in evacuation plans.

Finally, kp Women's Network aims to provide insight and learning, build inclusivity, raise awareness of women across the organisation and create sponsorships for internal growth and promotion. The network is open to all genders and holds monthly events and workshops, often with internal and external speakers. This year, valuable discussions around work/life balance took place, while topics covered by speakers included menopause awareness, women and confidence, men's mental health and cancer awareness.

We continued to record diversity metrics in our overall workforce, as well as in hiring and attrition. The figures for 2023 are as follows (2022 data in parentheses):

- Among the overall workforce, 23.2% are female (22%).
- A quarter of our management team is now female, representing 25.5% (23.6%).
- Of the new recruits across the business during 2023, 26.1% were female (22.5%).
- Of the new recruits for management roles, 34.9% were female (27.7%).
- Turnover of female employees fell to 21.9% (22.7%) across the entire workforce.
- Turnover of women in management fell to 24% (29.2%).

With the growing recognition in the business of the benefits of diverse perspectives, backgrounds and skills, female promotions increased into and within management levels during 2023, rising to 31.2% from 18.1% in 2022.

## Target II. Become more diverse (continued)

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**“Through dedicated training and a concerted effort across the organisation, we made significant strides in advancing women in management roles – more than one in three hires were female and we promoted more women while reducing attrition. We remain steadfast in our commitment to achieving gender equality, recognising that our journey is ongoing and requires dedication across kp.”**

**Svenja Brandenburg**  
**Group Talent Acquisition Director**

With 30 manufacturing plants across 18 countries, we offer a variety of career paths for employees from a wide range of backgrounds and with different types of experience. While every role must ultimately respond to business needs, we work hard to offer opportunities to relocate or work more flexibly. Our talent acquisition strategy seeks the best talent to match kp’s requirements, applies selection criteria that focus on skills first and recognises that talent comes from diverse labour pools.

As the data shows, our recruitment practices are evolving to ensure access to opportunities at kp is as wide as possible. This means that we focus on diverse shortlisting, flexible working arrangements and removing unnecessary barriers to entry, wherever possible. In recognition of our efforts to improve on gender equality, we scored among the top 16% of participants in the United Nations Global Compact’s Gender Equality Accelerator initiative, via the annual self-assessment.

We are participating in the programme to refine how we recruit, engage, train and provide professional development for women, with the aim of attracting and retaining more women in what is a historically male-dominated industry.

### Outlook

Training will form a substantial part of the next stage of our journey, covering, for example, our Code of Conduct, sexual harassment and bullying, recruitment and retention, and mentorship.

New policies will also be developed with the goal of attracting and retaining women in mind, covering areas including returning to work, professional development, parental/caregiver support, and health and wellbeing. Over time, we will develop wider networks to promote roles for women in the plastics industry, and in manufacturing more generally.

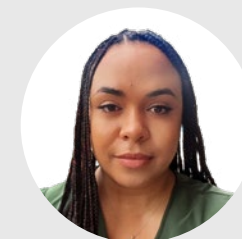
Building on the recruitment improvements described above, we will continue to monitor progress towards fair and consistent interview processes, as well as maximising opportunities for potential talent from a wide range of sources inside and outside kp.

In 2024, there will also be ongoing improvements to data, tracking and analysis, and a global relaunch of the Employee Assistance Programme, originally rolled out during 2023, as a reminder to employees about this benefit. This will be accompanied by a variety of wellbeing activities, some driven by the company, others inspired by employees.

## kp insights

# Imojen Jean on giving ethnic minorities a voice

Imojen Jean  
Communications Specialist,  
Sustainability



## How have you helped kp move forward in terms of DE&I during the year?

Having experienced and witnessed discrimination during my career, I felt that I had to step forward and get involved in the DE&I agenda. kp works in so many diverse locations, but there was a need to establish a forum where a range of topics could be explored and addressed.

That's why I launched a new Employee Resource Network called VOICED (Voices of Inclusion Celebrating Ethnic Differences), which aims to promote an ethnically diverse and equitable workforce at every level of the business where everyone has a voice, reflecting the diversity of our customers, stakeholders and communities. Alan Richards, Chief Operating Officer and Head of Corporate Sustainability, is our executive sponsor.

We believe that diversity of people and diversity of thought helps our business to succeed. Ethnic diversity and inclusion provides an opportunity for the development of more innovative solutions, supports talent acquisition and retention, and has even been shown to directly impact financial performance.

## What are the main aims of VOICED?

VOICED has five key aims:

- Build a strong support network for ethnic minorities working at kp.
- Promote career advancement for ethnic minorities working at kp.
- Inform everyone at kp about, and celebrate, diversity in all its forms.
- Increase kp's visibility as an employer of choice for ethnic minorities.
- Advocate within the business for the promotion of DE&I.

## What has VOICED achieved so far?

We recently held a psychological safety workshop, open to anyone from the business. The session made a clear link between psychological and physical safety.

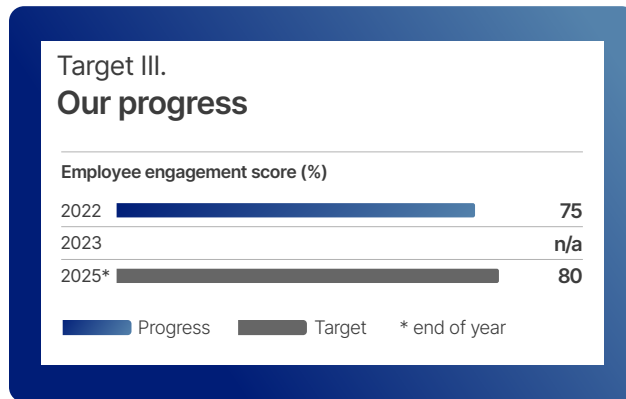
We have also joined BITC's Work at Race Charter, which asks businesses to agree to take seven key actions to improve the quality of opportunity in the workplace.

Aligned to these key actions, one of our priorities is capturing ethnicity data. Where legally permissible, we hope to do so in as many countries as possible. We are also looking at developing further policies.



# Target III.

## Engage employees better



High-quality employee engagement builds trust, and sustains valuable work and customer relationships. We are pleased to know that our employees often talk about the 'kp family', and we recognise the value of their strong, supportive bonds with one another. We take seriously the responsibility for keeping our workforce engaged, and so we offer fair and flexible employment terms and good local operating conditions. We have also put various support initiatives in place around employee wellbeing, benefits and career development.

Engagement means ensuring our core behaviours are applied, together with our core values. The result of this is the kp culture. kp has been operating for more than 50 years and in many parts of the world, so we know that bringing such concepts to life is often hard to do, requiring diligence, time and experience across all functions.

Our last kp Insights survey in 2022 returned an employee engagement index score of 75% from a growing respondent population: eight out of every 10 employees responded, in 17 languages. In 2023, we moved from a global survey to a 'pulse' survey, targeting specific topics. Communication was the first topic – a direct response to a key improvement area raised in 2022. We look forward to 'taking the pulse' on a range of topics over time.

Key outcomes of our first kp Connect Pulse Survey:

- Response rate of 68%, Communication Index score of 60%.
- The nature of the responses in FP, PHD and Corporate functions were very similar.
- Feedback was highly positive on the quality and content of communication from line managers/supervisors.
- Improvements needed relate to two-way communication and leadership communication.



## Target III. Engage employees better (continued)

### 'Pulse' surveys help us respond faster

For several years, we ran one global employee engagement survey every 18 months. However, we felt that operating the surveys on this timescale often prevented us from responding to critical issues raised by employees in a timely manner. We wanted to make sure that we were able to hear employees' opinions more frequently and then respond swiftly to that feedback.

The solution was to move to a 'pulse' survey approach. Our 'kp Connect' pulse surveys now involve shorter, more regular surveys on specific topics, with the option of targeting the whole business, or specific groups, functions and/or geographies.

Our first pulse survey, comprising 10 questions, was sent out in October 2023, and focused on communication across the business; this topic was selected following feedback received in the October 2022 engagement survey. We had a high response rate of 68% and gained many valuable insights.



# 3,663

employees responded to our first kp Connect 'pulse' survey

"Even in times of change, it is our people who demonstrate their passion for the business, through their teamwork and commitment to growing and developing this company, to make it the best it can be. Our people matter – we need to continue to listen to their voices, to build a positive culture through leadership, and work together to make kp a great place to work."

Fran Galbraith  
HR Director, Group Functions

## Target III. Engage employees better (continued)

In 2023, we also continued to improve opportunities for career development at kp. For example, we expanded our 'Developing Horizons' programme for team leaders and supervisors, with five more cohorts comprising 85 participants across sites in Switzerland, Poland and Germany. We also delivered a further three cohorts of the accompanying 'Growing Horizons' programme (44 participants), including US cohorts for the first time, to help managers boost their skills and get the most out of their teams.

Meanwhile, our kp Coaching Programme continued to support individual development needs, facilitate succession planning and generate trust and confidence. All coaching is carefully structured, using external partners to foster frank discussions on employee experiences and challenges.



The kp Mentoring Programme, facilitated by the Group Talent & Development team, also continued apace through 2023; a great opportunity for every employee across kp, covering technical and managerial topics. All employees receive regular feedback on individual and team performance and have access to our Employee Resource Networks.

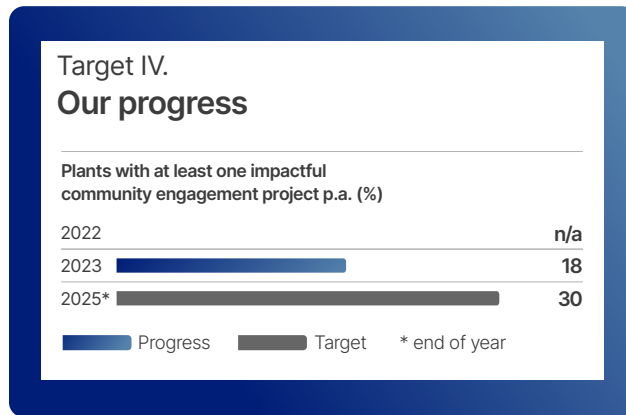
As kp's business continues to develop internationally, our employees also have the opportunity to further their careers in a variety of countries and different functions, for personal and professional growth.

### Outlook

In 2024, we will be designing our next Horizons programme, focusing on senior leadership skills. We will also repeat the Growing Horizons programme in the USA and Europe and will continue the development of our shop-floor employees. New initiatives are planned to promote health and wellbeing, to improve performance management processes and to boost commercial team skills.

# Target IV.

## Make a difference in our communities



Businesses thrive when they are part of a healthy community, and so we strive to ensure that we have both a positive economic and social impact on the areas in which we operate.

We expanded the number of site-specific initiatives in 2023. While most of our 30 sites have some level of community engagement, in 2023 we recorded 18 plants that undertook at least one community engagement project with a clear positive impact.

Overall, community projects numbered 52 and included educational initiatives, community health checks and awareness raising, beach cleanups, ecosystem conservation, charity runs and sponsorships of local sports teams.

### Outlook

We will continue to identify site-related community initiatives, blended with incidental responses where needed.



## Helping to protect local wildlife

Las Mestas Del Narcea, a non-profit association founded by fishermen from the Narcea River in Asturias, Northern Spain, operates a fish farm near our site in Pravia. Supported with funding for over 20 years, the farm sustainably produces salmon and trout, releasing them into the river to maintain healthy population levels. This initiative contributes to preserving local biodiversity.



## Target IV. Make a difference in our communities (continued)

### Pulling together to support quake victims

In 2023, we were able to support the humanitarian crisis relief following the earthquake in Türkiye and Syria. The earthquake measured 7.8 on the Richter scale and caused more than 50,000 fatalities in Türkiye alone. Our employees raised €5,209, and we matched this and made a further donation of €10,000. The money was sent to the charity GlobalGiving. A €25,000 donation was also made to the Red Cross.

Our Gebze site is located southeast of Istanbul on the Gulf of Izmit, so the team there collaborated with customers and suppliers to offer aid that helped survivors cope with the harsh winter conditions in the aftermath. Our Gebze colleagues raised around €3,500 directly, filled vehicles with vital supplies, organised supply and evacuation transport, and even participated in rescue efforts on the ground.

At times like this, customer and supplier relationships count. Providing food was a challenge: during the crisis, kp supplied thermoforming customers with rigid films so they could produce trays which our logistic companies helped deliver, free of charge. We also ensured our customers and suppliers who were directly affected received our support where required.







Introduction

Close the Loop

Work Smarter

Act Responsibly

Governance and Approach

← 75 →



Find out more  
at [kpfilms.com](https://kpfilms.com)



# Governance and Approach

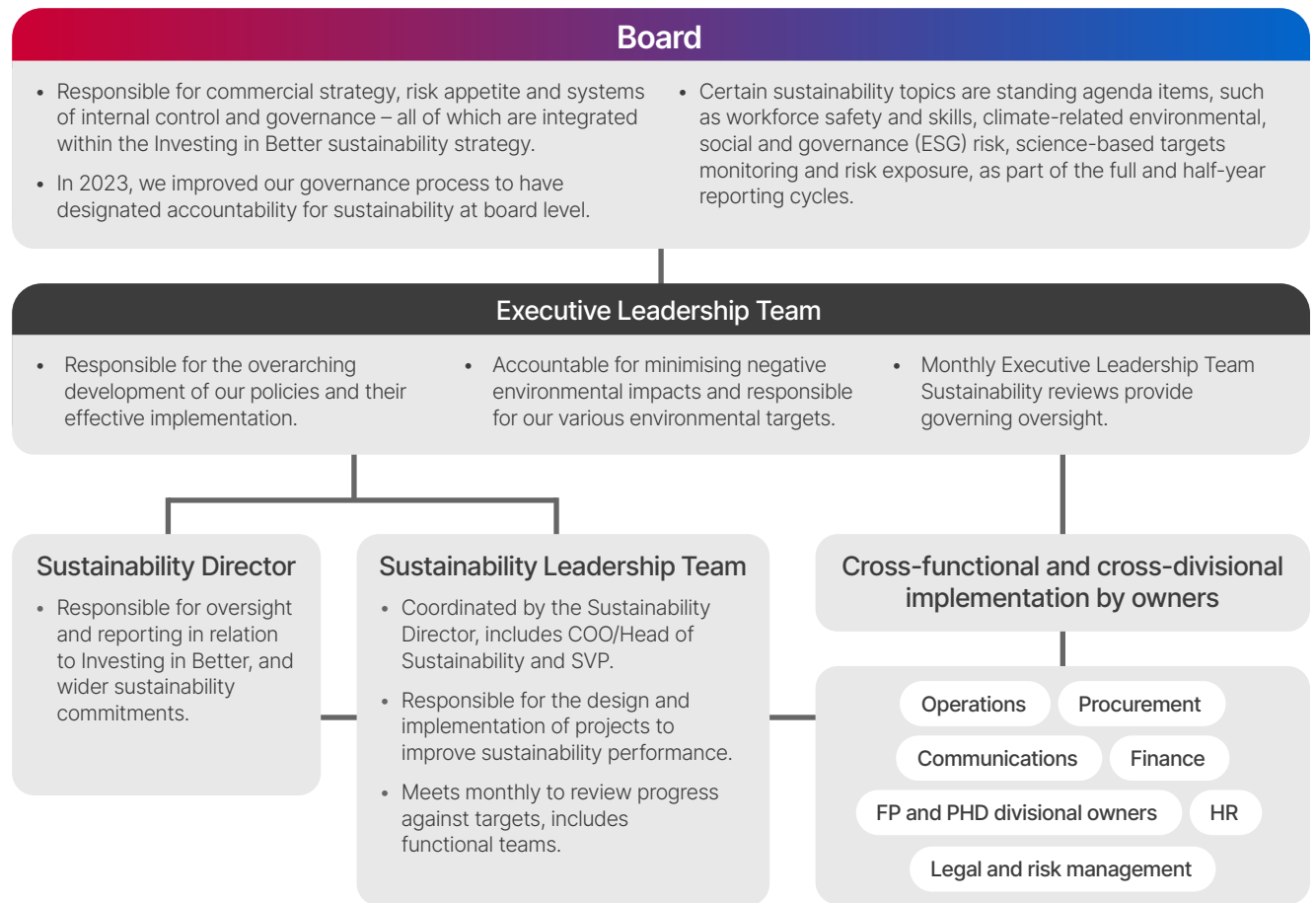
# How we are governed

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 77).

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

Specific matters such as climate change, weather variability and greenhouse gas (GHG) emissions reporting are covered in our Taskforce on Climate-related Financial Disclosures report (see page 85).

In order to engage all employees in our sustainability journey, we hold quarterly Sustainability Forums. These cover material topics such as energy, GHG emissions, recyclability and safety.





## 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. Note that this dual impact-financial approach has existed since the early 2010s, is continuously evolving and has recently been termed 'double materiality'. We are in the process of reviewing our strategy in line with the materiality principle as applied in frameworks delivering compliance with GRI Universal Standards (GRI-GSSB, 2021), IFRS S1 (ISSB, 2023) and ESRS 1 (CSRD/EFRA 2023).

Our previous assessment (2020) 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, 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 currently identifying our material topics with a view to applying double materiality principles.

From 2024 onwards, we will start to adapt our sustainability reporting with a new materiality assessment and to meet the new requirements from the EU Corporate Sustainability reporting Assessment.



# 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 with 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

In 2023, our overall Work Smarter approach was upgraded and integrated into our wider Sustainable Operations management approach. This means each objective is linked to strategic business requirements and delivered through agreed interactions such as 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 2023, nine sites were certified to ISO 50001, 11 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 and directed at site level by Health, Safety & Environment (HSE) Managers, who report local data to the Sustainable Operations team.

Each site reviews monthly audit data to evaluate progress against energy, water and waste targets, while key performance indicators (KPIs) facilitate regular reporting. Site-based targets are in place for energy, water and waste, for example. Our key operational and product targets can be found in the relevant chapters of this report. Cross-functional sustainability projects deliver overall consistency across kp, involving process harmonisation, best practice sharing 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 (SOP) document. Validation of the training is performed through the People Activity Safety Audits. 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 environmental, health and safety management systems such as SOP, 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

Our aim is to achieve sustainable procurement outcomes through engagement and action on impactful matters with thousands of suppliers. We collaborate with our suppliers to manage impacts, risks and opportunities relating to human rights, labour practices, social impacts and greenhouse gases (GHGs), so that they operate in line with our corporate policies – and those of our customers.

We recognise how our considerable spend can influence supplier and industry behaviour to help create positive change. 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. Supplier partners are usually established businesses operating in regulated jurisdictions, with little exposure to risk of informal or problematic working conditions.

kp's supply chain in 2023 extended to 71 countries and around 10,000 suppliers, with whom we spent around €1.5bn (excludes intercompany business, customs and employee spend categories). Most of our procurement spend is in Europe (58%) and the Americas (29%). We focus the majority of our procurement management resources on strategic, first-tier suppliers which account for 80% of our total spend, with additional focus on particular suppliers regarding Scope 3 GHG emissions.

Procurement activities	2023
Top 5 countries % of total spend	
USA	29.53%
Germany	16.18%
Spain	8.42%
Italy	6.28%
France	5.99%
Others	33.60%

## Due diligence

A vital part of best-practice procurement is due diligence, a management process that brings together risk assessment, engagement, improvement plans and regulatory compliance. Since 2023, we have used a cloud-based system to categorise and analyse risk exposure in our supply chain. We place specific focus on strategic and/or high-risk suppliers and we use data to screen them based on ISO and NACE<sup>1</sup> 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 suppliers in scope is through self-assessment. If required, as governed by the risk analysis, an ESG audit will be conducted on the supplier's premises. Selected strategic or high-risk suppliers fulfil five 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.

<sup>1</sup> ISO is the International Standards Organisation; NACE is the Statistical Classification of Economic Activities in the European Community.

## Sustainable procurement (continued)

As an alternative to this evaluation approach, kp acknowledges suppliers who 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 an SOP in place for corrective actions and potential deselection.

Supplier sustainability questionnaire results are used to generate a sustainability scorecard, which should support procurement decision making. The sustainability aspect accounts for at least 25% of the overall assessment. Scorecards are distributed to suppliers so that they can benchmark themselves and make improvements; the Group Procurement Manager is on hand to answer any questions they may have.

By the end of 2023, 53% of our strategic suppliers were ESG-assessed (80% of our strategic supplier spend).

### Supplier diversity and social enterprises

We aim to support smaller, diverse suppliers. We ensure there is no discrimination on grounds of protected characteristics, as listed under International Labour Organization Conventions. We are also reviewing how social enterprises can be supported. Buying from such companies means supporting local economies, improving social mobility, creating jobs and a multiplier effect from reinvestment for positive impact. This is 'social procurement' in action.

### GHG emissions in the supply chain

You can read more about GHGs in the supply chain on page 52.

### Partnerships

We continued to work with the Sustainable Procurement Pledge (SPP), an international, non-profit organisation for procurement professionals, academics and practitioners. Members of kp's senior procurement management team promote sustainable procurement leadership within the SPP. In 2023, kp's supplier engagement programme was used as a case study in SPP Leadership Guide. 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 and is subject to management review for continuous improvement in response to performance monitoring (using KPIs), emerging customer expectations and regulatory trends. kp's procurement team is trained in the key focus areas of sustainable procurement and sustainable procurement is included in the personal objectives of the central buying team from 2024. Looking ahead, we will be developing a supplier diversity programme, social enterprise support, further supplier risk monitoring and ongoing training. Each year, the Chief Procurement Officer and Chief Operating

Officer/Head of Corporate Sustainability review our sustainability objectives and actions, while the monthly Procurement Leadership Team meetings review our KPIs to ascertain whether any course corrections are needed.

We continue to evolve our policies, too. Our Supplier Code of Conduct was updated in 2023 with new and stricter requirements, and is now 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. Our annual tracking data indicated that at the end of 2023, 16% of our spend with strategic suppliers was covered by a contract within the ESG clause.



#### Supplier Code of Conduct

[kpfilms.com/en/sustainability/kp\\_Supplier\\_Code\\_of\\_Conduct\\_rev\\_2023\\_en.pdf](https://kpfilms.com/en/sustainability/kp_Supplier_Code_of_Conduct_rev_2023_en.pdf)



#### Sustainable Procurement Policy

[kpfilms.com/en/legal/kp\\_Sustainable\\_Procurement\\_Policy\\_0322.pdf](https://kpfilms.com/en/legal/kp_Sustainable_Procurement_Policy_0322.pdf)



#### Supplier Principles

[kpfilms.com/en/about-us/governance-ethics](https://kpfilms.com/en/about-us/governance-ethics)

kp insights

# Jana Schönberger on developing a sustainable supply chain

Jana Schönberger  
Group Procurement Manager  
Sustainability & ESG



## How can kp have a positive impact in its role as a customer in the supply chain?

We have a large number of suppliers, and with the right strategy we can have a material influence on many parts of the supply chain.

Driving down Scope 3 emissions is a critical priority – so we are pushing our partners to improve and set goals for reducing their own carbon emissions. Seeing the progress made so far has been very gratifying indeed.

We also assess our suppliers on several ESG topics to avoid any harm occurring within our supply chain.

## Working with many different suppliers can be a challenge. How do you manage that?

We have around 10,000 suppliers and as such we focus our efforts on the 'strategic' suppliers which make up 80% of our total spend. We also prioritise our 'carbon-strategic' suppliers, which are responsible for the majority of kp's Scope 3 emissions.

Using a digital platform allows us to track sustainability efforts from our suppliers and enables comparisons with industry standards.

We have set up sustainability scorecards for critical suppliers, so that we're able to compare results with peers delivering similar materials. That makes it easier for the team to compare and challenge their suppliers.

## Which trends affected your team in 2023, and what do you expect from 2024?

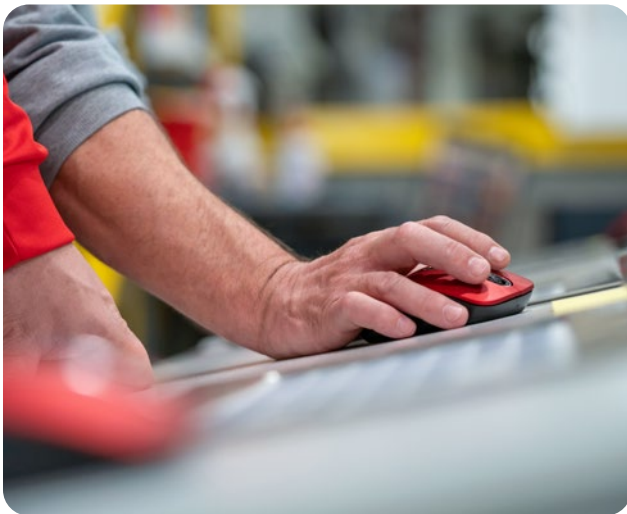
In 2023, diversity in the supply chain gained greater traction. We will work on building a clear strategy around diversity in the supply chain in the future. It's a two-way relationship and we have to figure out how to support them.

Carbon pricing is the biggest thing we see on the horizon. We have already started collecting Life Cycle Analysis data from our suppliers to make the CO<sub>2</sub> impact visible. It's a very complex area and it would be great to have a standardised methodology for this to make comparisons easier and help inform buying decisions.



# IT security

In today's digital age, safeguarding against cyber threats has become a paramount concern for organisations worldwide. 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 cybersecurity team responsible for managing cyber risks and 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 backups 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 cybersecurity 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.

As part of our ongoing efforts to educate employees on the constant and ever-changing threats in the cyber world, we will be delivering quarterly cyber awareness training. Each quarter will focus on different areas of cyber threats, providing a healthy mix of awareness aimed at protecting both kp and employees personally.

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 is to begin reporting 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 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. In 2022, a site risk assessment was completed with an external agency using 28 criteria relating to environmental protection, human rights, slavery and child labour. Our review in 2023 did not record any human rights 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. Importantly, 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.

In 2023, we carried out the first living wage benchmark.

See page 80 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, are 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 Conduct, no political contributions were made in 2023.

# 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 online<sup>2</sup>.

## Introduction

At kp, 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 recognise our responsibility to use as few resources as possible, as efficiently as possible.

We treat climate change as a material topic, particularly since customers and regulators expect businesses to contribute to the additional decarbonisation of operations, and also that our materiality assessments show it as material. 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 have more than 8,000 customers to whom we offer an extensive portfolio of high-quality plastic packaging and related solutions. 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 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.

2. [https://www.kpfilms.com/en/sustainability/Klockner\\_Pentaplast\\_-\\_2023\\_CDP\\_Climate\\_Change\\_response.pdf](https://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 (IRO) associated with climate change: physically, in legislation and in the marketplace.

Such IROs are accounted for in our business strategy and investment models. Informed by research completed in 2022, we apply mitigating action to reduce our operational greenhouse gas (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/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/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

- 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

- 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/Head of Corporate Sustainability

- 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

- An instrument of governance overseeing the implementation of sustainability initiatives and policies, including the three Investing in Better objectives, KPIs and 10 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

- 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 (10 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	<b>Alternative materials:</b> a market shift to alternative materials could affect kp's sales and reputation.	✓	✓	✓	✓	✓	✓	✓
Market/ policy and legal	<b>Increased costs:</b> 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	<b>Legal requirements for recyclability and circularity:</b> fast-evolving legislative requirements pose a risk to kp's license to operate.	✓	✓	✓	✓	✓		✓
	<b>Policy transition risk:</b> 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	<b>Fast build-out risk:</b> 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	<b>Sustainability commitments:</b> 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	<b>Supply chain and raw material procurement:</b> 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.	✓	✓	✓		✓		
	<b>Impact to manufacturing sites:</b> kp's manufacturing sites are exposed to physical climate risks, particularly to 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
<b>Renewable energy:</b> 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.	✓	✓		✓
<b>Technology:</b> investing in technologies e.g. 'super clean technology', new equipment/retrofitting equipment and designing for chemical recycling to continue driving towards circularity.	✓		✓	✓
<b>Collaboration and partnership:</b> 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.				✓
<b>Governance:</b> 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.			✓	✓
<b>Life Cycle Analysis:</b> 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, 10 and 30 years, and took into account:

Scenario	Situation summary
<b>Strong mitigation:</b> 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.
<b>Middle of the road:</b> 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.
<b>High emissions:</b> 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 is informing 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're making good process 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 core promise – the sustainable protection of everyday needs. 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 top management, 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 ELT 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. In addition, our recent assessments have identified the following actions that we expect to take in the short term:

#### To generate positive financial impacts

- 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 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 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 (Scopes 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. In 2023, we used 25% of PCR material in the plastic packaging we produced; using recycled rather than virgin material in our operations equates to more than 321,000 tonnes of avoided CO<sub>2</sub>e emissions. 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. For this to work, kp's products must be made of plastic that is collected, sorted and aggregated into defined streams for recycling, and which has market value. While our overall recyclable share increased to 31% in 2023, we now have recyclable alternatives for 68% of our overall product portfolio versus 63% last year.

We are also on a mission to recover used packaging and turn it back into more of the same. Our Tray2Tray® programme is leading the way; through this, we replace recycled content from bottles with recycled content from trays, 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. In 2023, 25% of our recycled material was generated from this truly circular system and the number of trays recycled increased to 900m. See page 8 for performance data charts.

We have made several climate-related public commitments – central to these are our science-based targets for all emission scopes (formally approved by the SBTi in 2021). We monitor and report Scopes 1, 2 and 3 GHG emissions in line with the Greenhouse Gas Protocol and ISO 14064. For kp, around 92% of our emissions are in our value chain (Scope 3) while 8% come from our own operations (Scopes 1 and 2). Our data shows 81% of Scope 3 GHG emissions come from purchased goods and services, and particularly raw material suppliers.

## TCFD report (continued)

Scope	Category	2019 tCO <sub>2</sub> e	2022 tCO <sub>2</sub> e	2023 tCO <sub>2</sub> e
1	Sub total	24,418	20,475	17,571
2	Sub total (market-based)	266,826	145,558	136,726
	Sub total (location-based)	251,078	180,442	168,442
1 and 2	Total Scopes 1 and 2 (market-based)	291,244	166,034	154,297
	Total Scopes 1 and 2 (location-based)	275,496	200,917	186,013
3	Sub total (market-based)	2,245,210	1,992,464	1,690,057
	Sub total (location-based)	2,252,878	2,008,155	1,705,390
1, 2 and 3	Total (market-based)	2,536,454	2,158,498	1,844,354
	Total (location-based)	2,528,374	2,209,073	1,891,403

In 2023, we continued our supplier engagement programme to reduce Scope 3 emissions by working with our 'carbon-strategic' suppliers: the main contributors to our carbon footprint. Our procurement team engages with our top 50 suppliers (based on their Scope 3 contribution) to collect primary data from them. Through this engagement, we have also aimed to educate and support our suppliers and have provided training materials to accelerate progress in relation to GHG emission reductions.

In 2023, we continued to use less energy; we recorded a 19% reduction (144,839 MWh) in absolute energy consumption since 2019.

By the end of 2023, 54% of our electricity was generated from renewable sources (2022: 51%). We currently have four factories partly operating on self-generated renewable energy and we are working on feasibility studies for 10 more similar installations. Our modern, high-tech production processes are extremely efficient. However, wasting less remains an important consideration; in 2023 we achieved zero waste to landfill across our entire global footprint, wherever it is legally possible to do so. While we do not have an enterprise-wide goal for water stewardship as part of our current strategy, our teams have been working on this topic and continued to apply good practice in 2023.

# Collaboration and recognition

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

## Voluntary commitments and collaborative initiatives

ANZPAC Plastics Pact



CEFLEX



Circular Plastics Alliance



New Plastics Economy –  
Ellen MacArthur Foundation



NEXTLOOP



Petcore Europe



Plastics Europe



UK Plastics Pact



## Trade associations

- Asociación Argentina de PVC
- Associação Portuguesa da Indústria de Plásticos
- Asociación Española de Industriales de Plásticos
- The 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
- Incpen
- IK Industrievereinigung Kunststoffverpackungen e.V.
- 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
- Recyclclass
- Sustainable Packaging Coalition
- Vinyl Films and Sheets Europe



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## Collaboration and recognition (continued)

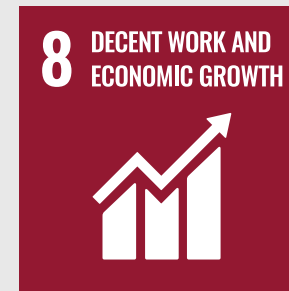
### SDG alignment

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 historic data for comparisons. The reporting period is the calendar year 2023. 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 85) provides disclosures for financial and regulatory stakeholders relating to climate risk and opportunity in line with recommendations. Readers can also access our CDP submissions online<sup>3</sup>. 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 95.

## Data disclosures

Data relates to 2023 performance unless otherwise stated. Key data points are found in the relevant chapters, with supporting tables and charts, as well as the GRI index.

<sup>3</sup>. [https://www.kpfilms.com/en/sustainability/Klockner\\_Pentaplast\\_-\\_2023\\_CDP\\_Climate\\_Change\\_response.pdf](https://www.kpfilms.com/en/sustainability/Klockner_Pentaplast_-_2023_CDP_Climate_Change_response.pdf)



# Assurance statement

WHEN TRUST MATTERS  
www.dnv.co.uk



## Independent Limited Assurance Report to the Directors of Klöckner Pentaplast

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 2023 (the “Report”) for the reporting year ended 31 December 2023.

### 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 observations and areas for improvement will be raised in a separate report to kp’s Management. These observations do not affect our conclusion set out above.

### Selected information

The scope and boundary of our work is restricted to the key performance indicators included within the Report for 2023 reporting year (the “Selected Information”), listed below.

Key Performance Indicators	Reported value 2023	Unit
Scope 1 GHG emissions	17,571	tCO <sub>2</sub> e
Scope 2 GHG emissions – location-based	168,442	tCO <sub>2</sub> e
Scope 2 GHG emissions – market-based	136,726	tCO <sub>2</sub> e
Energy intensity	1,179	kWh per tonne of product produced
Total waste generation	41,153	tonnes
Total number of zero landfill sites	29	number
Waste to landfill	882	tonnes
Waste to energy	5,608	tonnes
Waste recycled	34,664	tonnes
Women at management level	25.5	%
Lost-time accident (LTA) rate	0.35	accident per 200,000 hours
Post consumer recycled content in packaging	25	%

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 2023 (the “criteria”) which can be found here<sup>4</sup>. We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on kp’s website for the current reporting period or for previous periods.

### 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. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

### 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 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.

4. <https://www.kpfilms.com/en/sustainability/Reports-and-disclosure/>

## Assurance statement (continued)

WHEN TRUST MATTERS  
[www.dnv.co.uk](http://www.dnv.co.uk)



### 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 standards 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 report. 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.

### Use and distribution of our Independent Limited Assurance Report

This report is intended solely for the information and use of the Directors of kp and is not intended to be and should not be used by anyone other than these specified parties.

### 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 management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Site visit to Montabaur, Germany to review the processes and systems for preparing site level data consolidated at Head Office. We were free to choose the site and selected the site on the basis of materiality;
- 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 limitations to the scope of the agreed assurance engagement.

### DNV Business Assurance Services UK Limited

London, UK  
09 July 2024

*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. We have not been responsible for the preparation of the 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.

# Sustainability data

## Environmental KPIs

### Energy consumption

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

### Greenhouse gas emissions – measured in tCO<sub>2</sub>e (except where noted\*)

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



## Sustainability data – Environmental KPIs (continued)

### Water management

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

### Waste management

Category	Unit	2020	2021	2022	2023
Waste to energy	tonne	2,817	3,430	5,469	5,608
Waste to energy – non-hazardous	tonne	no data	3,364	5,228	5,535
Waste to energy – hazardous	tonne	no data	66	241	72
Recycled	tonne	39,972	43,190	56,081	34,664
Recycled – non-hazardous	tonne	no data	43,102	55,337	33,702
Recycled – hazardous	tonne	no data	88	743	962
Landfill	tonne	6,935	7,665	4,264	882
Landfill – non-hazardous	tonne	no data	7,664	4,262	882
Landfill – hazardous	tonne	no data	1	2	0
Total	tonne	49,724	54,285	65,814	41,153
Total non-hazardous	tonne	no data	54,130	64,827	40,119
Total hazardous	tonne	no data	155	986	1,035
Zero waste to landfill sites	number of sites	10	15	24	29

### Materials

Category	Unit	2019	2020	2021	2022	2023
Post-industrial recycled content	tonnes	36,103	27,110	14,452	13,815	8,587
Post-consumer recycled content	tonnes	125,197	123,620	134,023	114,344	119,032
% post consumer recycled content in our packaging	%		21.5	23.3	21.3	25.0

# Sustainability data

## Social KPIs

### Workforce

Category	Unit	2020	2021	2022	2023
Total number permanent employees: female	number	1,217	1,176	1,166	1,198
Total number temporary employees: female	number	127	117	91	99
Total number permanent employees: male	number	4,259	4,231	4,187	4,122
Total number temporary employees: male	number	165	204	159	174
Total number permanent employees: female – Americas	number	181	191	182	205
Total number temporary employees: female – Americas	number	6	10	5	5
Total number permanent employees: male – Americas	number	895	946	997	998
Total number temporary employees: male – Americas	number	7	12	4	11
Total number permanent employees: female – Asia	number	82	76	71	76
Total number temporary employees: female – Asia	number	1	0	0	0
Total number permanent employees: male – Asia	number	243	238	236	236
Total number temporary employees: male – Asia	number	0	0	0	2
Total number permanent employees: female – Australia	number	15	13	8	10
Total number temporary employees: female – Australia	number	6	3	1	2
Total number permanent employees: male – Australia	number	50	35	29	26
Total number temporary employees: male – Australia	number	6	10	6	7
Total number permanent employees: female – Europe	number	939	896	905	907
Total number temporary employees: female – Europe	number	114	104	85	92
Total number permanent employees: male – Europe	number	3,071	3,012	2,925	2,862
Total number temporary employees: male – Europe	number	152	182	149	154
New employee hires	number	630	839	820	767
New employee rate	%	10.9	14.6	14.7	13.7
New hires – female	number	211	213	204	213
New hires – male	number	419	626	616	554
New hires – junior	number	537	667	613	557

### Workforce (continued)

Category	Unit	2020	2021	2022	2023
New hires – supervisory	number	25	94	104	106
New hires – management	number	66	69	103	98
New hires – top management	number	2	2	0	6
Total turnover rate	%	12.8	17.3	18.2	16.3
Voluntary turnover rate	%	7.5	11.5	12.0	10.0
Total turnover rate – female	%	15.4	21.9	20.3	16.2
Total turnover rate – male	%	12.1	16.0	17.6	16.3
Total turnover rate – junior	%	11.7	18.4	20.9	18.1
Total turnover rate – supervisory	%	11.0	13.5	12.3	10.7
Total turnover rate – management	%	10.6	15.4	13.4	15.5
Total turnover rate – top management	%	0.0	9.2	19.2	28.6

### Diversity

Category	Unit	2020	2021	2022	2023
Women in workforce	%	22.8	22.0	22.0	23.2
Women at management level	%	23.6	23.9	23.6	25.5
Women – junior management	%	no data	24.3	23.5	25.8
Women at top management	%	no data	21.6	24.0	26.1
Women on company board	%	0	0	0	0
Average unadjusted gender pay gap	%	no data	no data	11.3	10.9
% of employed workers who are from minority groups* and/or vulnerable groups in relation to the total organisation.	%	2.7	2.8	3.7	5.2
% of employed workers who are from minority groups* and/or vulnerable groups in management positions (excluding steering committee, board members)	%	4.9	4.2	6.0	8.2

\* minority groups are identified as employees non-citizens from the operating location, on average, we have 25% of unknown nationalities.

## Sustainability data – Social KPIs (continued)

### Average learning hours

Category	Unit	2020	2021	2022	2023
Total number of training hours provided to employees	number	No data	No data	34,948	26,616
Average learning hours	number	No data	No data	6.1	4.8
Average learning hours – female	number	No data	No data	5.5	4.6
Average learning hours – male	number	No data	No data	6.3	4.8
Average learning hours – junior	number	No data	No data	5.0	4.5
Average learning hours – supervisory	number	No data	No data	8.7	4.7
Average learning hours – management	number	No data	No data	8.2	6.1
Average learning hours – top management	number	No data	No data	2.0	1.7

### Performance and career development reviews

Category	Unit	2020	2021	2022	2023
Number of employees who receive performance and career development reviews	Number	837	878	1,013	1,257
% of employees who receive performance and career development reviews	%	15.0%	15.9%	18.8%	23.1%
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
% of total workforce across all sites who received career or skills-related training	%	No data	No data	42	53
% of total workforce at all sites that have received training on preventing discrimination and human rights violations	%	No data	No data	41%	28%
% of total workforce trained on business ethics issues	%	54%	81%	48%	100%

### Living wage

Category	2023
% of direct employees covered by a living wage benchmarking analysis	17
% of direct employees paid below living wage	0
% of all employees paid below living wage, including direct employees, individual contractors and dispatched workers	0
% of internal employees and contract workers paid below living wage	0
% of average wage gap for direct employees paid below living wage against a living wage benchmark	0

### Safety and health

Category	Unit	2019	2020	2021	2022	2023
Lost-time accident rate, LTA	rate	0.25	0.33	0.33	0.35	0.35
30-second risk assessment	number	467,031	748,334	810,000	818,261	771,512
% sites that achieved zero harm status	%	12	25	31	25	40
Fatalities	number	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
Number of days lost to work-related injuries, fatalities and ill health	number	No data	No data	No data	No data	1,046
Number of work-related accidents	number	239	147	94	76	52
% of the total workforce across all locations represented in formal joint management-worker health & safety committees	%	No data	No data	No data	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

# Sustainability data

## Governance KPIs

### Management system certifications

Category	Unit	2022	2023
ISO 9001	number	25	27
ISO 14001 or similar	number	12	11
ISO 50001	number	7	9
ISO 45001 or similar	number	4	4
RecyClass or similar	number	3	12

### Board effectiveness

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

### Business ethics

Category	Unit	2021	2022	2023
% of all operating sites for which an internal audit/risk assessment on business ethics issues was performed	%	No data	100	100
% of all operating sites with certified anti-corruption management system	%	0	0	0
% of all operating sites with an Information Security Management System certified to ISO 27000 (or other equivalent/similar standard)	%	3	3	3
% of total workforce trained on information security issues	%	No data	18	10

### Sustainable procurement

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



# GRI content index

Statement of use	kp has reported in accordance with the GRI Standards for the period January 1st to December 31st 2023.		
GRI 1 used	GRI 1: Foundation 2021		
Applicable GRI Sector Standard(s)	None		
GRI Standard/other source	Disclosure	Location	Additional comments and references
<b>General disclosures</b>			
GRI 2: General Disclosures 2021	2-1 Organisational details	11	Klöckner Pentaplast Group. Read more about our organisation at <a href="http://www.kpfilms.com/en">www.kpfilms.com/en</a> Corporate office located in London. Registered office in Luxembourg. Read more about our operations at <a href="http://www.kpfilms.com/en/contact-us/our-locations">www.kpfilms.com/en/contact-us/our-locations</a> 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 <a href="http://www.kpfilms.com/en/about-us">www.kpfilms.com/en/about-us</a>
	2-2 Entities included in the organisation's sustainability reporting	-	Entities are listed online at <a href="http://www.kpfilms.com/en/contact-us/our-locations">www.kpfilms.com/en/contact-us/our-locations</a> Report scope includes all of Klöckner Pentaplast Group. Read more about our organisation at <a href="http://www.kpfilms.com/en">www.kpfilms.com/en</a>
	2-3 Reporting period, frequency and contact point	-	January to December 2023, annual. Please contact us at <a href="mailto:sustainability@kpfilms.com">sustainability@kpfilms.com</a>
	2-4 Restatements of information	52	
	2-5 External assurance	95-96	
	2-6 Activities, value chain and other business relationships	12-13, 16-18, 78-79	Read more about our activities, brands, products and services at <a href="http://www.kpfilms.com/en">www.kpfilms.com/en</a>
	2-7 Employees	99-100	
	2-8 Workers who are not employees	94, 99-100	
	2-9 Governance structure and composition	76-77, 80, 83-84, 86, 101	Read more about governance at <a href="http://www.kpfilms.com/en/sustainability/governance-ethics">www.kpfilms.com/en/sustainability/governance-ethics</a> Read more about our leadership at <a href="http://www.kpfilms.com/en/about-us/ceo-management-team">www.kpfilms.com/en/about-us/ceo-management-team</a>
	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	76	Read more about our governance <a href="http://www.kpfilms.com/en/sustainability/governance-ethics">www.kpfilms.com/en/sustainability/governance-ethics</a>
	2-13 Delegation of responsibility for managing impacts	76	
	2-14 Role of the highest governance body in sustainability reporting	76	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: <https://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 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	76	Read more about our governance <a href="https://www.kpfilms.com/en/sustainability/governance-ethics">www.kpfilms.com/en/sustainability/governance-ethics</a>
	2-16 Communication of critical concerns	76, 78-79, 80-81, 83-84	Read more on the kp EthicsHotline at <a href="https://www.kpfilms.com/en/sustainability/governance-ethics">https://www.kpfilms.com/en/sustainability/governance-ethics</a>
	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	3-4	Read more at <a href="https://www.kpfilms.com/en/sustainability/Investing_in_Better/">https://www.kpfilms.com/en/sustainability/Investing_in_Better/</a>
	2-23 Policy commitments	61, 78-79, 81, 84	
	2-24 Embedding policy commitments	58, 76, 78-79, 80, 83, 84, 86, 89	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*	*	
	2-26 Mechanisms for seeking advice and raising concerns	79	Read more on the kp EthicsHotline at <a href="https://www.kpfilms.com/en/sustainability/governance-ethics">https://www.kpfilms.com/en/sustainability/governance-ethics</a>
	2-27 Compliance with laws and regulations*	*	
	2-28 Membership associations	92	Read more about our memberships at <a href="https://www.kpfilms.com/en/sustainability/External-Engagement/">https://www.kpfilms.com/en/sustainability/External-Engagement/</a>
	2-29 Approach to stakeholder engagement	7, 10, 15, 17-18, 30-32, 35-37, 41, 55, 67, 70, 77, 81-82, 92, 101	Read about our sustainability strategy <a href="https://www.kpfilms.com/en/sustainability/kp_Investing_in_Better_Brochure_2021.pdf">www.kpfilms.com/en/sustainability/kp_Investing_in_Better_Brochure_2021.pdf</a> Read our Group sustainability policy <a href="https://www.kpfilms.com/en/sustainability/kp_Group_Sustainability_Policy.pdf">www.kpfilms.com/en/sustainability/kp_Group_Sustainability_Policy.pdf</a>
	2-30 Collective bargaining agreements	-	<b>Pharma, Health &amp; Protection and Durables</b> – four of our 10 manufacturing sites are subject to collective bargaining or tariff agreements and around 1,100 employees are covered by such agreements (47% of the workforce). <b>Food Packaging</b> – 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: <https://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 coming years.

## GRI content index (continued)

GRI Standard/other source	Disclosure	Location	Additional comments and references
<b>Material topics</b>			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	77	
	3-2 List of material topics	77	
<b>Anti-corruption</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	79, 80	Read more about our governance <a href="https://www.kpfilms.com/en/sustainability/governance-ethics">www.kpfilms.com/en/sustainability/governance-ethics</a>
GRI 205: Anti-corruption 2018	205-2 Communication and training about anti-corruption policies and procedures	79-81, 83, 84, 101	
<b>Tax</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	–	Read more about our tax strategy <a href="https://www.kpfilms.com/en/about-us/tax-strategy">https://www.kpfilms.com/en/about-us/tax-strategy</a>
GRI 207: Tax 2019	207-1 Approach to tax	–	Tax strategy refers to the UK jurisdiction. Read more about our tax strategy <a href="https://www.kpfilms.com/en/about-us/tax-strategy">https://www.kpfilms.com/en/about-us/tax-strategy</a>
<b>Materials</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	17-18, 20, 79, 24, 27, 30-32, 34-35, 40	
GRI 301: Materials 2018	301-2 Recycled input materials used	8, 21, 23, 98	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, 28-29, 98	
<b>Energy</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	9, 43, 48, 79	
GRI 302: Energy 2018	302-1 Energy consumption within the organisation	9, 45-46, 97	
	302-3 Energy intensity	9, 44-46, 97	Data are shown on p97. 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	9, 44, 46-47, 97	
	302-5 Reductions in energy requirements of products and services	17, 45	

## GRI content index (continued)

GRI Standard/other source	Disclosure	Location	Additional comments and references
<b>Water and effluents</b>			
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	58, 79	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.
<b>GRI 303:</b> Water and Effluents 2018	303-1 Interactions with water as a shared resource	58	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 practices across the Group.
	303-2 Management of water discharge-related impacts	58	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	98	
	303-4 Water discharge	98	
	303-5 Water consumption	98	
<b>Emissions</b>			
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	7, 9, 43, 49-50, 79, 90-91	Greenhouse gases included within the boundary: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs and SF <sub>6</sub> , expressed in CO <sub>2</sub> 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.
<b>GRI 305:</b> Emissions 2018	305-1 Direct (Scope 1) GHG emissions	91, 97	
	305-2 Energy indirect (Scope 2) GHG emissions	91, 97	
	305-3 Other indirect (Scope 3) GHG emissions	91, 97	
	305-4 GHG emissions intensity	51	
	305-5 Reduction of GHG emissions	49, 52, 97	



## 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	9, 18, 29, 43, 57, 79	
	306-1 Waste generation and significant waste-related impacts	17-18, 20, 25, 55, 57	
	306-2 Management of significant waste-related impacts	54, 79	Read more about our environmental management <a href="http://www.kpfilms.com/en/sustainability/risk-management-systems">www.kpfilms.com/en/sustainability/risk-management-systems</a> Read about our waste related R&D projects <a href="http://www.kpfilms.com/en/about-us/innovation">www.kpfilms.com/en/about-us/innovation</a>
GRI 306: Waste 2020	306-3 Waste generated	98	
	306-4 Waste diverted from disposal	98	
	306-5 Waste directed to disposal	98	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	60, 79, 100-101	Read more about recruitment and careers at <a href="https://www.kpfilms.com/en/careers/">https://www.kpfilms.com/en/careers/</a>
GRI 401: Employment 2018	401-1 New employee hires and employee turnover	99	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	68, 79	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 in 3 countries (US, UK and Canada), and we are looking at expanding those during 2023. EAP looks 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 US 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"><li>• Medical Insurance</li><li>• Dental Insurance</li><li>• Life Insurance</li><li>• Accident Insurance</li><li>• Disability Insurance</li><li>• Retirement/ Pension Account</li><li>• Paid Time Off/Sick and Vacation Time</li></ul>
	401-3 Parental leave	68	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
<b>Labour/management relations</b>			
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	70, 84	
<b>GRI 402:</b> Labour/Management Relations 2018	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.
<b>Occupational health and safety</b>			
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	60-61, 64, 79, 84	Read our Health and Safety Policy <a href="https://www.kpfilms.com/en/sustainability/kp_Group_Health_and_Safety_Policy.pdf">www.kpfilms.com/en/sustainability/kp_Group_Health_and_Safety_Policy.pdf</a>
<b>GRI 403:</b> Occupational Health and Safety 2018	403-1 Occupational health and safety management system	62-63, 79	Group-wide, 30 sites (100%) are covered by the OHS system. Read more about how we act responsibly at <a href="https://www.kpfilms.com/en/sustainability/Our-Strategy/Act-Responsibly">https://www.kpfilms.com/en/sustainability/Our-Strategy/Act-Responsibly</a>
	403-2 Hazard identification, risk assessment and incident investigation	61-63	
	403-3 Occupational health services	79	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	62, 64, 70	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	62-64	
	403-6 Promotion of worker health	62-64	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 <a href="https://www.kpfilms.com/en/about-us/governance-ethics">https://www.kpfilms.com/en/about-us/governance-ethics</a>
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	62, 79, 100-101	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	79, 100	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	100	No fatalities or recordable cases resulting from ill-health occurred at kp.
	403-10 Work-related ill health	100	

## GRI content index (continued)

GRI Standard/other source	Disclosure	Location	Additional comments and references
<b>Training and education</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		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 <a href="http://www.kpfilms.com/en/careers">www.kpfilms.com/en/careers</a>
<b>GRI 404: Training and Education 2018</b>	404-1 Average hours of training per year per employee	100	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	72, 79	
	404-3 Percentage of employees receiving regular performance and career development reviews	100	Our People Strategy aligns people and their capabilities with our vision, strategy, priorities and goals. The formal performance management process involves objective setting, formal feedback during the year, accompanied by more informal meetings to monitor progress, identify improvement potential, and raise any concerns or escalate problems.
<b>Diversity and equal opportunity</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	66, 69, 79	Read more about the working environment <a href="http://www.kpfilms.com/en/careers">www.kpfilms.com/en/careers</a>
<b>GRI 405: Diversity and Equal Opportunity 2018</b>	405-1 Diversity of governance bodies and employees	99	Read more about the senior leadership team <a href="http://www.kpfilms.com/en/about-us/ceo-management-team">www.kpfilms.com/en/about-us/ceo-management-team</a>
<b>Non-discrimination</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	66, 69, 79, 100	Read more about the working environment <a href="http://www.kpfilms.com/en/careers/">www.kpfilms.com/en/careers/</a>
<b>GRI 406: Non-discrimination 2018</b>	406-1 Incidents of discrimination and corrective actions taken	101	
<b>Local communities</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	73	
<b>GRI 413: Local Communities 2018</b>	413-1 Operations with local community engagement, impact assessments and development programmes	73	
<b>Customer health and safety</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	14, 17, 79, 84	Read more about medical packaging films <a href="http://www.kpfilms.com/en/pharma-medical/medical-device-packaging-films/">www.kpfilms.com/en/pharma-medical/medical-device-packaging-films/</a>
<b>GRI 416: Customer Health and Safety 2018</b>	416-1 Assessment of the health and safety impacts of product and service categories	-	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.

**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.

**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.

**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.

**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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