



Sustainability Report 2023

PACKAGING FOR POSITIVE IMPACT

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Message from the CEO

Dear Stakeholders,

I am thrilled to present FPS Flexible Packaging Solutions' second annual sustainability report for 2023. Our journey over the past year has been marked by significant achievements, reflecting our unwavering commitment to sustainability, innovation, and excellence.

2023 has been a transformative year for FPS. We have launched the FPS Full Potential Program, a multi-year initiative designed to enable our business, colleagues, and teams to reach their full potential. This program, with its internal and external dimensions, is a platform for our dedication to continuous improvement and growth.

One of our standout accomplishments this year was securing the EcoVadis Gold Medal during our first application, a remarkable recognition of our sustainability efforts. Additionally, the establishment of the FPS Sustainability Committee, comprising Climate Champions and Social Ambassadors, has further solidified our commitment to driving meaningful change.

In 2023 we accelerated our efforts on innovation. In May, we introduced FlexiGreen at Interpack, with minimum 30% post consumer recycled resin and same performance capabilities as a new big bag made from virgin resin. In phase 1 we will be able to produce at least 8 Million FlexiGreen bags and remove minimum 2.5M used big bags from landfills. Our Romania Recycling Hub, is a world class operation that combines our recycling and reconditioning services using one-of-a-kind technology.

Due to market challenges and demand shortage, we continued to leverage the resilience and determination of our teams to serve our customer's needs. Despite these hurdles, we have achieved notable successes, including earning the Great Place to Work certification in all 12 participating countries and securing a Net Promoter Score (NPS) of 81 points.

Our journey continues at pace. Sustainability is not a destination but a continuous circle for change and progress for us. As we move forward, we remain dedicated to transparent reporting and sharing our progress. This report covers our sustainability strategy, goals, initiatives, and performance in 2023, highlighting our efforts to transition to a circular economy, reduce our environmental impact, and improving social outcomes.

As a global leader in flexible packaging solutions, operating in 19 countries, we are committed to leading the transition to a circular economy. Our industry-leading target to include minimum 30% recycled material in our products by 2030 where applicable/allowed by law remains a key commitment.

In closing, I extend my heartfelt thanks to our colleagues, customers, suppliers, and other stakeholders for their continued support and dedication to our sustainability journey. Together, we are building a sustainable future, one that creates positive impacts on the economy, environment, and society.

Thank you for your ongoing commitment and support.

Hari Kumar
Chief Executive Officer
FPS Flexible Packaging Solutions



A large circular collage of 30 images arranged in a grid-like pattern, showcasing various aspects of the company's operations and community engagement. The images include: 1. A group of four people in casual attire. 2. A woman in a white lab coat working with a machine. 3. A man in a white lab coat operating a machine. 4. A group of people in winter clothing. 5. A group of people in green uniforms standing in front of a Romanian flag. 6. A large industrial machine processing white material. 7. Two people in white lab coats and blue hairnets working in a factory. 8. A group of children and a person in a Disney character costume. 9. A woman in a white lab coat and blue hairnet working with a machine. 10. A woman in a red shirt and a man in a white lab coat looking at a whiteboard. 11. A man in a white lab coat looking through a microscope. 12. A man in a white lab coat working with a machine. 13. A man in a white lab coat pointing at a whiteboard. 14. A woman in a white lab coat and blue hairnet working with a machine. 15. A woman in a blue shirt and yellow headphones working with a machine. 16. A man in a white lab coat pointing at a whiteboard. 17. A woman in a green shirt working with a machine. 18. A woman in a white lab coat and blue hairnet working with a machine. 19. A group of people in a room with large gold balloons spelling 'FPS'. 20. A woman in a blue shirt and yellow headphones working with a machine. 21. A man in a white lab coat working with a machine. 22. A man in a blue shirt working with a machine. 23. A large industrial machine processing white material. 24. A man in a white lab coat working with a machine. 25. A man in a white lab coat working with a machine. 26. A man in a white lab coat working with a machine. 27. A man in a white lab coat working with a machine. 28. A man in a white lab coat working with a machine. 29. A man in a white lab coat working with a machine. 30. A group of people in a room with large gold balloons spelling 'FPS'.



Purpose

Continuously support the well-being of stakeholders and communities we touch and improve the sustainability of our products



Well-being

Comprehensive focus, covering health, social, community, financial and career well-being.



Communities and Stakeholders

Communities we touch around the world and stakeholders including colleagues, shareholders, customers, regulators and partners.



Sustainability

We are on a continuous journey to improve the sustainability of our products. Being passionate about reducing, reusing and recycling the materials we use in our products. Making significant contributions to Sustainable Development Goals (SDGs) and circularity solutions both define and excite us.

Vision

Be the first, safest, and sustainable choice in flexible industrial packaging.

First Choice

The first company that comes to mind in flexible industrial packaging with highest brand recall. Meet the complex needs of our customers with efficiency, quality and speed and be the best fit for all of their demanding criteria. Easy to do business with, user friendly and easy to communicate with trust. Employer of choice based on colleague preference. Most preferred partner. Deliver superior value.

Safest Choice

Maintain safe practices, culture and working environment. Keep our colleagues safe in their work place and home. Invest in career growth opportunities. Can be relied on to deliver safety and security of supply. Safest choice for packaging and using your products. Ownership delight and security of investment.

Sustainable Choice

We are constantly improving our products and processes to meet our sustainability goals. We aim to reduce, reuse and recycle the materials we consume and products we produce by at least 30% by 2030 globally and become nature positive by 2030.

For

our customers

our colleagues

our partners

our shareholders

Business Priorities



People Excellence



Sustainability



Customer Experience



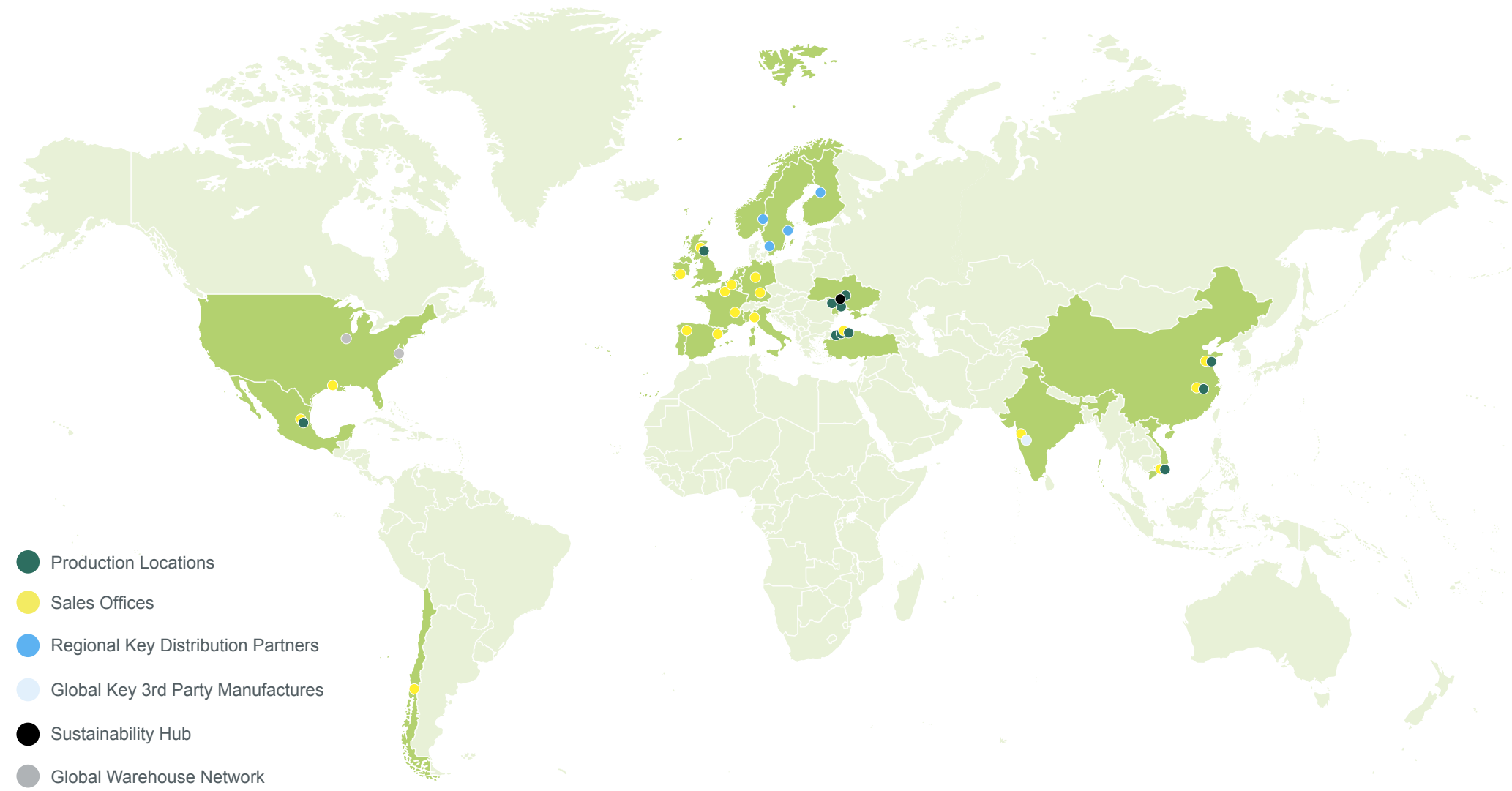
Growth

Global Footprint

FPS were founded in 2010 as a 50/50 joint venture between Greif, Inc. and Al-Dabbagh Group (ADG). On April 1, 2022, ADG acquired the shares of Greif and became the sole owner, with the aim of creating a market leader in flexible industrial packaging.

ADG is a family conglomerate, established in 1962. The Group employs more than 15,000 people worldwide through 62 portfolio companies, with manufacturing presence in 35 countries and sales, services and projects in more than 60 countries. It has a portfolio of five strategic businesses, each with a flagship business. These include the Food, Petroleum and Auto services, Housing, Packaging and Incubation portfolio. ADG is governed by its home-grown Omnipreneurship philosophy. The core pillars of ADG's daily functions are encapsulated in its three fundamental tenets: Giving, Earning and Sustaining.

Our people stand as our most valuable resource, and we are committed to fostering a workplace that promotes inclusive and responsible leadership, free from bias and discrimination, while championing inclusion and accountability. We prioritize and focus on the contentment and welfare of our people, on minimizing our environmental impact, on providing circular solutions in packaging and top-tier sustainable products.





Sustainability Vision

Drive meaningful change for the environmental well-being of our world; ensuring transparency and effective governance principles and continuous improvement for the people and communities we touch.

At FPS, we believe circularity is our future. We strive to create a more sustainable world by moving to a circular economy and aim to achieve this by moving away from the 'take, make, dispose' mindset, making more with less virgin materials and minimizing waste. Through innovation, with every product we develop, we get one step closer to our vision of being the first, safest and most sustainable choice in flexible industrial packaging.



Core Values



Integrity

Always make the right choice even if it is difficult.
We subscribe to honesty, high moral and ethical standards.



Respect

Treat others as they would to be treated. Embrace and leverage our differences.



Passion

Believe in what we do and enjoy it. Be skilled, love what we do and create unmatched value from our work.



Trust

Earn and keep the trust of our customers, colleagues, partners and stakeholders. We can be relied on and keep our promises.



Forward Thinking

We will not rest on our success. We are constantly learning and improving and adapting to rapid change.



Diversity and Inclusion

Take pride in the diversity of thinking, gender, language and culture of our global business and our stakeholders.



Our Products

	<p>Standard FIBC:</p> <p>Our extensive range of Standard FIBC serves a wide variety of dry bulk handling applications including the chemical and food sectors, providing customers with safe and reliable semi-bulk packaging solutions.</p>		<p>Flexible Films:</p> <p>We produce an extensive range of LDPE based flexible films and liners for specific industrial and sensitive barrier applications up to 9 layers. Incorporating sustainable design technology as well as recyclability.</p>		<p>United Nations (UN) FIBCs:</p> <p>Developed for the safe handling and transportation of hazardous products. UN FIBCs are designed, tested, and manufactured with full adherence to the UN regulations for the transport of dangerous goods.</p>
	<p>FIBCs with Liners:</p> <p>We provide FIBCs with customized Inner Liners to enable enhanced containment of products. These inner liners can be tailored and fixed to the outer polypropylene (PP) FIBCs.</p>		<p>FlexiGreen:</p> <p>FlexiGreen FIBCs with minimum 30% recycled material are compliant with ISO 21898 and offer the same benefits of reusability and recyclability as FIBCs made from virgin resin including comparable technical performance, without increasing the material content.</p>		<p>Container Liners:</p> <p>Designed for optimized sea container shipping delivering best-in-class product protection and leakage prevention, while enabling simple bulk handling for 20-foot and 40-foot sea containers.</p>
	<p>MAPGuard:</p> <p>FIBCs using the Modified Atmosphere Packaging (MAP) technology allow producers to slow the deterioration of perishable products, providing high-level containment and resistance to moisture ingress as well as containment of odor.</p>		<p>Formstable FIBCs:</p> <p>This unique and effective FIBC construction allows our customers to optimize the packaging footprint, help to prevent deformation of the bag, and ensures that the FIBC retains its square or rectangular shape during transportation and storage.</p>		<p>Foldable Containers:</p> <p>A flexible, collapsible and 100% recyclable packaging system for the transport of all kinds of solid, paste and liquid semi-bulks.</p>
	<p>Aggregate FIBCs:</p> <p>Our range of aggregate FIBCs provide safe packaging solutions for transportation of bulk aggregates such as sand, stone, and gravel.</p>		<p>Static Reducing FIBCs:</p> <p>Our specialist big bags provide protection against electrostatic hazards in Types, B, C, and D formats, in accordance with IEC (Electrostatic Classification of Flexible Intermediate Bulk Containers) regulation 61340-4-4. These bags are used in sensitive applications and environments where risk of static electricity may occur.</p>		<p>1&2 Loop FIBC:</p> <p>1 and 2 Loop FIBCs: These cost-effective and easy-to-handle bags promote fast filling and can also be provided in a bag-on-roll format for automated filling systems for fertilizers seed, cement, lime, and fish feed.</p>

FPS is able to incorporate post-consumer recycled (PCR) and post-industrial recycled (PIR) content into packaging products. Through our reconditioning program, REBU, we also offer services for the collection, inspection, cleaning, and re-use of multi-trip FIBC. For more information related to our product range, please visit our [website](#).



About This Report

FPS is proud to present our second sustainability report, highlighting our constant dedication to transparency and providing a summary to explain ESG initiatives, achievements, and metrics covering the period from January 1st to December 31st, 2023.

The insights within this report are shaped by an internal review that pinpointed the ESG matters most pertinent to our operations.

This report encompasses all operations that are under our direct jurisdiction, except in cases where it is explicitly stated otherwise. We have prepared this report with reference to the **2021 Global Reporting Initiatives (GRI) Standards**. The GRI Index at the end of the report aggregates the disclosures and clarifies any gaps in the data we have presented. Additionally, we are shining a light on our efforts towards the **Sustainable Development Goals (SDGs)** established by the UN to end poverty, protect the environment and promote prosperity universally. This report has been externally assured.

We are eager to hear feedback related to our sustainability report and performance and invite you to reach out to us at sustainability@fps.com with your thoughts and comments.





2023 Highlights



POLICY

- FPS Full Potential Program was developed and launched.
- Recorded zero cases of corruption or bribery.
- Recorded zero cases of non-compliance with laws or regulations.



PRODUCT

- Reconditioning business unit ([REBU](#)) was expanded and relocated from Netherlands to Romania
- Launched our FlexiGreen product range at Interpack - Dusseldorf.
- Promoted the World's Largest FIBC Recycling Hub via exclusive webinar.



PLANET

- Presented WaterSafe at the Michigan State University.
- Attended World Cleanup Day event.
- Launched WaterSafe on World Water Day, the 22nd of March.



PEOPLE

- Inaugural Hayati Kaptı Award Winner Announcement.
- Net Promoter Score (NPS): 81 points.
- Great Place to Work Achievement.



PARTNERSHIPS & AWARDS

- Joined the Green Tractor Scheme.
- EcoVadis Gold Medal Achievement.
- Became a Board Member of Alliance to End Plastic Waste (AEPW).





Sustainability at FPS

The current corporate agenda is being molded by transformative global trends, including environmental challenges, delicate supply chain networks, geopolitical shifts, and the fusion of technology and sustainability. These evolving scenarios provide an advantage to nimble organizations. We are attuned to these changes and are actively engaged in maintaining a competitive stance that aligns with the latest market demands.

FPS has been a participant in the UN Global Compact since May 2023. Our Communication on Progress (COP), detailing our advancements in aligning with the UNGC's Ten Principles, is available for review [here](#).

We take great pride in announcing that our commitment to sustainability is deeply embedded in our corporate DNA. It is the cornerstone of our strategic vision to drive growth, deliver value to our stakeholders, and expedite the journey towards a world that is both environmentally sustainable and universally inclusive. The foundational elements of our sustainability strategy are:

- Advancing the sustainability of our products through strategic investments, innovation, and thoughtful design processes;
- The diligent stewardship of our planet's natural habitats, with a focus on their protection, restoration, and long-term preservation;
- Cultivating a workplace that celebrates diversity and inclusivity, ensuring fair and equal opportunities for all colleagues.





Stakeholder Engagement

FPS highly value the distinct and varied viewpoints of both our internal and external stakeholders. These perspectives facilitate our comprehension of their expectations and assist us in recognizing risks and challenges. Furthermore, they enable us to incorporate their insights into our business strategy and sustainability initiatives.



Stakeholder Type	Engagement Method	Frequency of Communication
Colleagues	<ul style="list-style-type: none">• Everyday management• Community projects• Corporate website/intranet• Colleague engagement surveys• Focus groups• Training opportunities/career development• Materiality assessment interviews• Other grievance redressal mechanisms• Collective bargaining agreement with workforce• Dedicated and confidential colleague helpline	Daily
Customers	<ul style="list-style-type: none">• Corporate website• Marketing materials, brochures• Net Promoter Score (NPS) surveys• Customer audits/visits• Dedicated account managers and customer service teams• Key Account Management structure• Webinars and newsletters• Materiality assessment interviews	Weekly
Suppliers and Business Partners	<ul style="list-style-type: none">• Corporate website• Cadence meetings• Onboarding and auditing process• Materiality assessment interviews	Weekly
Government and Regulatory Authorities	<ul style="list-style-type: none">• Forums/workshops/training courses• Materiality assessment interviews	Monthly
Local Communities	<ul style="list-style-type: none">• Corporate website• Community engagement programs• Philanthropic efforts (Omniversal Life Impact Program-OLIP)• Volunteering• Materiality assessment interviews	Monthly
Associations and Non-Governmental Organizations	<ul style="list-style-type: none">• Cadence meetings• Periodic industry/EFIBCA association meets, events, and seminars• EuPC communiques• Forums/workshops/webinars• Materiality assessment interviews	Monthly
Al-Dabbagh Group	<ul style="list-style-type: none">• Board meetings• Sustainability council meetings• Materiality assessment interviews	Monthly



Materiality Assessment

Whilst determining our material topics in 2023, FPS closely followed the current trends in the plastic industry, global reports, and globally recognized sustainability reporting standards, including GRI and Sustainability Accounting Standards Board (SASB) standards. We engaged an independent consultant in the process of determining our material topics that concern our business, our industry, and our internal and external stakeholders. During this process, we evaluated the opinions of our stakeholders with great sensitivity through online surveys we sent to seven separate stakeholder groups. We have identified 9 material topics within the framework of 4 main themes: **Planet**, **People**, **Policy**, and **Product**. We took the valuable contributions of our stakeholders into account when determining the order of importance of these topics. Following the analysis and survey findings, we determined the 2023 Materiality Matrix, with the approval of our Leadership Team and Sustainability Leadership Team.



Planet

- Energy and Emissions
- Waste Management



People

- Better Working Place
- Local Communities and Stakeholder Engagement



Policy

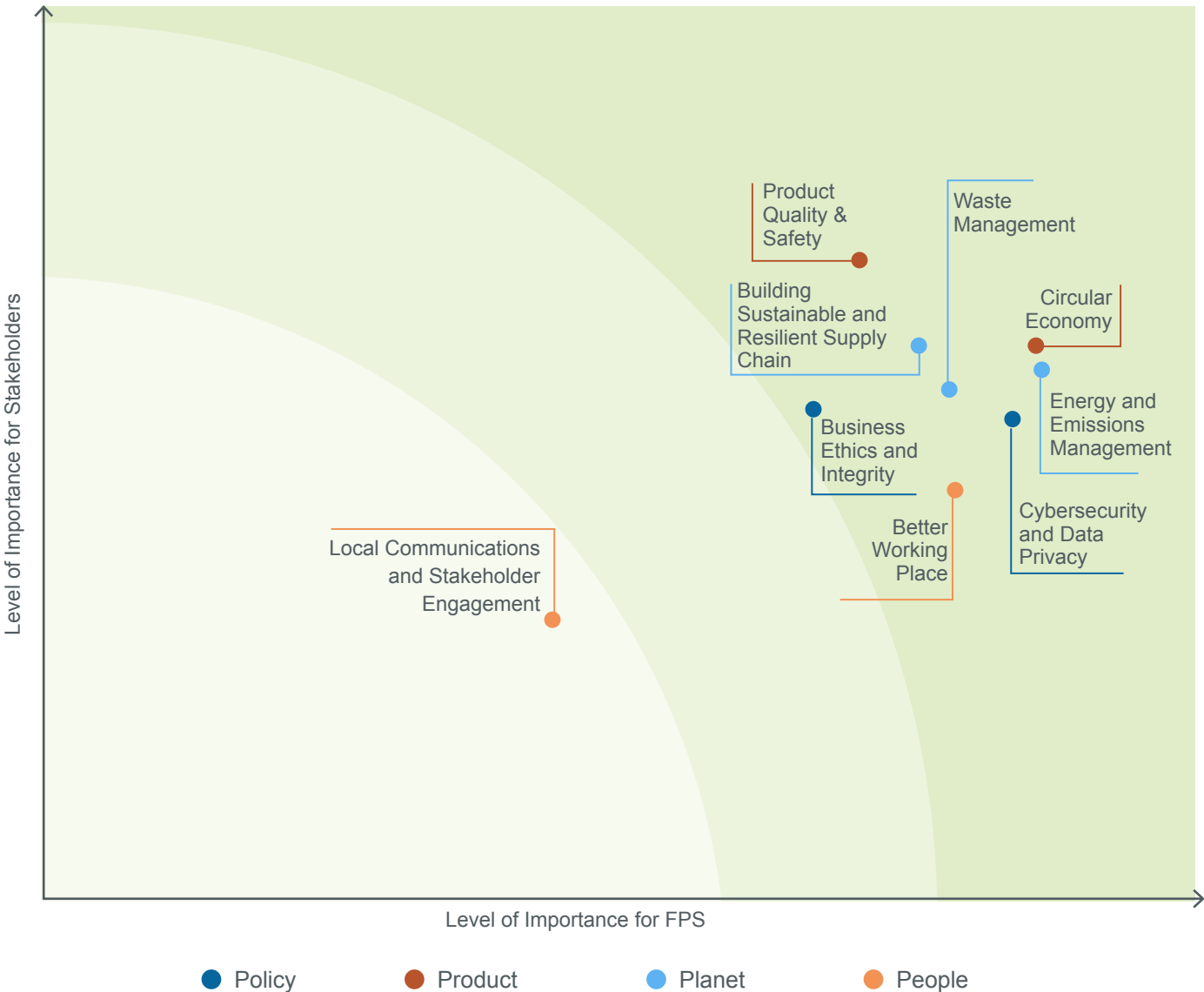
- Business Ethics and Integrity
- Cybersecurity and Data Privacy



Product

- Circular Economy
- Building Sustainable and Resilient Supply Chain
- Product Quality & Safety

FPS Materiality Matrix





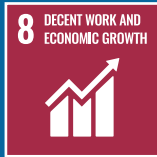
Sustainability Targets

The United Nations Sustainable Development Goals offer a strategic framework for achieving peace and prosperity for humanity and the environment. Addressing global issues such as climate change, environmental degradation, water scarcity, food shortages, poverty, and inequality requires specific solutions. We recognize that corporations have a pivotal role in advancing these goals through their technological innovations and financial contributions. We actively support all 17 UN SDGs through our everyday business practices, collaborative efforts, and community initiatives. Nevertheless, we have honed our sustainability objectives to prioritize 10 of these UN SDGs. Our selection was based on an evaluation of how our business operations and sustainability goals align with these chosen UN SDGs and their specific aims.

Our Sustainability Target	UN SDGs	Actions to Date
Positively impact 30 million lives by 2030	<div><div>3GOOD HEALTH AND WELL-BEING</div><div>5GENDER EQUALITY</div><div>8DECENT WORK AND ECONOMIC GROWTH</div></div>	<p>At FPS, we are dedicated to the continuous support of the well-being of all stakeholders and communities we interact with, including our colleagues, shareholders, customers, regulators, and partners. Our community engagement initiatives are directed at the local level, with our local plant managers playing a pivotal role in engaging with stakeholders in the communities where our colleagues live and work. We are in the process of defining and implementing initiatives that will help us reach our goal of positively impacting 30 million lives. To facilitate this objective, FPS have introduced the Omniversal Life Impact Program (OLIP). A key project under OLIP, the WaterSafe Initiative, is designed to provide a cleaner and safer solution to the often-contaminated vessels used in developing countries for transporting water from the source to homes.</p> <p>For additional information, please see the section "People" and the sub-section about the WaterSafe Initiative.</p>
Minimum 30% recycled content globally by 2030	<div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>14LIFE BELOW WATER</div></div>	<p>We embrace the circular economy model throughout our business activities, prioritizing the reduction, reuse, and recycling of resources. From 2022, our efforts were concentrated on minimizing FIBC plastic waste through the recovery and reprocessing of previously used materials. Our dedication to moving towards circular and sustainable packaging solutions is evidenced by our investment in establishing a state-of-the-art recycling center in Romania.</p> <p>For additional information, please see the section "Product"</p>
Contribute to nature positive by 2030	<div><div>6CLEAN WATER AND SANITATION</div><div>7AFFORDABLE AND CLEAN ENERGY</div><div>13CLIMATE ACTION</div></div>	<p>Worldwide, there is an increasing shift towards the concept of being nature-positive. Companies are transitioning from a stance of merely avoiding harm to actively adopting strategies that benefit nature. In line with this trend, FPS have pledged to make a nature-positive contribution by the year 2030. We are currently evaluating our existing environmental impact, establishing our baseline, and formulating our strategy to achieve a nature-positive status.</p> <p>For additional information, please see the section "Planet"</p>



Policy





We Focus on Compliance & Integrity

Governance Framework

Strong corporate governance is the cornerstone of sustainable business prosperity and expansion. At FPS, we are dedicated to maintaining exemplary standards in corporate governance. Establishing a framework of responsibility, openness, and reliability remains a principal objective for our company.

Our highest governance body consists of the Chairman and 8 other members. The Board is composed of 7 independent non-executive members, 2 executive members, and 1 shareholder. 3 out of the 7 non-executive members are employed by the shareholder's holding company and 1 out of 7 non-executive members is employed by FPS. 1 executive member serves as the CEO and 1 executive member serves as the CFO of our company. The executive members are nominated by the shareholder based on their functions in the holding company, including finance, sustainability, legal, and operations. The non-executive members are selected based on their expertise in packaging, strategic geographical knowledge, diversity, and experience on other public and private Boards. The selection process involves screening candidates based on these criteria, followed by interviews with the other Board members. This process also applies to the Board Committees, such as the Audit Committee and the Compensation Committee.

Our Board meets four times per year and also works through its committees. Additional meetings are scheduled to discuss specific topics in depth when needed. In these interactions, the Board reviews and approves the purpose, policy statements, budgets, strategic initiatives, goals, partnerships, and other elements related to sustainable development.

The Board has an approved Delegation of Authority that specifies the extent of funding powers for various projects and areas. Each year, the Board approves the fiscal year budget, which allocates priority and funding to these initiatives. The Board also mandates annual surveys on colleague

engagement, sustainability, and innovation readiness/capability assessment by third parties. In the case of sustainability, the Board has nominated the Sustainability Lead of the holding company to additionally review and support the sustainability-specific initiatives.

We revisited our management structure in 2022 and established our Leadership Team, which is chaired by Hari Kumar, CEO, and consists of 5 executives. Our Leadership Team operates under the guidance of the ADG Board and is responsible for our day-to-day operations. Additionally, we have a succession plan for our Leadership Team.

The Legal and Compliance Department continues to play a crucial role in reinforcing our commitment to ethical practices and regulatory adherence. This department ensures that our executive leadership is well-informed about the latest regulatory changes and legal mandates, assesses potential threats to our financial stability and reputation and enacts strategies to minimize these risks. Additionally, the department oversees a range of procedural tasks and corporate transactions, which include, among others, the organization of General Assembly and Board meetings, the creation and refinement of investment contracts, the expansion into new markets, and the orderly dissolution of business entities.

Leadership Team



Hari Kumar
Chief Executive Officer



Rob Videler
Chief Financial Officer



Nilüfer Arıdil
Global Human Resources Director



Stephan Leferink
Vice President Sales



Wolfgang Lehmann
Vice President Operations



Laurent Platon
General Manager South Europe & Global Key Accounts



Sustainability Governance

Our sustainability vision is to catalyze significant progress towards the environmental prosperity of our planet, maintaining a commitment to transparency, robust governance, and ongoing enhancement for the individuals and communities we touch. In 2022, we established the FPS Sustainability Leadership Team, tasked with the developing and executing our sustainability strategies and programs throughout our business activities. The team is anchored by five principal members, with our CEO at the helm, supported by four key team members. This leadership group convenes monthly to drive our sustainability agenda forward.

We Created a Sustainability Committee drawing on the expertise of delegates from our diverse manufacturing sites to infuse a local dimension into our overarching sustainability agenda and to secure their collaboration in its execution. This council is segmented into two pivotal groups, each with a mandate to champion a core pillar of sustainability:

- Climate Champions
- Social Ambassadors

These groups are instrumental in driving initiatives around the circular economy, advancing diversity, equity, and inclusion, addressing climate change, and promoting nature positivity within the framework of our operational practices.

Climate Champions: This team is dedicated to addressing environmental challenges and promoting sustainable practices within our organization. They will work on initiatives to reduce our environmental footprint, increase awareness about climate change, and implement eco-friendly practices.

Social Ambassadors: This team is focused on fostering a positive social impact within our community and beyond. They will be actively involved in organizing and supporting initiatives that promote social responsibility, colleague well-being, community engagement, diversity, equity, and inclusion.

Both climate champions and social ambassadors team up on a monthly basis.

FPS Sustainability Leadership Team

“We are working to build a sustainability business, instead of a business that has elements of sustainability.”

HARI KUMAR, CEO OF FPS



“Transformative change requires broad partnerships. We are working with multiple stakeholders in our sustainability journey for that reason.”

WOLFGANG LEHMAN, VP, OPERATIONS



“Integrating sustainability into our business is not only the right choice, but also a must do for our future generations and the long-term well-being of our planet.”

CHRIS POOLE, GLOBAL SUSTAINABILITY HEAD, GM UK & IRE



“I am passionate about making real change happen, which begins with each of us and the choices we make every day.”

JAMES DUNHAM, COMMERCIAL DIRECTOR UK & SUSTAINABILITY LT



“We can express our gratitude to mother nature by looking after our planet. Remembering to leave a better place for the future.”

CAGLA AKSOY, DIRECTOR GLOBAL SUSTAINABILITY



HIGHLIGHT STORY

The Hayati Kaptı Sustainability Award

In an effort to further inspire our teams to strive for a greener tomorrow, we have introduced a novel sustainability accolade designed to honor people & facilities that exhibit exceptional dedication and success in advancing our sustainability efforts for the year 2023. This tribute has been conceived to honor the memory of our respected former Operations Director in Turkey, Hayati Kaptı, whom we sadly lost on April 30, 2020.



Natalia Melnyik and her team won the award with for their project, "Together We Stand." The comprehensive actions FPS Ukraine team has taken to support the communities and colleagues showcase a remarkable dedication to a future that not only sustains but uplifts. Their efforts to prioritize mental health among colleagues not only reflect a profound understanding of the challenges they face but also demonstrate a proactive approach to retaining a motivated and efficient workforce. The motto, "I aim, therefore I am," encapsulates the spirit of thier project perfectly. By aiming to support local communities and the broader cause of Ukraine, they are not just withstanding historical challenges but actively shaping a better tomorrow for all.

The "Together We Stand" project exemplifies the values FPS holds. It is a beacon of hope and a source of inspiration for all of us. FPS Ukraine team's dedication, resilience, and commitment to making a positive impact on society truly embody the essence of sustainability.





Business Ethics and Integrity

At FPS, we are committed to conducting our business with the highest ethical standards and integrity. We prohibit all forms of bribery, corruption and anti-competitive behavior in our business and comply with the laws and regulations of the jurisdictions in which we operate.

We provide annual training to all our employees regarding our policies. Since transitioning from the joint venture with Greif, we have developed new and updated colleague training materials. In 2023, anti-corruption training was given to 3,103 employees alongside business ethics training programmes.

Our team of five in-house lawyers within the Legal and Compliance Department is responsible for the development and implementation of all our company's policies and contractual arrangements related to business ethics and integrity. Our team is led by the Global Legal and Compliance Director, who reports to the CEO.

Our team monitors and maintains the following policies and procedures:

- [FPS Code of Conduct](#)
- [Anti-Bribery Compliance Policy](#)
- [Anti-Trust Competition Compliance Policy](#)
- [Economic and Trade Sanctions Policy](#)
- Record Management Policy
- Legal Entity Governance Policy
- Legal Guidelines and Procedures

Code of Conduct

At FPS, we have developed a Code of Conduct to set out our expectations regarding business ethics, integrity, and the compliance of our colleagues in the regions in which we operate. We outline our expectations regarding ethical behavior, our approach to addressing ethical violations, and the reporting channels. The FPS Code of Conduct is a foundational document that defines ethical standards and expectations for all employees and stakeholders and is critical to maintaining a positive organizational culture. It serves as a guide to ensure that our business is conducted with integrity, transparency and respect for all individuals. We developed online training modules. We expect all our colleagues to complete the training initiatives on an annual basis and to demonstrate their understanding and commitment via the closing questionnaire.

We expect everyone to do their part to protect our reputation, company, and customers. If a colleague violates our Code of Conduct, policies, or the law, they may be subject to disciplinary action, including termination of the ongoing agreements or the business relationship in its entirety. Violating the law can lead to harsher penalties or even criminal prosecution for anyone involved. We review and update our [FPS Code of Conduct](#) in line with changes in our vision and values and relevant policies on a regular basis and make the current version available online for our employees and business partners on our company website.

HIGHLIGHT STORY

Trade Sanctions Risk Management

2022 was a significant year for FPS. We are proud to share that our company stood firm by our ethical beliefs, even when we might have suffered an economic loss.

The war in Ukraine has strongly impacted our business. The trade sanctions related to the conflict have been monitored closely by customers and suppliers. We have declined to purchase raw materials from sanctioned companies or countries. In line with our people commitment, we have continued throughout 2023 to care for the safety and wellbeing of our colleagues in this very difficult situation.

We also deployed a risk management system for trade sanctions. This system by NAVEX is being utilized to make routine checks of trade sanctions globally and provide FPS with risk reports to prevent falling into the scope of any sanction. We launched this system in the first quarter of 2023.



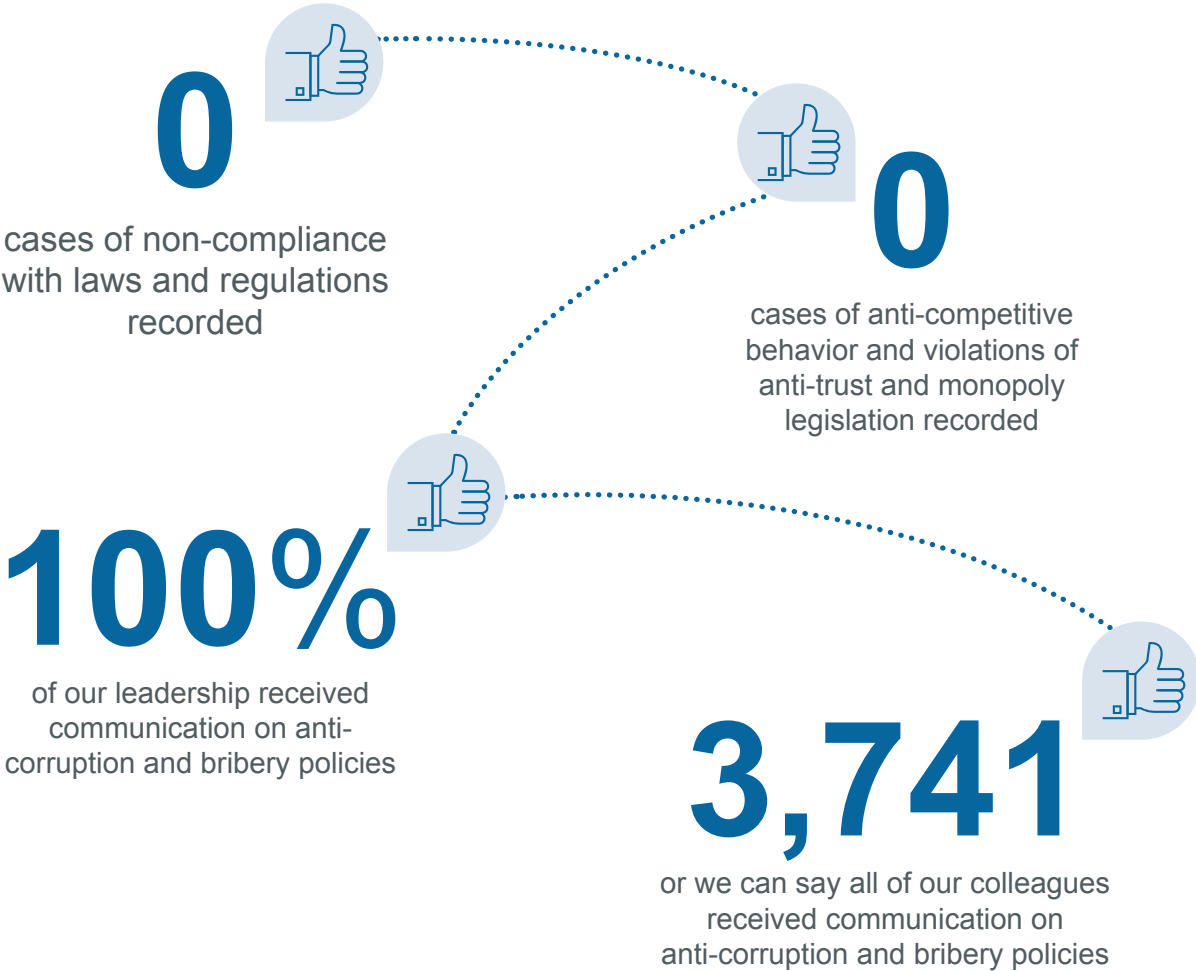


Programs and Initiatives

We maintain a 24/7 ethics and compliance helpline hosted by a third-party provider (ETHICO) to provide colleagues with a place to report violations of our ethics policy that may impact the business without fear of consequences. At FPS, we encourage colleagues to report fraud, bribery, accounting, auditing, other financial practices, discrimination, harassment, violations of law, or other unethical activities. Our Human Resources (HR) and Legal Department evaluate these feedbacks and reports and ensure necessary action will be taken in terms of our business code of conduct and ethics compliance.



Our Metrics on Business Ethics and Integrity





Cybersecurity and Data Privacy

According to the [WEF Global Risks Report 2024](#), cybersecurity and data privacy issues are among the most critical risks we will face in the next 10 years. At FPS, we strive to keep pace with the changing landscape associated with the widespread adoption of digital technologies. We invest in cybersecurity measures to adapt to the risks presented by technology and digitalization. Our cybersecurity program is designed to protect the integrity and confidentiality of the information we own or store on our systems.

At FPS, we protect the data of our customers, colleagues, and business partners under [Information Security](#) as an ethical business practice. It is a priority for us to conduct our business in an ethical and legally compliant way.

We ensure the protection of our data through a series of robust policies, including:

- Access control
- Backup and disaster recovery
- Business resilience
- Change management
- Cloud
- Information classification
- Information security
- Information Security Management System
- IT end-user
- Secure development

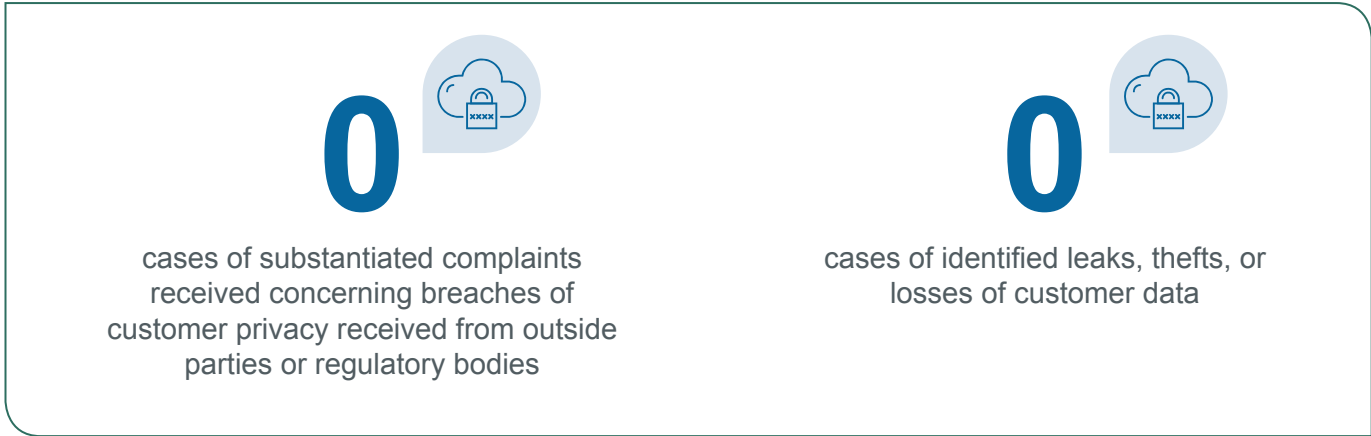
Our colleagues play an important role in protecting the information and data of our internal and external stakeholders. We have a Cyber Security Partner working along with our Global IT Department for monitoring the performance of our information security systems of each facility. The relevant team prepares a monthly report on our security system performance and shares it with the global service team and our Global IT Director. Any updates regarding global systems, policies, hardware, and software changes that emerge from our regular monitoring and analysis are approved by our senior leadership team. To reduce risks, we provide training to our colleagues every year, equipping them with the most up-to-date information, allowing them to monitor and respond quickly to any malicious activity.

At FPS, we see the training of our colleagues as a vital part of the process. We have divided the training program into five modules covering different types of cybersecurity threats. Our colleagues are required to complete each module within two months. We track their progress using our internal dashboards. We periodically send phishing emails to test our colleagues, and if they do not “pass” the test email, we refer them to FPS’ cybersecurity training. All phishing emails can be reported via the Phishing Alert Button in Outlook or by emailing the FPS IT Service Desk team. There was no incident reported as a threat or attack in 2023.

Since 2018, all three of our Turkey sites have been ISO 27001 certified, reflecting our commitment to securing our customers' information assets. The certification demonstrates that our information security management systems meet international best practices and highlights FPS Turkey's significant efforts in complying with the General Data Protection Regulation (GDPR) in Europe.

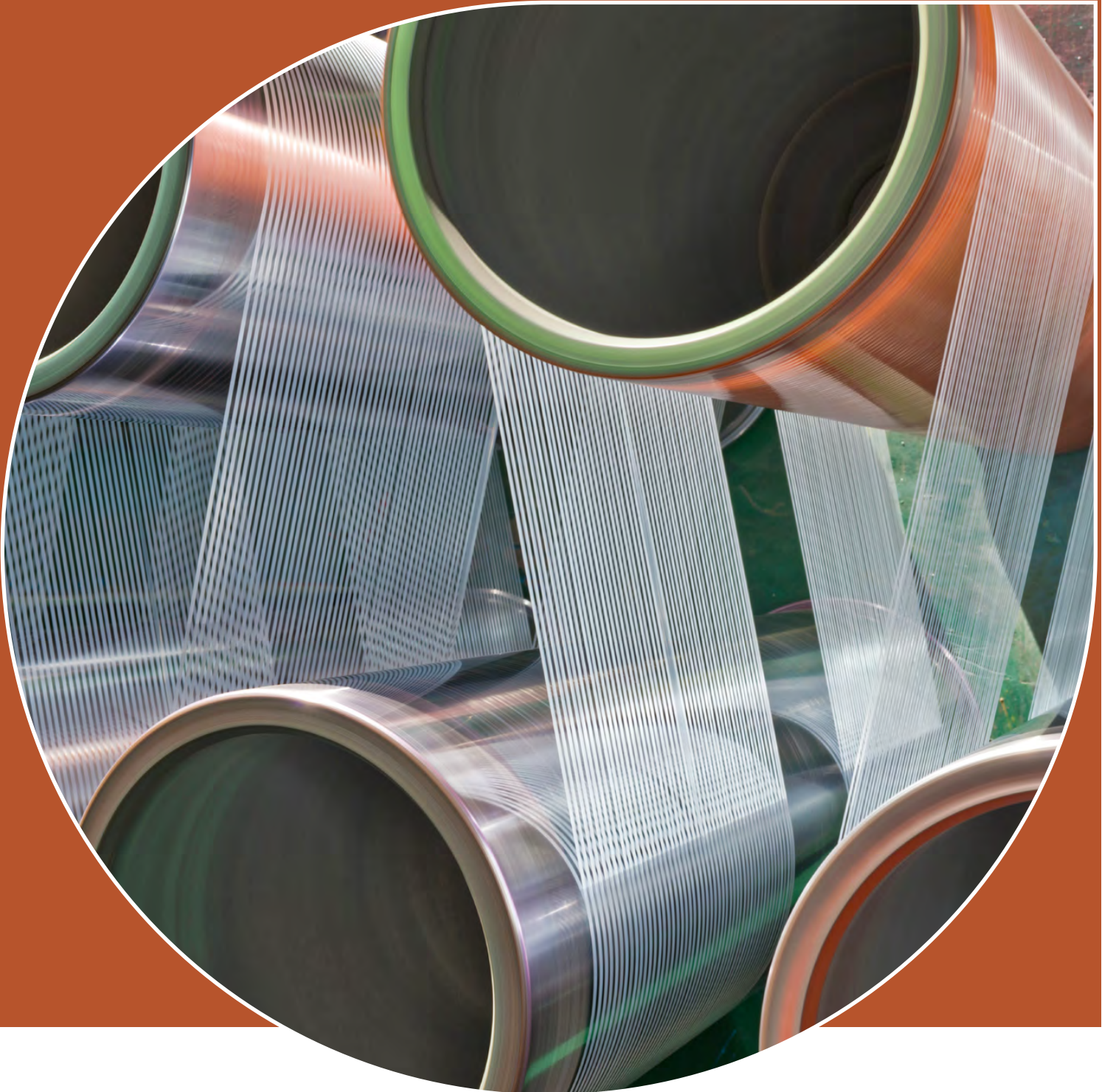
Programs and Initiatives

We produce and maintain a wide variety of information, including Personally Identifiable Information and Personal Health Information. We believe that such information should be protected against unauthorized access, disclosure, alteration, or misuse. Effective protection of such assets is also necessary to comply with legal and regulatory obligations, such as relevant data protection legislation. To ensure our firewalls are secure, our global team works with a third-party vendor that regularly monitors and updates our systems. We also collaborate with another company to conduct vulnerability assessments and penetration testing twice a year.





Product



8
DECENT WORK AND
ECONOMIC GROWTH

9
INDUSTRY, INNOVATION
AND INFRASTRUCTURE

11
SUSTAINABLE CITIES
AND COMMUNITIES

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

13
CLIMATE
ACTION

14
LIFE
BELOW WATER



We Focus on Driving Circular Solutions in Packaging



FPS is at the forefront of championing a circular economy with our comprehensive approach to product innovation and sustainability. Our commitment to this cause is evident in our efforts to reduce reliance on virgin materials and enhance to use more recycled material in our products. We strive to design products that not only meet the highest standards of performance but also embody our dedication to environmental stewardship. By integrating recycled content into our products, we aim to achieve a minimum 30% recycled content globally by 2030, up from the current 7%. Our initiatives, such as the REBU reconditioning program and the expansion of our Recycling Hub, are pivotal in reaching our goals of reducing waste and promoting a more sustainable production cycle.

Our product development teams are constantly innovating to create packaging that minimizes environmental impact without compromising quality. With a focus on energy efficiency and material consciousness, we are actively pursuing alternative materials enriched with recycled content. Our manufacturing processes are optimized for energy and water conservation, and we are proud to have achieved a waste diversion rate of over 95% within our plants. By setting ambitious targets for reconditioning and recycling, we are steadfast in our journey towards a zero-waste operation.

We understand the importance of a sustainable supply chain and work exclusively with suppliers who align with our environmental and social criteria. Our circular economy approach is not just about meeting our own sustainability objectives; it is about leading by example and encouraging our customers and partners to join us in this vital endeavor. By continuously improving our Life Cycle Assessment tool and establishing science-based emission reduction targets, we ensure that our commitment to the environment is both measurable and impactful. At FPS, we are not just following trends; we are setting them, driven by the belief that a sustainable future is a collective responsibility.



Circular Economy

At FPS, we are thrilled to announce our dedication to embracing a circular economy through our innovative packaging solutions. Our vision is to pave the way for a greener future by minimizing the reliance on new materials and curbing waste production. We are committed to offering our customers convenient recycling options for our products. Innovation is at the heart of our mission, as we continually refine our methods to diminish the reliance on single-use flexible packaging and develop products that are designed for reuse and recyclability.

Our organization is steadfast in its commitment to sustainability, with a clear objective to increase the percentage of recycled input materials used in our primary products and services to 30% by the year 2030 where applicable/allowable by laws and regulations. The percentage of recycled input materials used in the production of our organization's primary products and services has reached 7% this year. This translates to 3,035,319.26 kg of recycled material utilized in our products. To achieve this ambitious goal, we have implemented a robust suite of initiatives that are transforming our approach to design, production, consumption, and recycling, ensuring that we are at the vanguard of circular economy practices.

At the heart of our strategy is our product development team, which is dedicated to creating innovative products that significantly reduce the reliance on virgin raw materials. By leveraging advanced technology and equipment, we have optimized our production process to minimize energy consumption. Moreover, our facilities have been equipped with water treatment and recycling systems, underscoring our commitment to water conservation and reuse.

Our FIBC Recycling Facility is a testament to our efforts to minimize using of virgin plastics by repurposing post-consumer recycled materials into our products, thereby 'closing the loop' and contributing to a more sustainable production cycle.

We are expanding our Recycling Hub's capacity to handle 14,000 tons per year by 2026, which will significantly enhance our ability to process recycled materials.

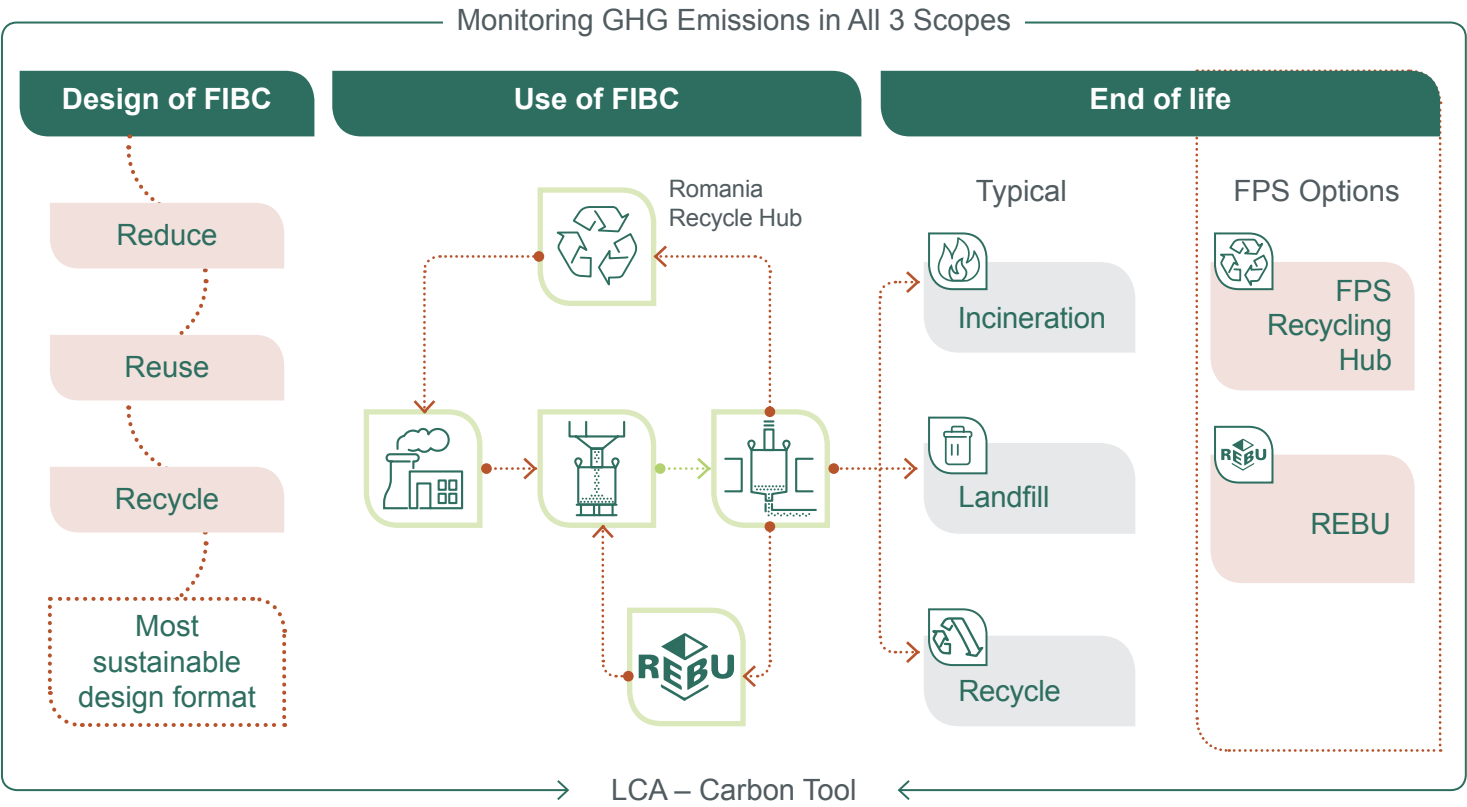
With our reconditioning business, REBU, we minimize the use of new plastic materials. The capacity of our REBU Reconditioning program is also set to expand, with a target of reconditioning 300,000 bags by 2024 and doubling that capacity to 600,000 bags by 2026.

We are also committed to reducing our carbon footprint through the establishment of science-based emission reduction targets, both in the near-term and long-term. Our organization is dedicated to continuous improvement of our Life Cycle Assessment (LCA) tool, ensuring that we are always at the forefront of environmental performance.

By engaging with our customers and promoting the use of sustainable packaging, we reinforce the shared responsibility we all have towards a sustainable future. Together, these initiatives represent our unwavering dedication to environmental stewardship and our pursuit of a more sustainable world.

Our Vice President of Operations is the guiding force behind our circular economy initiatives and programs. Tasked with the pivotal role of enhancing our sustainability, the manufacturing team diligently seeks out alternative packaging materials enriched with recycled content. Meanwhile, our product development and design teams are dedicated to crafting products that are energy-efficient and material-conscious, always with an eye towards maximizing reusability and recyclability.

Our commitment to a sustainable supply chain is a cornerstone of our circular economy approach. We engage exclusively with suppliers and third-party manufacturers who meet our stringent environmental and social criteria, as outlined in our [Supplier Code of Conduct](#). These standards are rigorously upheld through our comprehensive audit processes for third-party manufacturers. For more detailed information, please refer to [Building a Sustainable and Resilient Supply Chain](#) section of the report.





Programs and Initiatives

At our company, we are committed to making a positive impact on the environment and supporting the shift from linear to circular economies. Our dedication to this cause is reflected in our investment in technology and innovative practices over the past 30 years, focusing on maximizing the benefits of internal recycling. To create sustainable value throughout our entire value chain we are committed to;

- being a forward-thinker partner, providing tangible value to our customers,
- use the Life Cycle Assessment (LCA) tool that provides analysis of our products' carbon footprint,
- design products to ensure optimal performance whilst minimizing environmental impact,
- use PIR and PCR materials into our products with consistent quality, and
- minimize incineration and landfill by means of recycling and reconditioning.

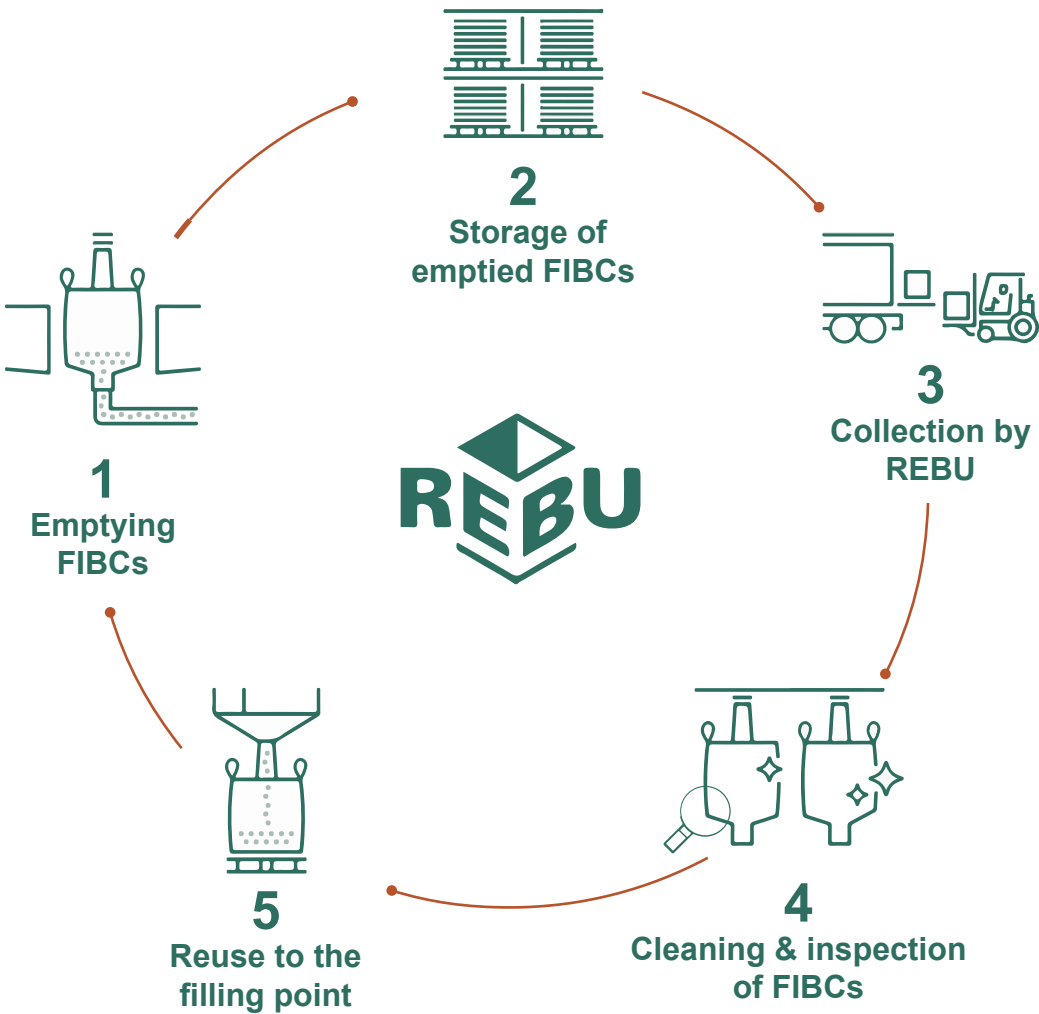
To achieve our environmental goals, we are guided by several key principles, including the reduction of material and energy consumption through innovation and technology:

- **Product Optimization:**
We are at the forefront of innovative and new product design, utilizing maximum recycled material content without compromising quality or performance where possible. Manufacturing Process Excellence: Our manufacturing processes are designed to be as efficient as possible, consuming less energy and water. We are committed to using renewable energy sources, including windmills and solar panels, to power our operations. This not only reduces our carbon footprint but also sets a standard for sustainable manufacturing practices. In 2023, wind turbines in our Turkey operations produce 2.35 GWh of energy, saving 991 tons of CO₂ emissions per year.

- **Internal Plant Waste Management:**
We have implemented robust re-processing and re-use streams within our plants, achieving a waste diversion rate of over 95% with the goal of reaching zero waste. Our internal recycling efforts ensure that we minimize our waste and contribute to a more sustainable future.
- **Transport & Distribution:**
We have optimized our transport and distribution processes to minimize emissions. This includes optimized loading of FIBCs/pallets and ensuring full truck/container direct deliveries. Our logistics strategies are designed to reduce the environmental impact of our distribution network.
- **Re-think & Re-refresh Culture:**
We promote a culture of continuous improvement and innovation, encouraging our team to constantly re-think and refresh our practices. This culture empowers our employees to contribute to our sustainability goals and ensures that we remain adaptive and responsive to environmental challenges.

REBU - Reconditioning Service

Our REBU reconditioning service has been a cornerstone of our efforts for over a quarter of a century, providing a system for the collection, inspection, cleaning, and re-conditioning of emptied multi-trip FIBCs for reuse. Building on these established practices, we have taken further steps to align with the circular economy by incorporating recycled plastics from post-consumer and post-industrial sources into our production cycle.



- REBU is a FIBC reconditioning operation
- Re-located to Romania for integration with our Recycling Hub
- Process enhancements and capacity expansions



FPS Recycling Hub

We established our Recycling Hub which is a specialized facility dedicated to the recycling of FIBCs. We are the leader in the flexible industrial packaging sector, and we are aware of our significant role in the sector. Our Recycling Hub stands out as the best in its class, exemplifying excellence and setting a benchmark for others to follow. This facility not only highlights our leadership but also demonstrates our commitment to the circular economy, serving as a prime example of best practices within the industry.

We have our own water treatment and recycling system in place to enable water to be reused. Our recycling method involves crushing used FIBCs, thoroughly washing them, and then re-granulating the material, ensuring that new FIBCs can be produced using at least 30% recycled content from this one-of-a-kind process. We manufacture big bags in various designs using recyclable materials, including both coated and uncoated polypropylene fabric, with optional polyethylene (PE) lining to cater to different market needs and product applications.

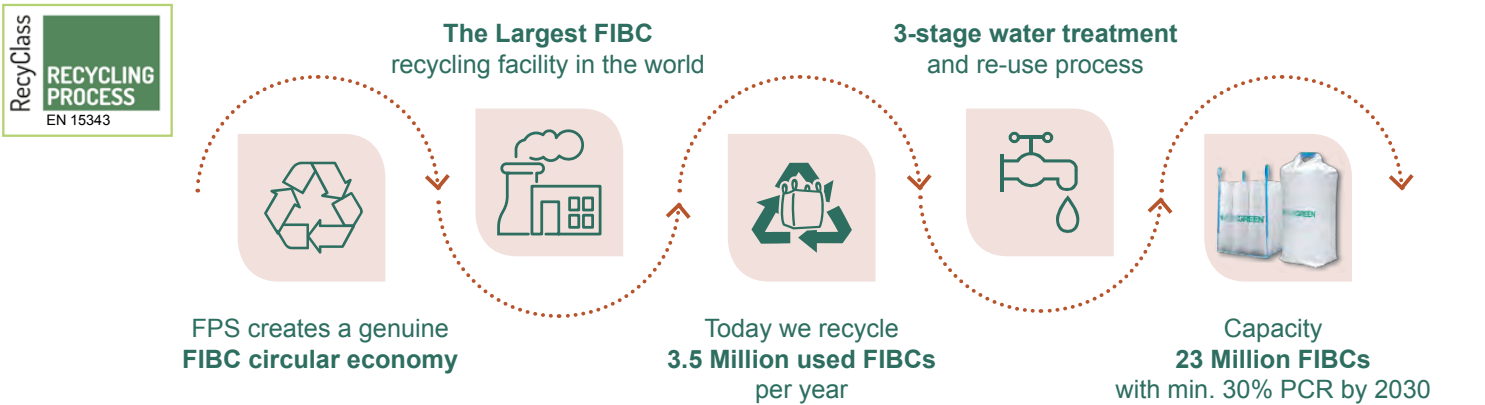
We meticulously sort post-consumer big bags by their origin, material composition, color, and level of contamination. Once shredded and cleansed, these materials are processed into pellets at our specialized FIBC recycling hub and extrusion line. This allows us to reintegrate the recycled material into our standard production processes, furthering our commitment to sustainability and the environment.

It has been found that emissions can be reduced by an average of 15% when a FIBC is produced with a minimum of 30% recycled material. For more detailed information about the Recycling Hub, please refer to the [FPS Recycling Hub Brochure](#).

Our recycling hub in Romania has achieved a significant milestone by obtaining the RecyClass Recycling Process Certification. This certification recognizes that our recycling process and management systems have met the requirements of the Recycling Process audit scheme in line with EN 15343:2007. It also affirms that we have the necessary procedures in place to ensure the traceability of our recycled plastics.

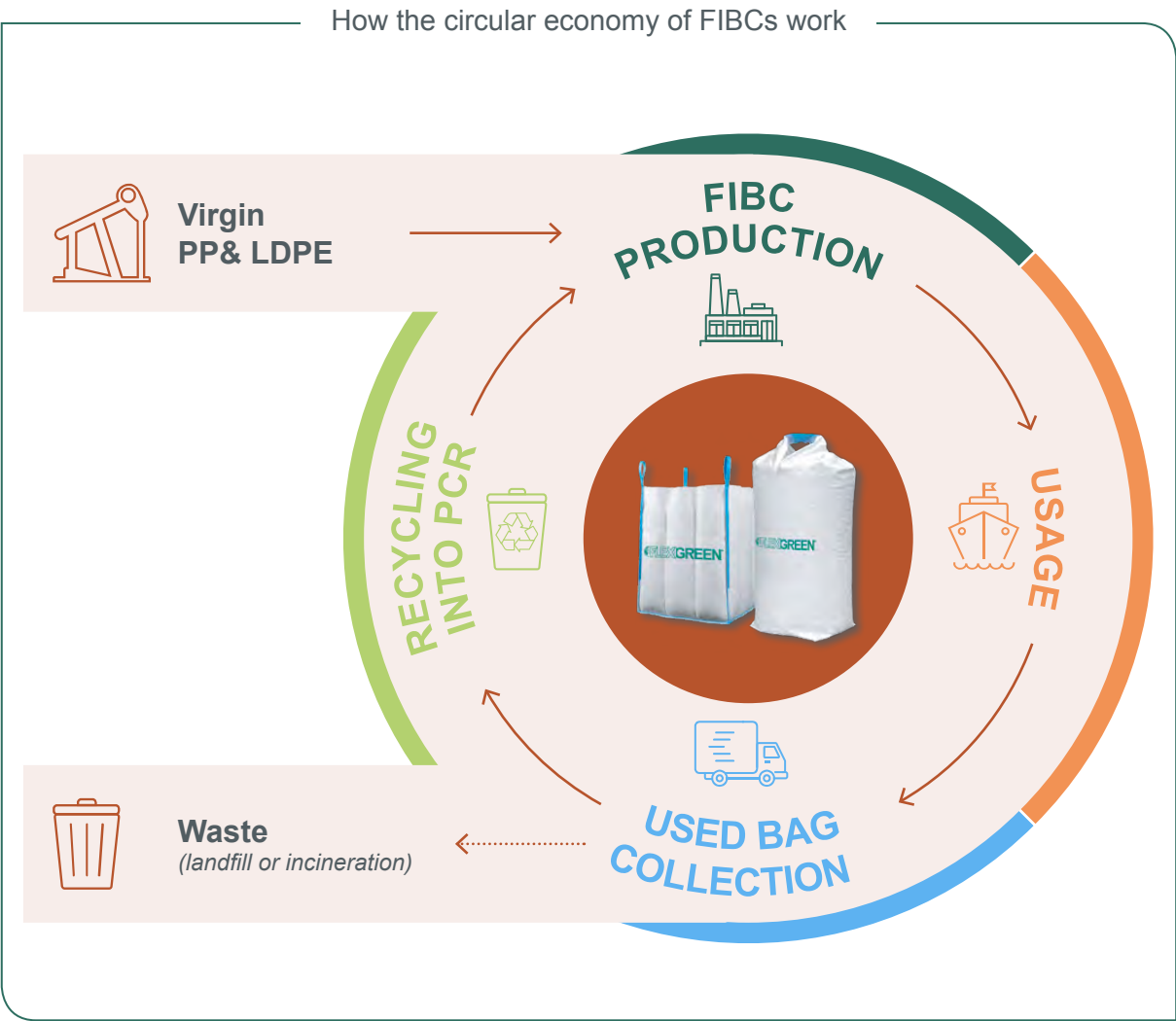
FPS Flexibles Romania has become the first plant in FPS and in our industry to obtain the RecyClass Recycled Content Traceability Certificate for Flexigreen FIBCs. This certification verifies the use of recycled plastics our Flexigreen bags and underscores our commitment to sustainability and environmental responsibility by incorporating recycled materials into our products.

RecyClass Certifications are voluntary audit schemes, that demonstrate the degree of recyclability of plastic packaging and recycled content of plastics used in products. Certification schemes are owned by Plastics Recyclers Europe, managed by RecyClass and issued by third-party recognised Certification Bodies.



FlexiGreen

Our FlexiGreen is an innovative product that addresses environmental concerns by incorporating a minimum of 30% Post-Consumer Recycled (PCR) resin into the production of Flexible Intermediate Bulk Containers (FIBCs). This initiative not only helps us to reduce waste destined for landfills but also significantly cuts down the carbon footprint associated with the products, aiding customers in achieving their emission reduction targets. Importantly, FlexiGreen maintains the same high-quality performance standards as FIBCs made from virgin resin.





Quality and Performance of FlexiGreen

We are committed to delivering sustainable solutions without compromising on quality. The fabric for FlexiGreen is produced using recycled resin, which is subjected to a stringent quality control process. The state-of-the-art Recycling Hub operated by us ensures that the recycled resin is of exceptional quality and purity. As a result, FlexiGreen FIBCs perform on par with those made from virgin materials, meeting the ISO 21898 standard for FIBCs and offering equivalent technical performance, reusability, and recyclability, all without increasing the material content.



Environmental and Economic Benefits of FlexiGreen

Reduced Emissions: Analysis has shown that CO₂ emissions can be reduced by an average of 15% when using FlexiGreen FIBCs, due to their recycled content.

Plastic Packaging Taxations: With the introduction of plastic packaging taxes in Europe, FlexiGreen offers both a sustainable and economically advantageous solution. The product or recycled content in FlexiGreen is typically exempt from these taxes, making it a cost-effective choice for businesses.

Less Waste to Landfills: By utilizing recycled resin sourced mainly from used big bags, FlexiGreen significantly reduces the amount of waste going to landfills.

Product Recovery:

FPS has clearly defined targets related to both the reconditioning and recycling of FIBCs, which are integral parts of our product recovery strategy. These processes allow FIBCs to be reused and recycled, significantly reducing the need to manufacture new FIBCs and enhancing product recovery. These details are explicitly outlined on our website and in our documentation. FPS' recycling hub contributes significantly to our overall product recovery efforts and our commitment to creating a circular economy for FIBCs. We believe these efforts are directly aligned with our product recovery goals.

FPS products recovery targets are as below:

- recover 3,5 million bags from the market for recycling by end of 2024
- recover 6 million bags from the market for recycling by end of 2025
- recover 7 million bags from the market for recycling by end of 2026
- recover 300,000 bags from the market for reconditioning by end of 2024
- recover 500,000 bags from the market for reconditioning by end of 2025
- recover 600,000 bags from the market for reconditioning by end of 2026

Transition to 30% Recycled Material in UK

HIGHLIGHT STORY

Description of the project	To transition 100% of 1 loop (and 2 loop) customers to bags with minimum 30% recycled content meaning no taxation to pay as well as contributing to the positive message of recycling of big bags.
Background	In April 2022, the UK government implemented a new tax for Plastic Packaging, which was made law and formed part 2 of the Finance Act 2021. This applied to any plastic packaging produced in or imported into the UK that did not contain at least 30% recycled plastic.
Project Process & Stages	<ol style="list-style-type: none">1. Contact and communicate with all customers regarding the taxation and how FPS (then Greif) as a supplier would help our customers not only save customers would not only reduce applicable taxations, but to improve their carbon footprint by converting to bags with 30% recycled content.2. Produce trial orders from FPS productions utilizing min 30% PCR for customer evaluation3. Attend customer sites and carry out filling trials to ensure customers were comfortable with the change along with answering any questions they may have. Also provide data showing FPS extensive trialling, testing and validation of the materials with recycled material.4. Successfully phase out virgin material bags from stocks and transition customers over fully to recycled bags.5. Administration and records updated so system complies with government guidelines in accordance with the taxation rules.6. Provide customers with a carbon footprint report showing how their transition has positively impacted the environment
Scope of Project & Employee Engagement	FPS Team engaged and fully backed this project. Without full engagement, the project could not have succeeded. Knowledge base was broadened, challenges overcome and team morale heightened. Daily conversations and open meetings were undertaken between the team members, to maintain the project on track for completion. We relied on resources such as the sustainability team, FPS recycling Hub and the FPS Global Network.
Environmental/ Social/Community Benefits	Using an average weight per bag of 1.84 kg for 1,000 kg and 1.07 kg for 500/600 kg, when 30% PCR is used, the emission saving would be 14% meaning 1,600 tons of CO ₂ e was saved.

Building a Sustainable and Resilient Supply Chain

Our suppliers are a fundamental component of our operations. They provide the essential raw materials and services that ensure our business functions smoothly and remains robust against market fluctuations. In 2023, we were supported by over 2000 suppliers, which strengthened our ability to cope with global supply chain challenges. Our goal is to cultivate a supply chain that is not only sustainable and sturdy but also capable of adapting to unforeseen disruptions. We promote sustainable practices throughout our supply chain and foster strong partnerships with suppliers, especially those who prioritize agility and sustainability. We take pride in implementing procurement practices that address environmental and social risks within our supply chain. We are committed to enhancing our suppliers' capabilities through consistent interaction. We value each partnership by aligning our actions with the core values that FPS maintains in the workplace, marketplace, and global community.

At FPS, establishing a sustainable and resilient supply chain is paramount. Our company manages two essential supplier segments: raw materials & ingredients and external manufacturing partners. The strategy for managing our third-party manufacturers is spearheaded by our Business Development Director, who collaborates closely with the CEO to review sustainable supply chain initiatives and formulate action plans monthly. Our regional teams engage with suppliers, providing quarterly updates to the leadership team.

Additionally, the managers of our local entities take charge of managing relationships with raw material suppliers. In our dealings with all suppliers, we clearly communicate our expectations regarding quality and operational standards, which are in accordance with our [Global Policy on Sustainable Procurement](#) and [Supplier Code of Conduct](#).

Our Supply Chain

We operate with our resilient supply chain at locations in 19 countries with an extensive and integrated global manufacturing and distribution network providing technical expertise and local customer service.



Supplier Code of Conduct

Our [Supplier Code of Conduct](#) outlines the ethical and sustainable practices we expect from our partners, encompassing both material providers and external manufacturers. We partner with suppliers who align with our values to ensure:

- A workplace environment that is safe, devoid of discrimination and harassment, and free from child labor.
- The promotion of diversity, fair compensation, and the support of workers' rights to association and collective bargaining.
- Adherence to high ethical standards, responsible financial management, and the safeguarding of intellectual property rights as a conscientious market participant.
- Commitment to global citizenship through serious engagement with sustainability, ongoing efforts to minimize environmental impact, and ethical sourcing practices.

Suppliers must affirm and update their compliance documentation when needed. Additionally, we require our suppliers' compliance with all relevant national and local laws, regulations, rules, and requirements. Where these laws are less stringent than our Supplier Code of Conduct, we encourage suppliers to meet our higher standards.



Supplier CSR Risk Assessment:

Our supplier assessment criteria evaluate the risk level based on multiple factors including geographical location, market recognition, regulatory compliance, code of conduct adherence, Sedex membership, availability of sustainability reports, and ESG ratings. Suppliers located in countries with a Global Sustainable Competitiveness Index (GSCI) score above 55 are considered very low risk, while those below 40 are deemed very high risk. Industry leaders with exemplary compliance and comprehensive sustainability practices are preferred, whereas suppliers with limited recognition and compliance pose higher risks. Our approach emphasizes the importance of ESG performance, with top-tier suppliers demonstrating strong environmental, social, and governance practices, aligning with standards like EcoVadis and MSCI ratings.



Onboarding and Auditing Process:

In accordance with robust audit practice, we have refined our supplier evaluation and audit process over time in response to customer demands, ensuring that our sourcing practices surpass industry norms.

- To provide manufacturing service, every new and existing supplier must adhere to our five-step onboarding process:
- 1-Fill out a self-assessment questionnaire and submit all necessary documents such as certifications and declarations for review.
 - 2-Supply necessary product samples when requested by R&D teams.
 - 3-Host a site visit, which may include an audit.
 - 4-Finalize and comply to a final assessment.
 - 5-Sign off on all purchasing agreements.

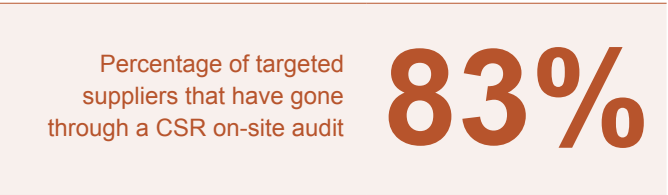
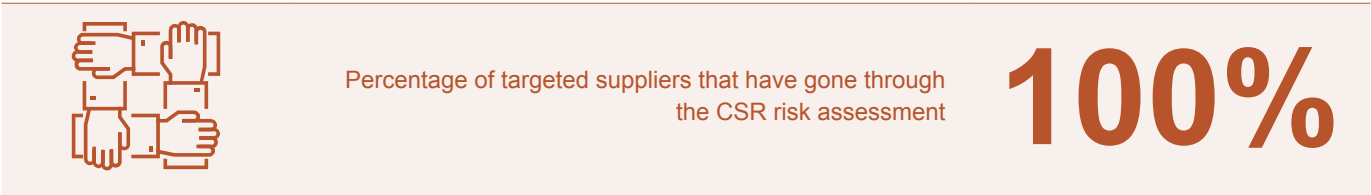
At the initiation of each new supplier relationship, it is mandatory for suppliers to conduct a self-assessment and present a portfolio of certifications and documents proving compliance with regulations, such as BRCGS, FSSC 22000, ISO 9001, and ISO 14001, confirming adherence to fundamental standards.

Subsequently, material samples are dispatched to our main office for additional analysis. Our specialized team conducts an evaluation to score and develop an audit strategy in collaboration with the supplier. Site visits, including interviews and sample collection, are organized to verify that the supplier's operations align with our manufacturing standards and result in products that are secure and consistently managed. We then provide suppliers with a compilation of suggested improvements and necessary corrective measures, offering them the opportunity to address and implement these recommendations.

KPI	Explanation	2023 Year Data
Number of targeted suppliers that have gone through the ESG risk assessment	Total number of suppliers assessed	25
Number of "high risk" suppliers	Total number of high risk suppliers	0
Percentage of "high risk" suppliers	Total number of high risk suppliers/ total number of suppliers assessed	0

Actions for high Risk Suppliers:

- Supplier Specific Actions:
- Supplier Engagement and Communication:
 - I- Initiate direct communication with the supplier to discuss the ESG risk assessment results.
 - II-Clearly communicate the specific areas of concern and the importance of addressing them.
 - Risk Mitigation Plan:
 - I- Collaborate with the supplier to develop a comprehensive ESG risk mitigation plan.
 - II- Identify specific actions, timelines, and responsibilities for addressing each identified issue.
 - Training and Capacity Building:
 - I- Offer training sessions and resources to help the supplier improve their ESG practices.
 - II- Provide guidance on industry best practices, standards, and legal requirements related to ESG.
 - Collaborative Problem Solving:
 - Work collaboratively with the supplier to overcome challenges and obstacles to ESG improvement.
- Since there is no high risk supplier no further action is needed to be implemented.





Programs and Initiatives

Material Sourcing:

Acknowledging market demands, we strive to provide transparency in the sourcing of our packaging products. We have enhanced our tracing capabilities, conducted on-site visits and improving our monitoring systems. Our management system now tracks materials by batch number up to tier-2 suppliers, enabling us to verify the origins of materials for each product line.

Building Flexibility and Contingency Plans:

Our suppliers are categorized by material type rather than geographic location, making them globally accessible to all our facilities as part of our contingency strategy. For instance, during events like the conflict in Ukraine, our facilities can swiftly switch to alternative raw material and third-party suppliers within our network to maintain production continuity. Our manufacturing sites are supported by backup sites and alternative suppliers to ensure seamless operations.

HIGHLIGHT STORY

Strengthening Supply Chain Partnerships and Fostering Growth

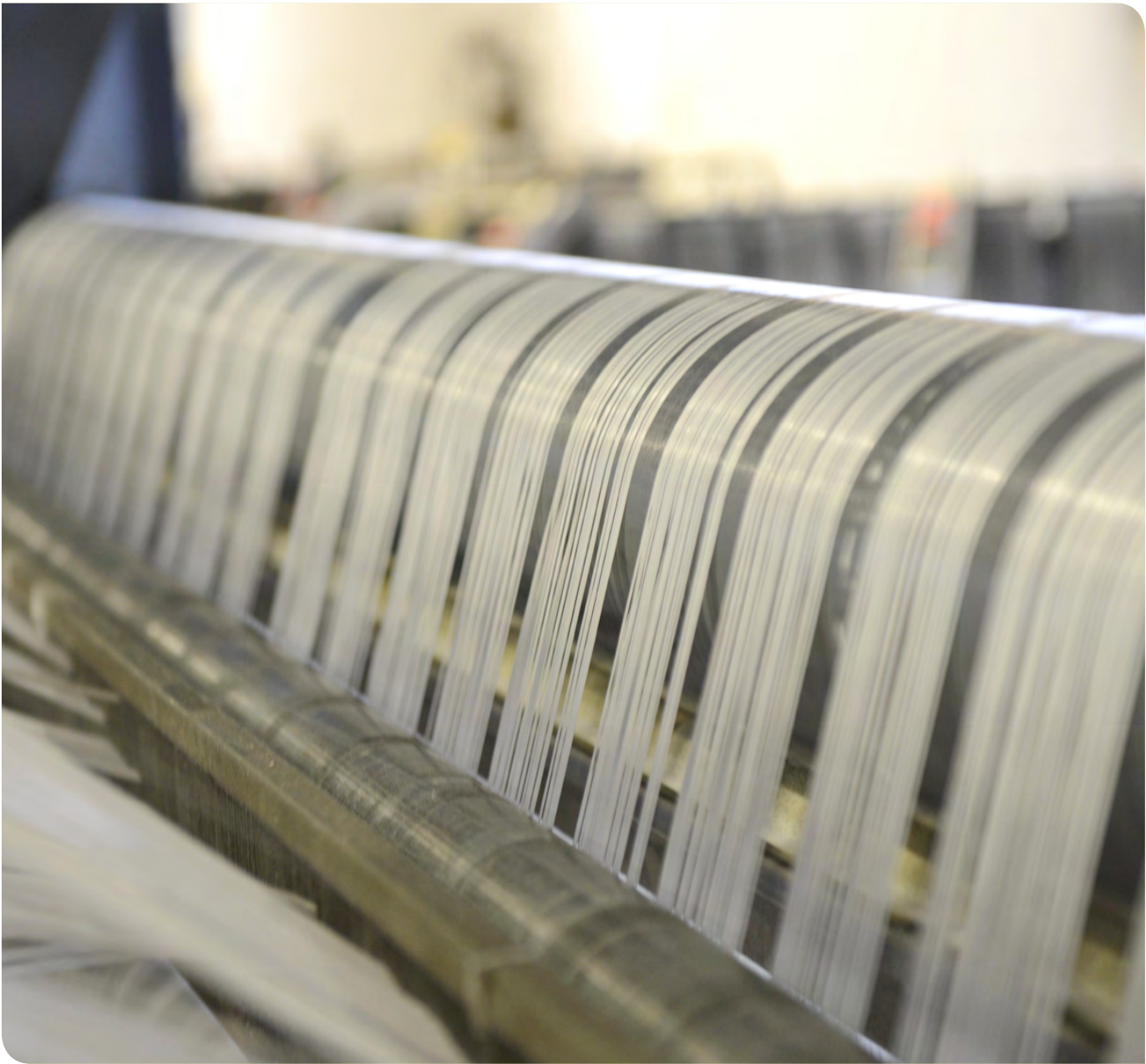
During 2023, we continued to build our supplier network, strengthening our partnerships with several key producers to ensure both flexibility and reliability within the supply chain. This strategic enhancement was pivotal in supporting the growth of our relatively new container liner business. By establishing multiple supply routes, we ensured that our business could expand seamlessly, demonstrating our commitment to resilience and adaptability.

Focusing on Nearshore Strategy for Enhanced Resilience

In light of recent global shipping disruptions, we have prioritized a nearshore strategy to bolster the resilience of our supply chain further. This approach involves collaborating with partners in countries have access to a more sustainable workforce and raw material flow minimizing reliance on ocean freight. Our long-term focus remains on supporting our standard partnerships and production, ensuring a robust and sustainable supply chain that can withstand global challenges.

Commitment to Sustainability and Innovation

Our dedication to sustainability is reflected in these initiatives, aligning with our broader goals of reducing greenhouse gas emissions, promoting renewable energy, and advancing environmental resilience. By fostering strong, flexible supply chain partnerships and adopting innovative strategies, we are not only enhancing our business operations but also contributing positively to global sustainability efforts.





Innovation

At FPS, we use innovation to inspire our sustainable packaging solutions while keeping customer satisfaction at the forefront of our focus. By embracing the latest technologies, we provide innovative packaging solutions that align with our customers’ needs. We invest in research and development to resolve key business and industry challenges, devoting time to identify opportunities for improvement in our approach and product offerings. This allows us to stay competitive in an evolving market.

With our dedicated research and development teams, modern laboratories, and advanced testing facilities located in multiple locations, we ensure that each of our innovations meets industry best practices. These resources allow us to maintain the highest standards of quality and sustainability at every step. With a continued commitment to innovation and sustainability, we can anticipate market trends and proactively respond to our customers' changing demands. We adopt a comprehensive approach that integrates sustainability at every stage, from design to material selection, from production to distribution. This holistic focus reduces our environmental impact while increasing the overall value we provide to our customers.



HIGHLIGHT STORY

1.Product Innovation Project 2023

- Romania Hub PCR resin is integrated to our fabric and loop recipes for Flexigreen Products ensuring that our Flexigreen products have similar performance with virgin products.
- Tiger Valve, our new flat valve development is completed and ready to be used for MAPGuard applications.
- Thermal and Peelable films are added to our product portfolio for flexible packaging market.

Examples of innovations that enhanced our production process:

- Automated zigzag sewing machines are fully adopted in our Ji’An and Changzhou facilities to reduce human errors and process complexity.
- Automated accessory cutters are adopted in all our facilities to reduce labor effort and produce consistent output.
- Semi-robotic arm handles are used in raw material feeding processes at some locations to reduce the repetitive heavy movements.
- A fully internally manufactured big bag folding machine is used to reduce labor effort.

For more detailed information about MAPGuard, please refer to our [website](#).

2. Electric Vehicle Battery Powder Bags (EVBP) Bags

In addition to these technological advancements, EVBP places a strong emphasis on team support and foreign object control:

Team Support: We ensure a rapid response to customer needs through the cross-departmental formation of professional BP teams. This collaborative approach allows us to address challenges swiftly and efficiently.

Foreign Object Control: To minimize the risk of contamination by visible and invisible foreign objects, we have implemented and continue to implement measures to prevent contamination from occurring and to ensure product safety, especially for sensitive materials like copper and zinc.

Product Quality

We are dedicated to providing superior products that not only satisfy but surpass our customers' expectations, while maintaining the utmost ethical standards in all our operations and procedures. We set the benchmark for quality and compliance with food contact regulations in the FIBC sector. Our clients rely on us to supply FIBCs that adhere to all pertinent industry and regulatory standards and deliver consistent performance. Each of our manufacturing facilities is accredited with the ISO 9001 Quality Management System Certificate. Furthermore, our plants that produce food-grade 4-loop bags hold BRCGS PM/FSSC 22000 standards, reflecting our commitment to excellence in quality assurance.

Plant	ISO 9001	BRC PM / FSSC 22000	ISO 14001	ISO 45001	ISO 27001	ISO 50001	ISO 15343
Changzhou, China	✓	✓	✓	✓			
Ji'an, China	✓						
Montceau-Les-Mines, France		✓					
Matehuala, Mexico	✓	✓					
Botosani, Romania	✓	✓	✓	✓			
Negresti Oas, Romania	✓	✓	✓	✓			
Negresti Oas, Romania Recycling Hub				✓			✓
İstanbul, Hadımköy, Turkey	✓	✓			✓	✓	
İstanbul, Sancaktepe, Turkey	✓	✓			✓	✓	
İstanbul, Sultanbeyli, Turkey	✓	✓	✓		✓		
Thirsk, UK	✓						
Zhytomyr, Ukraine	✓		✓	✓			
Trangbom, Vietnam	✓	✓	✓	✓			
% of certified sites	85	62	46	46	23	15	Only applicable for recycling facility



The theme of Huayou Cobalt's 2023 Global Supplier Conference, **"Open Cooperation, Quality Improvement, and Cost Reduction, Crossing the New Industrial Development Cycle,"** reflects the company's strategic focus on fostering win-win scenarios through collaborative efforts. The conference serves as a platform for Huayou Cobalt to engage with its global suppliers in discussions on how to navigate the new industrial development cycle by enhancing cooperation, elevating quality standards, and driving cost efficiencies.

The significance of this event lies in its potential to strengthen the bonds between Huayou Cobalt and its suppliers, thereby catalyzing the synergistic growth of the supply chain. It also underscores the company's commitment to industry-wide optimization and upgrading, aiming to boost the competitiveness of the entire sector.

Emphasizing the value of open cooperation, Huayou Cobalt seeks to collectively address industry challenges with its suppliers, fostering an environment of shared progress. The company's dedication to quality enhancement and

cost management through technological and managerial innovation is poised to improve production efficiency, product quality, and reduce operational expenses, further solidifying its competitive edge.

In summary, the 2023 Global Supplier Conference by Huayou Cobalt is designed to promote industrial chain synergy, facilitate comprehensive industry optimization, and augment sector-wide competitiveness through a strategy centered on open collaboration and quality-centric cost reduction. Huayou's leadership in new energy, coupled with its pioneering efforts in ESG and carbon neutrality, aligns with our vision and values, emphasizing corporate responsibility and sustainable growth.

We are proud to announce that FPS has been recognized as an Excellent Service Provider at this prestigious event. This accolade highlights our commitment to delivering exceptional service and our alignment with Huayou Cobalt's strategic goals, reinforcing our position as a key partner in driving forward industry innovation and sustainable development.



Planet



- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
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We Focus on Minimizing Our Global Impact on the Environment



FPS ensures that environmental sustainability is at the core of our operations with a focus on environmental stewardship. With an awareness of our responsibility, we work to identify and implement initiatives to enhance energy efficiency, increase reliance on renewable energy, divert waste from landfills, and utilize water more efficiently. We follow the principles laid out in our [Environmental Policy](#), guiding us to adhere to regulatory requirements and raise awareness among our colleagues regarding resource conservation.

All of our operational sites undergo comprehensive environmental risk assessments to ensure we identify and mitigate potential environmental impacts. This proactive approach allows us to implement effective measures to manage risks and enhance our environmental performance. By conducting these assessments regularly, we are committed to maintaining high standards of environmental stewardship across all our operations.

FPS Leadership Team oversees the management of environmental stewardship initiatives at FPS. We track our raw material consumption, water consumption, electricity consumption on monthly basis, and the General Manager of each region provides updates on the figures to the Vice President of Operations and CEO.

To cascade and spread the best practices on environmental sustainability across FPS, each plant’s environmental stewardship responsibilities are distributed to our colleagues. Internal best practices, experiences, and successes are shared throughout our FPS Practices Platform and during monthly calls with plant managers.

Energy and Emissions



Within our sustainability journey, energy efficiency and emission reduction are our key focus areas. FPS is aware that it can make positive environmental impacts by effectively managing energy and emissions, ultimately resulting in a reduction in GHG emissions. We are committed to setting near-term and long-term science-based emissions reduction targets across our operations and value chain. Science-based targets are essential because they align with the latest climate science and contribute to global efforts in limiting global warming. By setting our targets based on scientific evidence, we ensure that our actions are in line with what is necessary to prevent the most severe effects of climate change.

We believe that this commitment positions us as a forward-thinking partner, providing tangible value to our customers by establishing a link to support them on reducing Scope 3 emissions.

Increasing energy consumption from renewable sources is also a key element of our strategy. We are upgrading our equipment and introducing process changes to enhance energy efficiency, and we have ISO 50001 Energy Management System certificate for our Turkey Hadımköy and Sancaktepe plants. Additionally, we maintain compliance with environmental legal and regulatory requirements and sustain a culture of transparency and accountability throughout our organization.

Programs and Initiatives

We prioritize internal energy reduction initiatives to decrease our carbon footprint. We pay attention to equipment and process changes that will enhance energy efficiency, aim to increase the use of renewable energy, and work in line with our emission reduction targets across our entire value chain. Our recycling efforts are also crucial in reducing our carbon footprint since recycling eliminates the need for new raw materials. Every year, we re-evaluate our internal energy reduction targets to foster a culture of continuous improvement.

As a sustainable packaging supplier, we have an investment plan to replace and upgrade old machinery with more efficient and less energy-intensive appliances. With this project we will save an estimated 6-gigawatt hours of energy, 4,400 tons of GHG emissions, and 400 tons of polypropylene (PP) and polyethylene (PE) scrap per year. Replacing traditional light bulbs with energy-efficient and long-lasting LED light bulbs across our operations will also contribute to energy savings and reduce GHG emissions. We also optimize transportation and distribution efforts to ensure that our deliveries are efficient, and emissions are minimized.



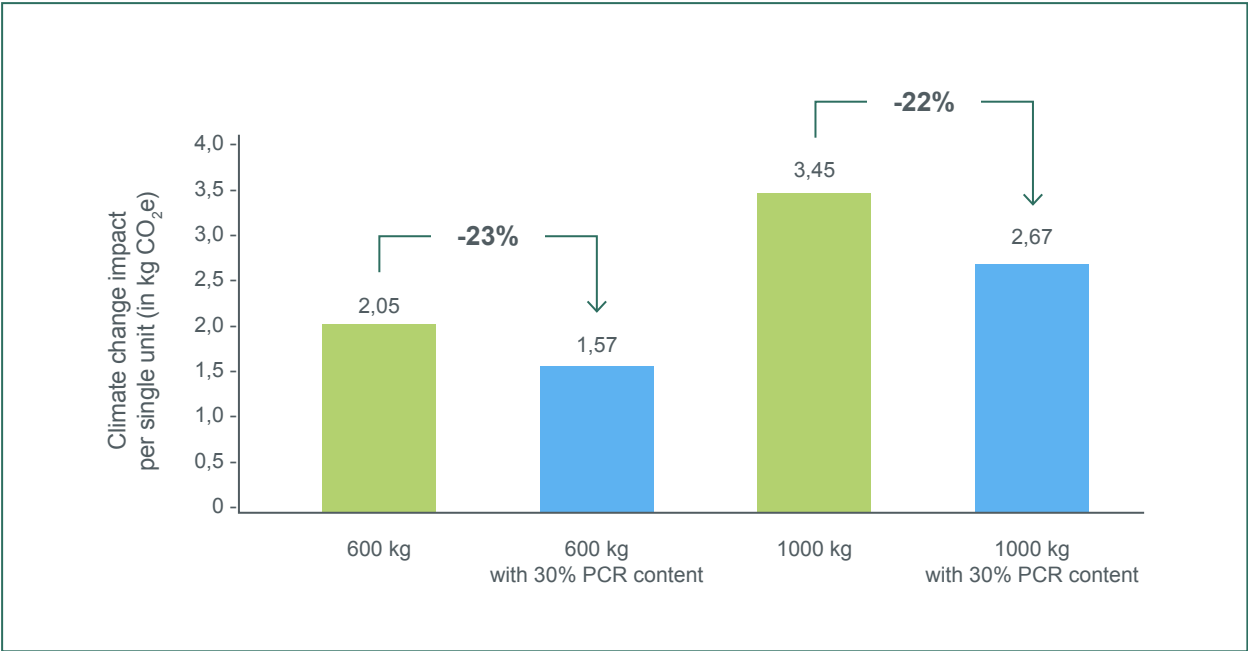
We are also taking steps to manage air pollution and non-GHG air emissions in line with local regulations regarding production activities in each of our locations. In the UK, we utilize a local exhaust ventilation system in the printing room to remove volatile organic compounds from the workplace air, thus minimizing indoor air pollution and protecting the health of our employees. In Turkey, we have installed a dust extraction system for our lamination machines to prevent dust pollution. At our location in Negrești, Romania, FPS continuously monitors air quality to assess and prevent pollution. In Vietnam, a vacuum device is utilized to control waste and dust particles from the sewing process, and exhaust systems are treated with activated carbon before discharging to reduce contaminants from entering the environment.

FPS LCA TOOL

Our tool enables us to analyze the environmental impact of different FIBC designs over their life cycles and calculate the carbon emissions based on specifications.

With this tool we are able to compare different designs and scenarios. The tool shows how we can improve the sustainability of our products and guides how we can reduce environmental footprint.

We are improving our Life Cycle Assessment Tool and are preparing our tool to be assured by an independent third party to provide the most accurate and auditable data.



LOW-ENERGY TEMPERATURE CONTROL

At our new recycling plant in Romania, we leverage the surrounding natural environment and local climate to minimize our energy use. During the winter, the plant is designed to utilize cold air from outside to cool our machinery.

SOLAR PLANT IN VIETNAM

In 2022, we installed solar panels to power our plant in Vietnam with renewable energy. Currently, approximately 70% of the energy consumed is from solar power. Due to the success of this solar installation in Vietnam, we are planning to install over 2,000 pieces of solar panels in China. Each panel will generate an average 445 watts per hour. We anticipate utilizing this solution to power 25% of our China plant in the near future.

CONVERSION OF MECHANICAL MOTORS

As of 2023, the conversion of mechanical motor sewing machines to servo motors project is ongoing. So far, we have replaced 38 machines. There are 108 more machines to be converted. These motors consume 20% less energy compared to mechanical motors.

WIND TURBINES IN TURKEY

In 2023, with the wind turbines in our Turkey operations, we produced 2.25 GWh of energy, saving 1,448 tCO₂ emission per year.

Name of the Project	Energy Recuperation (heating)
Description of the project	<p>Our production runs powerful extruders which generate a lot of heat.</p> <p>Our philosophy for the project is using maximum from the energy and resources, even the passive energy, which is heat from working extruders, by redirecting it to heat our premises especially in wintertime.</p> <p>By now, we redirect heat from all our extruders to keep our employees in warmth and with hot technical water (for showers, etc.). And by doing so, significantly reduce amount of natural gas or other fuel we'd need to burn otherwise.</p>
Background	<ul style="list-style-type: none">• More efficient usage of electricity by redirecting passive energy (heating) to useful heating of employees.• Reduced usage of natural gas for heating.• As a result, money savings on natural gas and CO₂ emission reduction as less natural gas or other fuel will be burnt.
Project Process & Stages	<p>2018 – project start, technical water heating implemented.</p> <p>2019-2021 – implemented heating of production premises by redirecting heat from extruders (specifically weaving and sewing departments + warehouse).</p> <p>2022-2023 – final stage of the project, heating of offices also implemented.</p>
Scope of Project & Employee Engagement	<p>Implementation of the project involved all Technical Maintenance Team and was led by Ruslan Maksymchuk.</p> <p>All employees are impacted by results of the project by getting access to sustainable heating energy (because heat emitting by equipment is unavoidable anyway) which otherwise would've been thrown away on the street.</p>
KPIs and Metrics	<p>Fully implemented project now allows to save 500 m³ of natural gas per day during winter and cold months at spring and fall – around 7-8 months per year.</p> <p>Annually, this allows to save around 98,000 m³ of natural gas.</p>
Financial Benefits	Reduced gas consumption saves us EUR 49,000 annually.
Environmental / Social / Community Benefits	Reduced gas consumption also reduces potential CO ₂ emission by 216 tons annually or more than 10,000 trees can absorb in a year time.

Emissions*	2022	2023
Scope 1 – GHG Emissions (tCO ₂ e)	1,800.18	1,809
Scope 2 (market based) – GHG Emissions (tCO ₂ e)	26,588.35	23,728
Scope 2 (location based) – GHG Emissions (tCO ₂ e)	-	24,279
Scope 3 – GHG Emissions (tCO ₂ e)	330,277.11	256,154
Biogenic Emissions	0	104
Total GHG Emissions (tCO ₂ e)	358,615.64	281,691
GHG emissions intensity (kg CO ₂ emissions per unit produced)**	9.09	7.81

* All emissions are calculated using the GHG Protocol and ISO 14064 Standard.

**The ratio by dividing the absolute GHG emissions (the numerator) by the organization-specific metric (the denominator)

Electricity Consumption (kWh)	2022	2023
Total renewable energy consumption*	2,609,811	2,762,852
% of renewable energy out of total energy mix	5.09	4.54
Total electricity consumption	51,293,896	60,826,991
Energy intensity ratio (kWh/unit)	2.16	2.62

*Comes from on-site renewable sources.

In 2023, we achieved a total electricity consumption of 60,826,991 kWh, with 2,762,852 kWh coming from renewable sources such as solar panels in Vietnam and wind turbines in Turkey. This shift towards renewable energy not only reduces our carbon footprint but also aligns with our sustainability goals. We are proud to report a increment of 153,041 kWh in renewable energy consumption compared to 2022, underlining our ongoing efforts in renewable energy usage.



Waste Management

At FPS, we take actions to reduce the generation of our operational waste and prevent sending waste to landfill, with the goal of achieving zero waste-to-landfill status across all operations. We manage, monitor, and measure hazardous and non-hazardous waste generated while maintaining compliance with legal and regulatory requirements. Our Operational Excellence (OpEx) function, which focuses on waste management across the manufacturing life cycle, aims to identify and implement measures to enhance efficiency in our manufacturing processes.

We generate hazardous and non-hazardous waste, and all wastes are collected separately according to waste type such as glass, paper, plastics, contaminated, etc. and those which can be recycled are sent to recycling. Some materials, like plastics and woods, can be reused multiple times when applicable. FPS ensures compliance with waste management regulations by adhering to proper labeling, storage, and transportation practices for hazardous waste. Non-hazardous waste disposal methods also align with local waste management guidelines.

We provide trainings for our colleagues to raise awareness on this topic. Single-use plastic water bottles are not used; we use glass water bottles and glass or ceramic cups. Additionally, post-industrial scraps are recycled (PIR) and we use PIR materials in our production processes so that none of the production scraps are sent to landfill. We also work with licensed companies to dispose of hazardous wastes and electronic wastes.

FPS's waste management practices demonstrate a commitment to minimizing environmental impact. To further enhance waste reduction efforts, it is recommended to explore opportunities for increased recycling, such as collaborating with local recycling initiatives and suppliers for packaging materials.

The waste management and disposal analysis of the FPS reveals a comprehensive approach to handling both hazardous and non-hazardous waste streams. FPS's adherence to

regulatory standards and utilization of diverse disposal methods contribute to responsible waste management.

We have implemented a comprehensive mapping of waste streams across all our operations. This process allows us to identify, categorize, and manage waste efficiently, ensuring that we minimize environmental impact and enhance resource recovery. By systematically mapping waste streams, we can better track our waste management practices and continuously improve our sustainability performance.

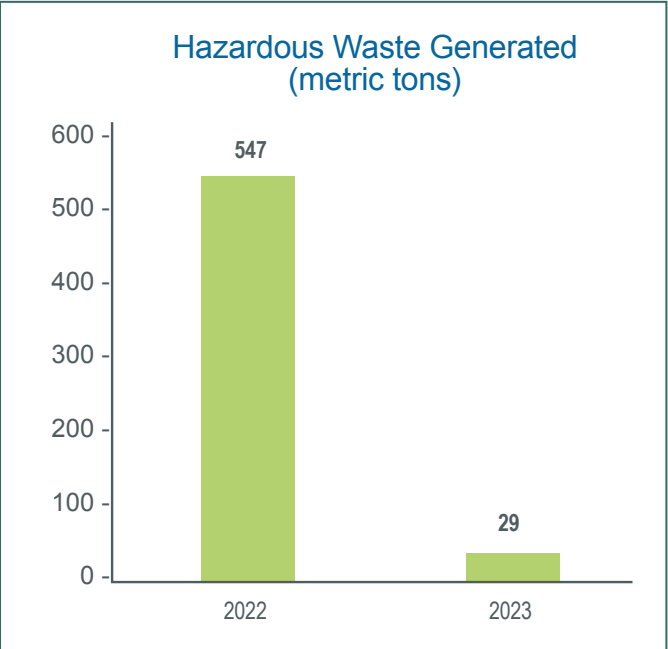
We are committed to minimizing the environmental and health risks associated with hazardous waste. To this end, we have implemented stringent actions to restrict the transboundary movement of hazardous waste. Our policies ensure compliance with international regulations, promote safe and environmentally sound waste management practices, and prevent the illegal trafficking of hazardous materials. By adhering to these measures, we aim to protect both local and global ecosystems.

Programs and Initiatives

FPS committed to recovering and reprocessing used materials to reduce our material and energy consumption. Our plant managers communicate with one another to implement our "learn from the best" program to compares, learns from, and applies best practices from all our facilities worldwide. Representatives from OpEx and the health and safety group meet monthly to discuss the selection and implementation of best practices. During the implementation of selected initiatives to reduce waste generation, bi-weekly progress calls are also undertaken. Through research, innovation, and product design, we optimize our products to create new features that minimize raw material content. We have implemented manufacturing processes that consume less energy and water. These efforts have allowed us to reuse 231,85 tons of waste throughout our global operations and recycle 4,816.10 tons of waste. In 2023, 194 metric tons of waste were sent to landfill, which is about 2.64% of the total waste generated.

We are proud to share that 9 of our 13 plants have already achieved zero waste-to-landfill status. Our plants will continue to monitor our waste metrics and find innovative ways to reuse waste to prevent disposal in landfills. All three of our plants in Turkey have also attained zero-waste government certification.

We promote the reuse of materials through our REBU concept for FIBC reconditioning. Our REBU service collects empty FIBCs from end users and undergoes a process of cleaning, inspection and re-pack before returning the products to our customers for reuse. We encourage our customers to use this process by minimizing transportation costs, offering customer support and training, and supporting correct usage of our pelleting system for empty FIBC collection. Reconditioning analysis reports are provided to customers to support and maximize reusability while capturing their waste for landfill reduction. In previous years, we reconditioned around 200,000 bags per year, we plan to increase our capacity by 3 times to offer 600,000 reconditioned bags to our customers by 2026.



We achieved a

94.6%

reduction in the total amount of hazardous waste produced compared to last year.

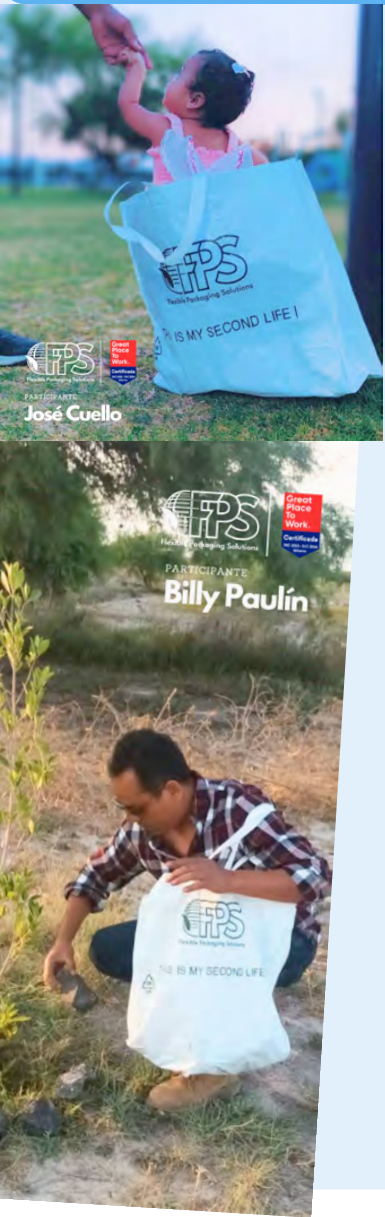


FPS Mexico’s Creative Photo Contest

FPS Mexico recently held a photo contest to emphasize sustainability, using makeup bags made from recycled materials produced at our own facilities. The contest showcased our commitment to future generations, with notable entries like a baby pictured in a makeup bag, symbolizing our dedication to the environment.



HIGHLIGHT STORY



Water and Effluents

Water is a vital resource for our communities and ecosystems around the world. As a responsible and committed guardians of water, we work to understand the unique and complex water-related challenges at each site level while exploring ways to reduce water usage and impacts on our communities. We closely monitor on our water usage, particularly in regions facing water scarcity, to devise strategies that reduce reliance on freshwater and enhance water recycling. Currently, our operations are not situated in areas of high-water stress. Acknowledging our responsibility in overseeing the quality of water discharge, our facilities are dedicated to ensuring that the water we release has no negative impacts on the environment and the communities in which we operate and reside.

Programs and Initiatives

We monitor water consumption at each of our manufacturing plants and track associated metrics on a monthly basis. In 2023, we used 80,840 m³ of water across our sites. We employ multiple strategies in our water management practices to minimize the consumption of fresh water. All our plants have closed-loop water systems, which only require replacing the evaporated water and help to conserve both the quantity and quality of water within a contained environment. Additionally, we repurpose this treated water in various manufacturing processes, such as tape extrusion. As a result of our water management efforts, only 5% of our water use is from our production processes. All other water usage is from human uses on site. Furthermore, we installed sensors at a few of our handwash stations, minimizing the amount of running water.

RECYCLING HUB IN ROMANIA

Recycling plastic waste is a water-intensive activity, requiring about 60,000 liters of water to recycle one ton of plastic waste. FPS installed a water treatment and recycling system at our recycling hub in Romania to minimize our water withdrawal for this process. As a result, we will be able to reuse approximately 98% of the water for our recycling processes. For more detailed information about our recycling hub, please refer to the [Circular Economy](#) section of the report.





People





We Focus on Valuing Our People & Teams



At FPS, our vision is to be the first, safest, and sustainable choice in flexible industrial packaging. To achieve this vision, we have aligned our values with ADG's Omnipreneurship Ecosystem, built on the principles of **Giving, Earning, and Sustaining**. In line with ADG's principles, we focus on business growth while promoting a sustainable future and supporting our philanthropic efforts. We are aware of the short- and long-term effects of the business choices we make, and we take steps for a better world. Our values of **Integrity, Passion, Forward Thinking, Respect, Trust, Diversity, and Inclusion** are communicated and reinforced among all colleagues in our daily operations.

Achieving a high level of colleague engagement is crucial for our organization's success. Engaged colleagues are more productive, motivated, and committed to the organization's goals. Our approach to colleague engagement focuses on creating a positive work environment, recognizing, and rewarding contributions, providing opportunities for growth, and fostering open communication.



Diversity, Equity, and Inclusion

At FPS, we aim to create a diverse, equitable, and inclusive culture that enables all FPS colleagues to express their unique personalities in the workplace. We strengthen diversity, equity, and inclusion (DEI) initiatives to ensure fair hiring processes and compensation at all levels. We promote inclusive leadership and accountability among our managers and have a zero-tolerance policy for discriminatory behavior such as bullying or harassment. We prohibit harassment of any kind and are committed to responding promptly to any complaints from our colleagues.

We provide our managers and staff with guidance, tools, and resources to help us create a culture where all colleagues can thrive and feel a sense of belonging. With periodic DEI trainings, we create a broader awareness about different cultures, genders, ages, and disabilities throughout our company and in the communities, we live in. Our inclusive leadership training is designed to provide inclusive leadership skills to Plant and Production Managers, HR Managers, and other functional managers.

Our DEI management approach is based on a strategic, centralized, and harmonious communication process. Under the leadership of our Global HR Director, local HR teams also share responsibility for coordinating DEI initiatives and practices in their regions. Our Global HR Calendar allows us to share best practices and processes worldwide. We have completed our transition to an HR system that integrates DEI into all stages of our talent management. Our system is divided into three modules. We continue to use the Employee Center module, which we launched in 2022, to track employee data and diversity metrics. We completed the implementation of the Performance and Development and Talent Review modules in 2023.

Policies

Our policies outline the expectations we have of ourselves and our colleagues; they lay the foundation for everything we do. Our [Equal Employment Opportunity Policy](#) commits FPS to provide equal employment opportunities for all employees

and a workplace free from discrimination. Our [Fair Treatment of Others Policy](#) describes the expectations that all employees must follow and any actions that violate federal or local laws at our locations. It also outlines how and why colleagues should report workplace behavior that violates expectations.

Respect for human rights is fundamental to FPS and the communities and countries in which we operate. Our [Human Rights Policy](#) is based on our commitment to treat others with dignity and respect. This policy applies to all our customers, colleagues, suppliers, and other stakeholders. At FPS, we do not tolerate discrimination, harassment, forced labor or child labor of any kind. [Our Anti-Harassment and Anti-Discrimination Policy](#) and [Child Labor Policy](#) outline our stance on creating and maintaining a working environment free of intimidation, oppression, and exploitation, where people are treated with dignity, kindness, and respect.

Through the enforcement of these policies and the training of our colleagues, we aim to prevent, correct, and discipline any behavior that violates these policies. Our Code of Conduct requires all employees and contractors to comply with and comply with all applicable laws, rules, and regulations at all times.

We also respect our colleagues' right to join or form a labor union without retaliation, intimidation, or harassment. Where our colleagues are represented by a legally recognized union, we are committed to building a constructive relationship with that union. During the reporting period, 67% of all our employees were covered by a collective bargaining agreement. We have developed employment contracts and social rights for our colleagues who are not covered by such contracts, in accordance with regional market requirements and industry best practices.

At FPS, we provide resources and safe spaces for employees to meet, organize, and discuss their needs and concerns. We have established transparent and accessible grievance mechanisms that allow our employees to report concerns or violations of their rights. Our Ethics Hotline protects against retaliation and ensures that complaints are handled quickly and fairly.

Programs and Initiatives

We are committed to maintaining a culture where our colleagues feel engaged and motivated to thrive in their roles while contributing to the overall success of our company. We host events to encourage our colleagues to get involved, including our Annual Skill Competition, Annual Outing with colleagues' family members, Annual Team Leader Team Building, and our Quarterly Employee Townhall Meeting.

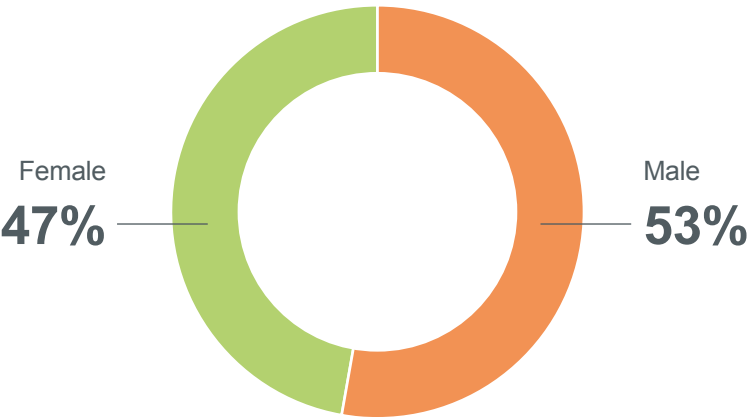


CELEBRATING TOGETHER WITH OUR COLLEAGUES

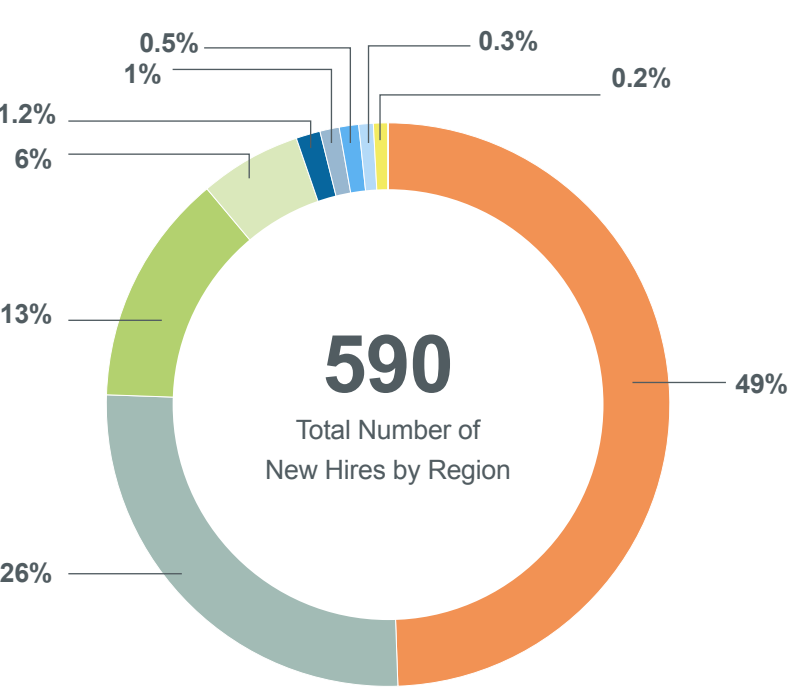
We celebrate our colleagues during key milestones. To share the success of our business performance, we offer customized gifts to all colleagues to recognize each team member’s contribution. We also celebrate festivities, including traditional holidays and colleagues’ birthdays. Every year in China, we provide all qualified colleagues with a New Year travel gift during the Chinese Spring Festival, enabling them to reunite with their loved ones. We celebrate our colleagues in Romania with Christmas treats and provide food and gifts to our Mexican colleagues during festival days in Mexico.

Our Metrics on Diversity, Equity, and Inclusion

GENDER DIVERSITY

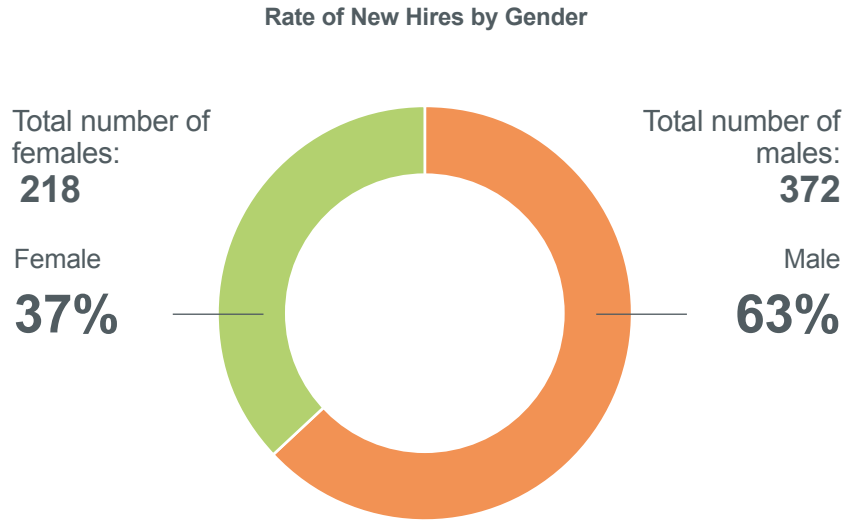


TOTAL NUMBER AND RATE OF NEW HIRES BY REGION

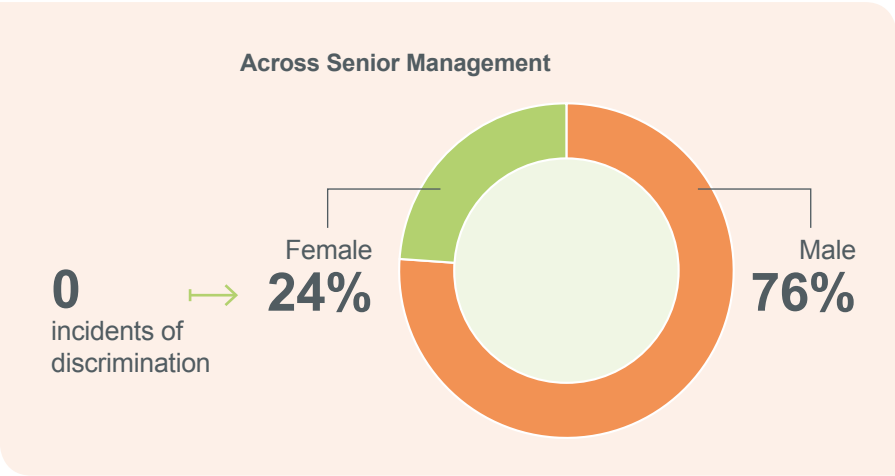
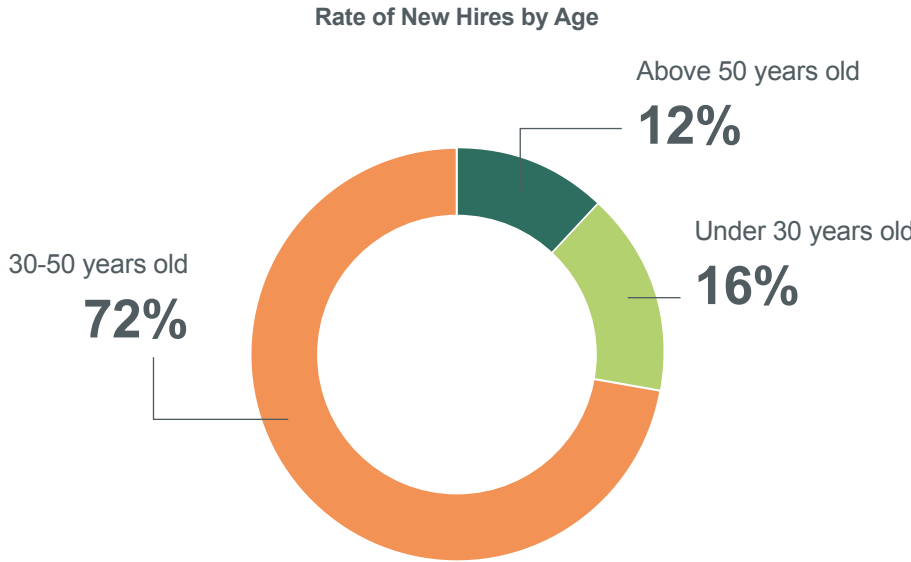


Region	Number	Rate (%)
Turkey	289	49
China	155	26
Romania	75	13
Ukraine	36	6
Vietnam	8	1.2
Netherlands	6	1.2
France	6	0.5
Chile	3	0.5
USA	3	0.5
Belgium	2	0.3
Mexico	1	0.2
Germany	1	0.2
Spain	1	0.2

TOTAL NUMBER AND RATE OF NEW HIRES BY GENDER



TOTAL NUMBER AND RATE OF NEW HIRES BY AGE GROUP



Talent Retention, Development, and Attraction

FPS recognize the value of our talent and are building a culture that encourages development, purpose, and appreciation of all our colleagues. By investing in our colleagues, we ensure that we create a highly qualified and skilled talent pool that can respond to the evolving needs of our business and meet the challenges faced by our customers. We value all our colleagues and offer competitive wages and benefits to ensure our talent is recognized.

We emphasize three key values at our workplace:

RESPECT

At FPS, respect is integral to our culture. We acknowledge our team members for their contributions to our success by recognizing their efforts at town hall meetings. Additionally, we ensure that our Leadership Team is informed so they can share these achievements throughout the organization.

DIVERSITY AND INCLUSION

Our colleagues from various regions, countries, and departments are involved in key decision-making processes that impact our organization. Our aim is to recruit top talent across our operations. To accomplish this, we employ innovative strategies to attract candidates from diverse fields. In line with our commitment to leadership diversity, we prioritize career mobility opportunities and promote skills development and career advancement for all employees. We strive to ensure there is no wage disparity between male and female colleagues, with compensation based solely on merit and performance.

TEAMWORK

At FPS, we are a company that always prioritizes the well-being of our colleagues. We take various steps to protect the quality of life of our employees in the face of economic difficulties. We made additional payments to our affected colleagues in countries with high inflation, ensuring that they maintained their living standards.

Every FPS colleague plays a key role in the success of our company. We attach great importance to performance evaluation and management in order to maximize the potential of our colleagues. To monitor performance, each department identifies Key Performance Indicators that align with our strategic priorities. All team members create personal goals to support the company's departmental goals and strategy. We regularly evaluate and provide feedback to our colleagues. We conduct annual performance development evaluations for all our permanent employees. Our review framework falls into two main categories: Objectives and Competencies. Individual, and team goals are determined together with management at the beginning of the year and reviewed at the end of the year. Competencies are often position-specific. We also maintain open communication channels to listen to our colleagues' concerns and suggestions.

Employee Benefits

We offer a variety of market-competitive benefits to our colleagues. Some of these benefits may include:

Benefits for Health

- **Medical Benefits and Health Insurance Coverage** for all colleagues that work more than 30 hours per week, providing access to quality health care at reasonable rates and to offer financial protection against unexpected illness, injury, and other catastrophic events.
- **Health Screenings** offering regular health screenings and fitness challenges to promote physical health.
- **Mental Health Support** providing access to mental health resources, counseling services, and stress management workshops, particularly in FPS Ukraine.

Benefits for Financial Status

- **Retirement and Pension Plans** with employer contributions.
- **Bonus and Incentive Programs** including long-term incentive plans, short-term incentive plans, local short-term incentive plans, sales incentive plans, and local bonuses for professional colleagues not covered by any other incentive plans.
- **Allowances** including mail vouchers, shopping ticket, commuting allowance, car allowance, education allowance, Christmas allowance, family allowance, and remote work. Additionally, FPS makes overtime payments or holiday pays for all colleagues at the worksite and additional days off for our non-manager colleagues at our offices.
- **Paid Vacations** for bereavement, parental leave, patient accompaniment, training, compassionate, and additional paid time off.
- **Gratuity** for contribution to company performance and company culture.

Benefits for Social Well-Being in the Workplace

- **Award Programs** including our seniority awards, discretionary bonuses, value award program, and omni award program.
- **Sponsor Events** to help our colleagues lower their stress levels and promote overall satisfaction through team dinners, breakfasts, and a variety of social events.
- **Inclusive Culture** promoting diversity and inclusion to ensure all colleagues feel valued and respected.
- **Colleague Surveys** to administering regular colleague engagement surveys (GPTW) to gather feedback and identify areas for improvement.
- **Town Hall Meetings** hosted on a quarterly basis.

Benefits for Performance Development

- **Training and Development Programs** to upskill our talent and give them the tools they need to succeed in their roles and advance throughout our organization.
- **Performance Recognition** for regularly acknowledging and rewarding colleagues' achievements and contributions through formal and informal recognition programs.
- **Regular Check-Ins** for conducting regular one-on-one meetings between colleagues and their managers to discuss progress, provide feedback, and address concerns.



Programs and Initiatives

COMMUNICATIONS

At FPS, we are committed to encouraging colleague engagement through a comprehensive approach that addresses various aspects of the colleague experience. We aim to create a motivated, productive, and committed workforce by creating a positive working environment and encouraging open communication. We want all colleagues to feel comfortable voicing their concerns and ideas.

To enhance communication among key players within our company, we provide physical mailboxes for colleagues to write letters to leaders each month. Colleagues can also share letters via the company intranet. Leadership reads and responds to these letters, offering an opportunity to explain the reasoning behind process changes or the implementation of new practices and technologies in our facilities. This approach builds trust and

confidence among colleagues and involves them in the decision-making process. They can use this platform to seek clarification on new rules or working methods. For instance, after implementing a new operational layout in one of our production facilities, our Factory Director responded to a letter about the change by holding a session with factory colleagues to explain its rationale and benefits.

To involve all colleagues in our hiring process, we established a colleague suggestion system. When announcing a new job opening, we encourage colleagues to recommend internal candidates. If a recommended internal candidate is hired for the position, the referring colleague receives a bonus. In 2023, 86 of our colleagues were appointed to new positions through this process.

TRAINING

At FPS, we prioritize investing in attracting and retaining talent because our employees are our company's greatest asset. Our education and training programs provide the support colleagues need to excel in their roles and advance within our company.

Colleagues participate in mandatory training on crucial topics, including the Code of Conduct and Cyber Security. We tailor local training according to our ESG framework and specific local needs. These annual sessions help integrate sustainability into each employee's work as we strive to implement our sustainable business model. Our diversity awareness sessions and inclusive leadership training reinforce our values by highlighting the importance of each colleague's contributions to our DEI culture.



100%

of colleagues have access to training

3,103

Total number of employees trained on child/forced labor topic





HIGHLIGHT STORY

Great Place to Work

Introduction:

The Great Place to Work® Trust Model© survey was conducted to identify and rank on a list of the best work environments. It also allows us to gauge areas needing improvement at our workplace. The Trust Model© consists of these five dimensions: Trust “Credibility”, Trust “Respect”, Trust “Fairness”, Pride, and Camaraderie.

In 2023 FPS again was awarded the Great Place to Work Certification in all the countries FPS operates; China, Germany, UK & Ireland, France, Romania, USA, Mexico, Vietnam, Turkey, Netherlands; also listed as Best Workplaces © in some countries like Turkey, Germany, China, Vietnam, UK.

Participation:

On October 8th, 2023, we launched the GPTW Trust Index survey. During Quarter 4, 2023 we covered the following 9 countries: Germany, the UK, France, Mexico, the USA, the Netherlands, Turkey, Vietnam, and Romania. It included a unique link, allowing all colleagues to access the survey. The email was sent directly from the GPTW, (Emprising platform). For colleagues without access to an email address, an open link was shared separately and managed by the FPS HR team, using the employment ID for each to log in. The total number of participations for this survey was 2,950 colleagues (94%) participation rate.

Summary of key findings:

The GPTW Trust Index’s overall score is (83%).

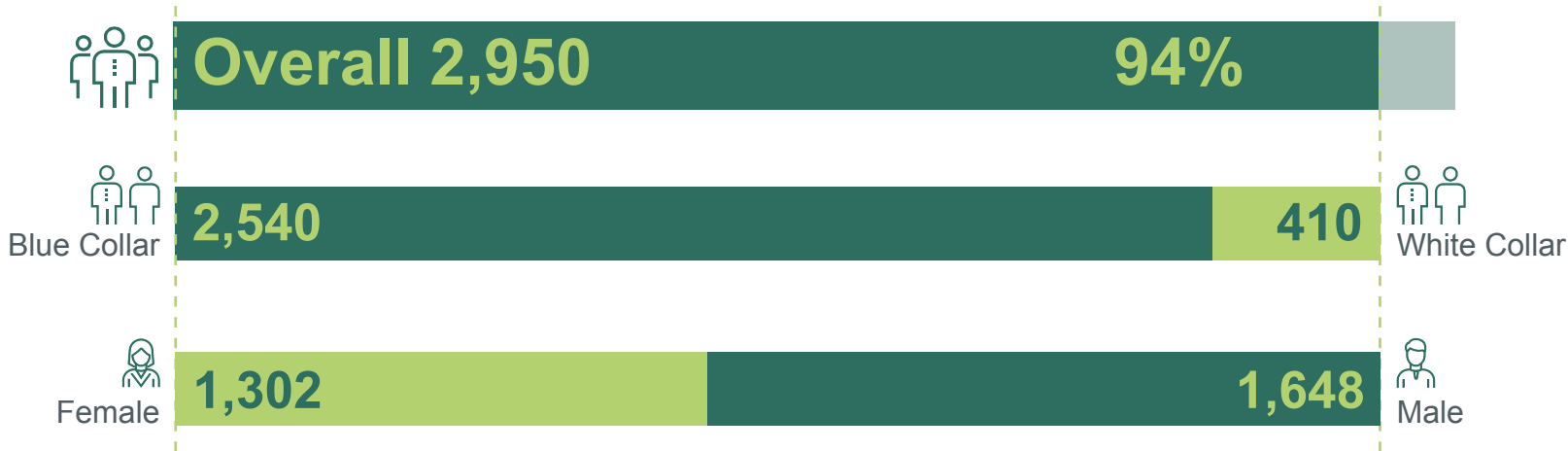
China scored (100%) higher than all other countries, then Germany, USA, and Vietnam (94%).

Females scored (85%) higher than males (81%).

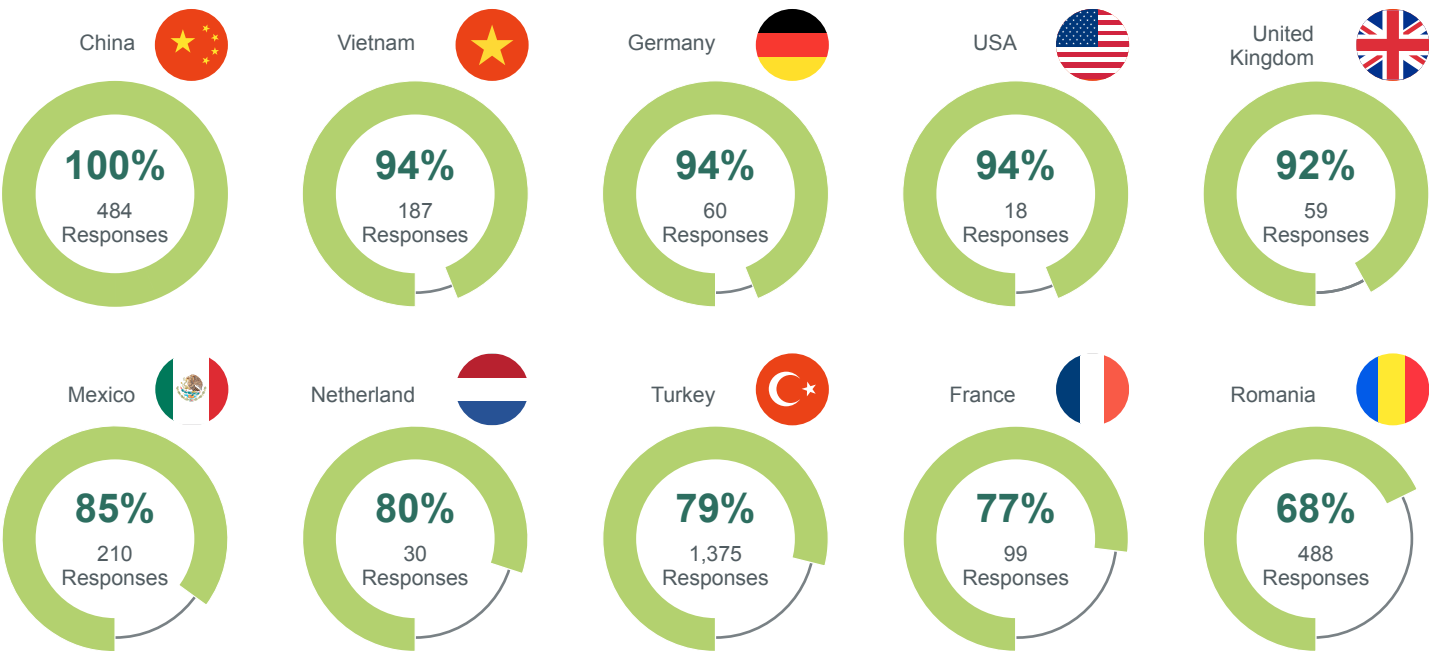
White-collar colleagues scored (84%) slightly higher than Blue-collar colleagues (82%).

The top scores are Pride and Camaraderie (85%)

Participations



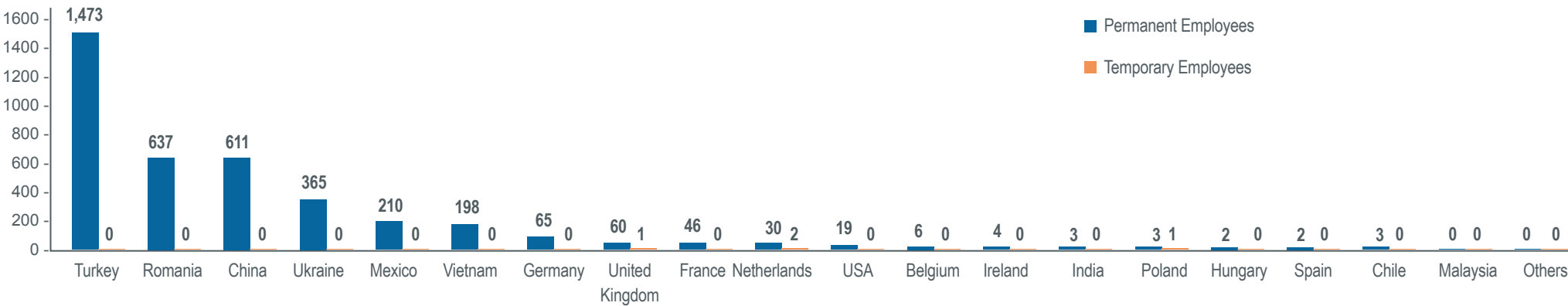
Country Level



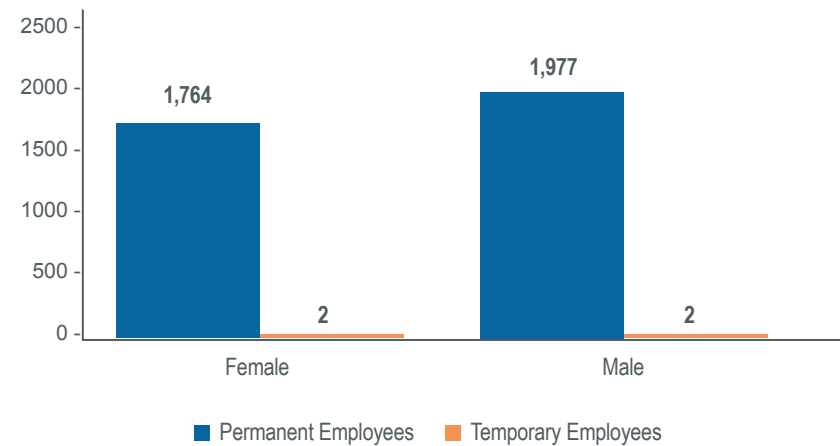


Our Metrics on Talent Retention, Development, and Attraction

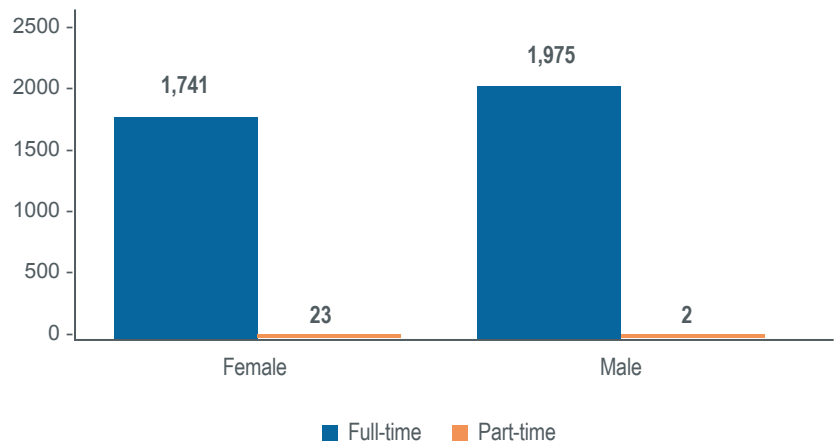
NUMBER OF PERMANENT AND TEMPORARY COLLEAGUES BY REGION



NUMBER OF PERMANENT AND TEMPORARY COLLEAGUES BY GENDER



NUMBER OF FULL-TIME AND PART-TIME COLLEAGUES BY GENDER



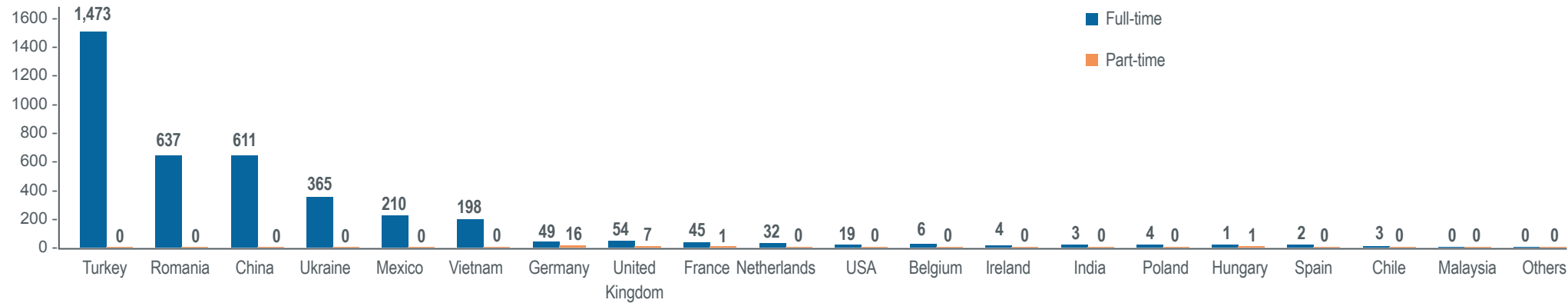
Suggestion and Reward System at FPS China

HIGHLIGHT STORY

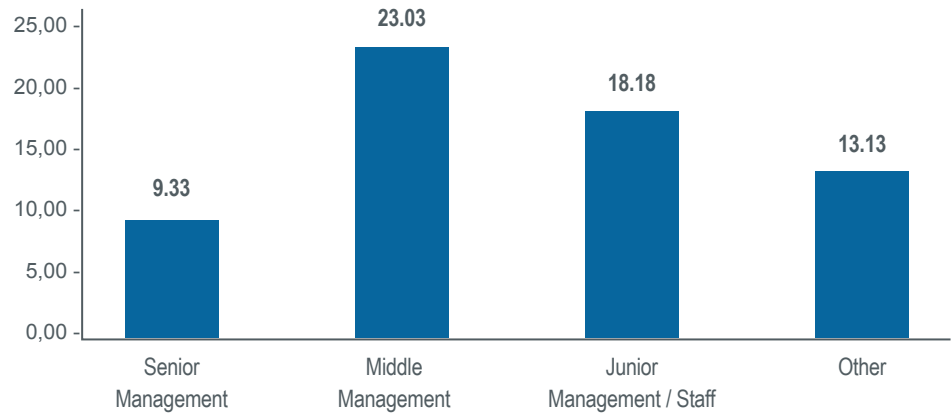
FPS China's Suggestion and Reward System gives every colleague the opportunity to share their innovative ideas to improve FPS's work processes, products, and other workplace-related topics. All suggestions are systematically collected and documented by OpEx representatives at each plant and evaluated by the OpEx Management Committee. Once suggestions have been deemed useful, our team works to implement them. OpEx representatives also organize local meetings to review the progress of implementation of these suggestions. We reward our colleagues who introduce innovative ideas because of the value they add to the company. If the savings caused by the improvement are above CNY 50,000, we recognize that employee as the Annual OpEx Star and offer additional praise during the Annual Employee Townhall meeting. In 2023, 209 suggestions were given by the colleagues through the system, and 179 of them were implemented and rewarded.



NUMBER OF FULL-TIME AND PART-TIME COLLEAGUES BY REGION



AVERAGE NUMBER OF TRAINING HOURS BY COLLEAGUE CATEGORY



In 2023,

101

colleagues took maternity and paternity leaves and

77

colleagues have returned from their parental leave

Occupational Health and Safety

At FPS, safeguarding the well-being of our extensive team, which exceeds 3,700 colleagues, stands as our paramount concern. We actively foster a culture of health and safety, ensuring that every team member is equipped with the necessary resources to perform their duties securely and return to their families unharmed each day.

We prioritize the physical and mental health of our workforce. Each operational location host annual Safety Events, covering educational sessions, contests, safety briefings, and the exchange of best demonstrated practices (BDPs). Our comprehensive safety management system proactively identifies and mitigates health and safety risks, ensuring a secure work environment for all. As a testament to our commitment, six of our sites in China, Vietnam, Romania, and Ukraine have [ISO 45001 certificate](#) for Occupational Health and Safety, representing 46% of our global facilities. Dedicated safety leaders and committees oversee each site, monitoring key safety metrics, conducting cross-checks, and providing essential safety training and equipment. We actively encourage our colleagues to share safety concerns, enabling us to develop and implement effective solutions. While regular safety discussions cover topics, team members are always encouraged to raise any other safety issues they consider relevant.

HIGHLIGHT STORY

Recognition and Award to Our Colleagues Who Keep Us Safe

Our team has worked tirelessly to ensure we excel in our safety standards. To recognize our team’s efforts across the operation, we developed the Chairman’s Safety Award from David B. Fischer in 2022 and launched it in 2023. This award will go to FPS sites and locations that demonstrate exemplary safety records and performance throughout the year.

Moreover, we implement behavior-based safety observations (BBSOs) with contributions from all team members. This proactive strategy aims to pinpoint and correct unsafe behaviors before they result in accidents or injuries. We adhere to all relevant health and safety regulations, policies, and our internal standards. Health and safety risk assessments for employees are routinely carried out at all our sites and are subject to an annual review.

Our Health and Safety Committee, which includes representatives from every FPS location, meets monthly, bringing together colleagues from diverse departments and roles. These meetings provide a platform for various perspectives, enabling us to assess our practices and prepare for any potential challenges. They also serve as an educational tool, informing colleagues about our safety priorities and the issues we face as an organization. We promote the sharing of BDPs on health and safety, with local practices being relayed to the global health and safety team by plant representatives. These practices are then discussed in our monthly Health and Safety Committee meetings and communicated to our shopfloor staff during safety weeks, performance reviews, and other events.

To reduce the likelihood of work-related health issues, we provide all colleagues with personal protective equipment, conduct awareness training, and continuously assess the safety of our plant equipment.

Programs and Initiatives

We place a high value on nurturing a safety culture by providing comprehensive and up-to-date safety training to our colleagues. In the reporting period, our focus was on eradicating fatal incidents, and we launched programs aimed at risk mitigation.

Our Annual Safety Week plays a pivotal role in heightening safety awareness throughout FPS, ensuring that our safety culture is both understood and practiced daily. All production colleagues undergo safety training, averaging 4 hours in

2023, which includes general introductory training on workplace-specific injury risks, health and safety policies, and emergency situation protocols. We discuss potential emergency scenarios and the actions necessary to safeguard affected individuals. On-the-job training covers the equipment operators will use, specific workplace injury risks, and handling risks.

Prior to employment, we issue and complete a medical record for each worker, detailing their personal data, intended workplace, associated risks, working conditions, environment, equipment, and other factors related to their work method and environment. Prospective workers undergo a medical examination to determine their fitness for work, with periodic checks thereafter, especially if there are changes in work mode or environment.

Procedure for Anticipating Health & Safety Risks:

We have established rigorous procedures to anticipate and mitigate health and safety risks associated with changes in operations, such as the start-up of new operations or modifications to existing ones. These procedures ensure thorough risk assessments, proactive planning, and the implementation of safety measures to protect our workforce and stakeholders during operational transitions. These processes are conducted according to documented instructions and procedures within the health and safety management systems specific to each country and operational site.

Health & Safety Procedures:

To ensure comprehensive understanding and compliance, our health and safety procedures are translated into the major languages spoken by our employees. This initiative promotes clear communication and adherence to safety standards across all our operational sites, enhancing the overall safety and well-being of our workforce.

OUR METRICS ON OCCUPATIONAL HEALTH AND SAFETY

100%

of our colleagues are covered by an occupational health and safety management system in operational sites

100%

of all operational sites for which an employee health & safety risk assessment has been conducted

100%

of the total workforce across all locations is represented in formal joint management-worker health & safety committees



Number of hours worked

7,956,243



Number of recordable work-related injuries (including first aid, medical case, lost workday cases, restricted workday cases) :

14



Number of high-consequence work-related injuries:

3



Lost time injury frequency rate for the direct workforce:

0.11



Lost time injury severity rate for direct workforce:

0.07



LWCR (Lost Workday Case Rate) rate for direct workforce:

0.23



Achieved a best-in class MCR performance of

0.23



Local Communities

As we continue to expand our global footprint, we remain dedicated to engaging with external stakeholders, including business associations, international organizations, NGOs, clients, and partners, local communities. Our collaborative efforts are crucial in driving positive change and fostering a more sustainable future.

Our commitment to social responsibility is deeply ingrained in our operations, with a steadfast dedication to positively influencing the communities where we are present. Our Sustainability Leadership Team, alongside climate champions, and Social Ambassadors are actively seeking and implementing innovative ideas to support our ambitious goal to positively impact at least 30 million lives by 2030.

FPS's community engagement is strategically managed at the local level, empowering plant managers to foster relationships with community stakeholders. This localized approach ensures that outreach is tailored to the unique needs of each community, enhancing the effectiveness of our initiatives.

Programs and Initiatives

Continuing our journey of social responsibility, we have made significant strides in 2023 to fortify our connections with local communities and reinforce our commitment to sustainable practices. Our initiatives are thoughtfully designed to address the specific needs of each region while aligning with our global sustainability goals.

GLOBAL

We at FPS have embraced Ecosia, the search engine that funds tree planting with its ad revenue, as a green alternative for our online searches. Our use of Ecosia for internet searches has enabled us to contribute to the planting of 1,586 trees by June 6, 2023. By January 1, 2024, our collective searches totaled 79,348, demonstrating our dedication to the environment and the positive change we are making in communities worldwide.



MEXICO

We at FPS Mexico have proudly hosted a photo contest to showcase our bags crafted from PCR, underscoring our commitment to sustainability and care for future generations. Our team is currently collaborating with a local university on the "Green Credits" project, which introduces a smart garbage container system to boost recycling and engage students through cutting-edge technology. In our efforts to support community well-being in Mexico, we have donated educational materials, provided holiday gifts to children in need, and honored local traditions. Moreover, we have organized sports events, such as volleyball tournaments, to promote health and team spirit among our colleagues.

UKRAINE

We continue to operate amidst the conflict, contributing positively to the local economy and providing support to shelters for people and animals in need. Our steadfast dedication to our operations plays a pivotal role in bolstering the Ukrainian economy, despite the ongoing military conflict. This commitment not only enhances economic stability but also provides essential support to local communities.

In an effort to safeguard our employees, we are proactively arranging transportation to safe zones when required. Our continued operation during these challenging times is a testament to our commitment to the community and

to strengthening the economic resilience of the region, demonstrating our solidarity with those most in need.

CHINA

We have built a new plant in Ji'an, it is a local star enterprise, the government organized a lot of people to come over to visit and learn, it shows them not only a state-of-the-art FIBC factory, but also an affirmation of our corporate vision and values. In Changzhou, we have concentrated our efforts on enhancing the well-being of our community. This includes the expansion of services for our senior citizens, providing greater opportunities for employment and entrepreneurship, and reinforcing our social security infrastructure. Our dedication to these areas is a testament to our commitment to the sustainable development and prosperity of the local communities.

VIETNAM

Our approach to sustainable development is comprehensive, targeting the social, economic, and environmental aspects that are crucial for our future. The green growth policy in Dong Nai and our initiatives to cut carbon emissions are prime examples of how we are engaging with local communities to address environmental challenges. At Huy Long An Co., Ltd., we are committed to sustainable agriculture, utilizing clean production methods across our crop and livestock operations, ensuring that our practices are in harmony with the needs and well-being of the communities we serve.

WaterSafe Initiative

As part of our Omniversal Life Impact Program (OLIP), we have introduced the WaterSafe by FPS Initiative. This initiative aims to provide a cleaner and safer water transportation solution for developing countries, particularly in disaster-stricken areas, ensuring access to clean water for affected communities. The initiative is committed to ensuring access to clean water, which is a fundamental human right. Some of these examples are:

- In Kenya, the deployment of the WaterSafe initiative has been a significant success, with over 68,000 WaterSafe backpacks distributed across the country.
- Through a partnership with a US-based NGO, our Initiative has so far positively impacted approximately 310,000 lives across rural areas of Kenya.
- The majority of these backpacks have been delivered to households, and the initiative is now concentrating its efforts on Primary and Secondary Schools.
- To date, 1,500 out of the 43,645 schools in Kenya have been equipped with WaterSafe backpacks.
- Each WaterSafe backpack is designed to impact the lives of 30 children per class, meaning that the initiative has already had a positive effect on approximately 1 million lives.
- The ambition of our Omniversal Life Impact Program (OLIP) is to positively impact 30 million lives by 2030, demonstrating the ambitious scale and the transformative potential of the program.

The WaterSafe Initiative is a testament to the power of collaborative efforts in addressing critical needs such as clean water access, and it continues to strive towards making a substantial difference in the lives of millions.

For more detailed information about WaterSafe, please check the [WaterSafe Brochure](#).



Customer Satisfaction



We are proud to report that our commitment to regulatory compliance has been exemplary this year. There have been zero incidents of non-compliance resulting in fines, penalties, or warnings. Furthermore, our adherence to voluntary codes has been unwavering, with no incidents of non-compliance. This impeccable record underscores our dedication to not only meeting but exceeding customer expectations in terms of legal and ethical standards.

At the heart of our operations and strategic choices are our customers, guiding our commitment to a customer-focused ethos. This approach empowers us to grasp and address the distinct needs, concerns, and expectations of each client, fostering the creation of innovative and timely product solutions. Our dedication is reflected in our delivery of products that not only fulfill but surpass customer expectations, all while adhering to the highest ethical standards in our processes and conduct.

In terms of management, we measure customer contentment and loyalty via two principal indicators: the Customer Satisfaction Index (CSI) and the Net Promoter Survey (NPS). We compute the CSI on a monthly basis and share the findings with all general managers and pivotal leaders in our company. We gather and consolidate feedback from each manufacturing site on a regional basis, which contributes to our global perspective. Annually, we connect with our customers to determine our NPS score, with a continuous goal to elevate this score with each survey, thereby achieving outstanding levels of customer satisfaction.

Customer health & safety

KPI: Total of recall incidents: 0

Ensuring the health and safety of our customers is a top priority. We are proud to report that the total number of recall incidents across our products is zero. This KPI reflects our commitment to maintaining the highest standards of product safety and quality assurance.



In 2023,
we proudly reached a

96%

CSI, surpassing our goal of

95%



Annex





GHG Emissions Verification Report

Carbon Trust Assurance Ltd Assurance Statement

Relating to *Flexible Packaging Solutions’* Greenhouse Gas Emissions Claim

Terms of Engagement

Carbon Trust Assurance Limited (CTA) was commissioned by Flexible Packaging Solutions to provide an independent, limited level of assurance on the following Selected Information:

- Scope 1 emissions
- Scope 2 emissions (location-based)
- Scope 2 emissions (market-based)

The Selected Information will be presented within the results tab of FPS – Org Carbon Footprint (2023) V3. We have not performed any work, and do not express any conclusion, over any other information that may be included in the FPS – Org Carbon Footprint (2023) V3 or on Flexible Packaging Solutions’ website for the current year or for the previous periods unless otherwise indicated.

Scope

This engagement covers the verification of emissions from anthropogenic sources of greenhouse gases included within the organisation’s boundary.

- Organisational boundary: All global locations including 13 manufacturing sites (FPS Sultanbeyli, FPS Sancaktepe, and FPS Hadımköy in Turkey; FPS Ji’An and FPS Changzhou in China; FPS Vietnam; FPS Botosani; FPS Negresti; FPS Recycling in Romania; FPS Ukraine; FPS Mexico; FPS UK; FPS France); 8 offices (FPS Germany; FPS Ireland; FPS USA; FPS Belgium; FPS Benelux; FPS India; FPS Chile; FPS HQ The Netherlands) and 1 reconditioning centre in Romania.
- Control approach: Operational control
- Reporting period: 01/01/2023 - 31/12/2023

Our Conclusion

Based on the work we have undertaken and the evidence provided by Flexible Packaging Solutions, nothing has come to our attention that leads us to believe that the Selected Information has not been properly

prepared, in all material respects, in accordance with the Reporting Criteria.

The breakdown by scope is:

- Scope 1: 1,809 tCO₂e
- Scope 2 (location-based): 24,279 tCO₂e
- Scope 2 (market-based): 23,728 tCO₂e
- Biogenic emissions: 104 tCO₂e

This conclusion shall be read in the context of the remainder of this Assurance Statement, in particular the inherent limitations explained below and this report’s intended use.

Reporting Criteria

The Reporting Criteria used by Flexible Packaging Solutions is the GHG Protocol Corporate Accounting and Reporting Standard (including supplementary Scope 2 Guidance).

Management Responsibility

The management of Flexible Packaging Solutions are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria.

Our Responsibilities

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 Reporting Criteria and to report to Flexible Packaging Solutions in the form of an independent limited assurance conclusion based on the work undertaken and the evidence obtained.

Assurance Standards Applied

We performed our work in accordance with CTA’s assurance methodology based on ISO14064-3.

Our Assurance Activities

Our objective was to assess whether the Selected Information is reported in accordance with the principles of completeness, comparability and accuracy. We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, whether due to fraud or error, our work included, but was not restricted to:

- assessing the appropriateness of the Reporting Criteria for the Selected Information;
- conducting interviews with Flexible Packagaing Solutions’ management to obtain an understanding of the key processes, systems, controls and related documentation in place over the preparation of the Selected Information;
- carrying out two virtual site visits to operating company in Hadimköy, Turkey and Changzhou, China;
- performing analytical reviews and detailed sampling of the Selected Information; and
- reading the FPS – Org Carbon Footprint (2023) V3 and narrative accompanying the Selected Information in the FPS – Org Carbon Footprint (2023) V3 with regard to the Reporting Criteria, and for consistency with our findings.

Inherent Limitations

The accuracy and completeness of the Selected Information is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. As such, this Assurance Statement should be read in connection with FPS – Org Carbon Footprint (2023) V3. For those subject matters with a limited assurance, the evidence-gathering procedures are more limited than with a

reasonable assurance, and therefore less assurance is obtained than in an overall reasonable assurance statement.

CTA’s Competence and Independence

CTA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach is rigorous and transparent.

For and on behalf of
Carbon Trust Assurance Limited

Martin Hockaday,
Head of Assurance



Carbon Trust Assurance Ltd, London
Email: client.support@carbontrust.com

This assurance report is made solely to Flexible Packaging Solutions in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of Flexible Packaging Solutions showing that it has obtained an independent assurance report in connection with the Selected Information. We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any other party other than Flexible Packaging Solutions for our work, for this assurance report or for the conclusions we have reached.



Training Activity in Numbers

KPI	Unit of measure	2023 Data
% of the total workforce across all locations who received career- or skills-related training (please specify)	%	32.5
% of the total workforce across all locations who received training on diversity, discrimination and/or harassment	%	79
Average hours of training provided per colleague	Hours	13.76
Average hours of training provided per colleague by gender-Female	Hours	13.46
Average hours of training provided per colleague by gender-Male	Hours	14.26
Average hours of training provided per colleague by gender-Other/not disclosed	Hours	0
Average hours of training provided per colleague by category - Senior Management	Hours	9.33
Average hours of training provided per colleague by category - Middle Management	Hours	23.03
Average hours of training provided per colleague by category - Junior Management/Staff	Hours	18.18
Average hours of training provided per colleague by category - Other	Hours	13.13
% of the total workforce across all locations who received training (internally or externally) on environmental issues	%	27
Percentage of total workforce trained (e.g. through e-learning) on business ethics issues	%	79
Total Number of employees trained on child/forced labor topic	Number	3,103
Percentage of employees trained on child/forced labor topic	%	79
Total number of governance body members that have received training on anti-corruption	Number	6
Total number of employees that have received training on anti-corruption, broken down by employee category- Senior Management	Number	28
Total number of employees that have received training on anti-corruption, broken down by employee category- Middle Management	Number	129
Total number of employees that have received training on anti-corruption, broken down by employee category- Junior Management / staff	Number	986
Total number of employees that have received training on anti-corruption, broken down by employee category- Others	Number	1,960



GRI Content Index

GRI Content Index					
Statement of Use		FPS has prepared its report covering the period between 1 January 2023 - 31 December 2023 in accordance with GRI Standards.			
GRI 1 Usage		GRI 1: Foundation 2021			
Applicable GRI Sector Standard(s)					
GRI Standard		Disclosures		Source and/or Direct Answers	Page
GRI 1: FOUNDATION 2021					
GRI 2: GENERAL DISCLOSURES 2021					
GRI 2: General Disclosures 2021	2-1	Organizational details	About FPS	4	
			Headquarters: The Netherlands— Amstelveen, Van Heuven Goedhartlaan 7, Amstelveen, Netherlands	-	
	2-2	Entities included in the organization’s sustainability reporting	About this Report	9	
	2-3	Reporting period, frequency and contact point	About this Report	9	
	2-4	Restatements of information	Sustainability at FPS	11	
			Assurance Statement	51	
	2-5	External assurance	Assurance Statement	51	
	2-6	Activities, value chain and other business relationships	About FPS	4	
			Stakeholder Engagement	12	
			Building a Sustainable and Resilient Supply Chain	27	
	2-7	Employees	About FPS	4	
			People	39	
	2-8	Workers who are not employees	There are 87 of non-employees whose work is controlled by FPS. They are mostly cleaners and security guards. The data was compiled using month-end and quarter-end data.	-	
			No significant fluctuation has happened during the reporting period.	-	
	2-9	Governance structure and composition	Governance Framework	16	
			Sustainability Governance	17	
	2-10	Nomination and selection of the highest governance body	Governance Framework	16	
			Sustainability Governance	17	
	2-11	Chair of the highest governance body	Governance Framework	16	
			Sustainability Governance	17	
2-12	Role of the highest governance body in overseeing the management of impacts	Governance Framework	16		
		Sustainability Governance	17		



GRI Standard		Disclosures	Source and/or Direct Answers	Page
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	Governance Framework	16
			Sustainability Governance	17
	2-14	Role of the highest governance body in sustainability reporting	Message from the CEO	3
	2-15	Conflicts of interest	Stakeholder Engagement	12
			Governance Framework	16
			Sustainability Governance	17
	2-16	Communication of critical concerns	Stakeholder Engagement	12
			Governance Framework	16
			Sustainability Governance	17
	2-17	Collective knowledge of the highest governance body	Stakeholder Engagement	12
			Governance Framework	16
			Sustainability Governance	17
	2-18	Evaluation of the performance of the highest governance body	Governance Framework	16
			Sustainability Governance	17
	2-19	Remuneration policies	Governance Framework	16
			Sustainability Governance	17
	2-20	Process to determine remuneration	The remuneration data is classified as confidential.	-
	2-21	Annual total compensation ratio	The remuneration data is classified as confidential.	-
	2-22	Statement on sustainable development strategy	Message from the CEO	3
	2-23	Policy commitments	Policies	-
			https://www.fps.com/downloads/	-
	2-24	Embedding policy commitments	Business Ethics and Integrity	18
			People	39
	2-25	Processes to remediate negative impacts	Business Ethics and Integrity	18
	2-26	Mechanisms for seeking advice and raising concerns	Business Ethics and Integrity	18
	2-27	Compliance with laws and regulations	Business Ethics and Integrity	18
	2-28	Membership associations	Stakeholder Engagement	12
			2023 Highlights	10
	2-29	Approach to stakeholder engagement	Stakeholder Engagement	12
	2-30	Collective bargaining agreements	People	39



GRI Standard	Disclosures		Source and/or Direct Answers	Page
GRI:3 MATERIAL TOPICS 2021				
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment	13
	3-2	List of material topics	Materiality Assessment	13
	3-3	Management of material topics	Materiality Assessment	13
Business Ethics and Integrity				
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance	16
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance	16
			Business Ethics and Integrity	18
	205-3	Confirmed incidents of corruption and actions taken	Corporate Governance	16
			Business Ethics and Integrity	18
Cybersecurity and Data Privacy				
GRI 3: Material Topics 2021	3-3	Management of material topics	Cybersecurity and Data Privacy	20
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and Data Privacy	20
Energy and Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	Energy and Emissions	34
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy and Emissions	34
	302-3	Energy intensity	Energy and Emissions	34
	302-4	Reduction of energy consumption	Energy and Emissions	34
	GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Energy and Emissions
305-2		Energy indirect (Scope 2) GHG emissions	Energy and Emissions	34
305-3		Other indirect (Scope 3) GHG emissions	Energy and Emissions	34
305-4		GHG emissions intensity	Energy and Emissions	34
305-5		Reduction of GHG emissions	Energy and Emissions	34
Waste Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	Waste Management	36
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management	36
	306-2	Management of significant waste-related impacts	Waste Management	36
	306-3	Waste generated	Waste Management	36
	306-4	Waste diverted from disposal	Waste Management	36
	306-5	Waste directed to disposal	Waste Management	36



GRI Standard	Disclosures		Source and/or Direct Answers	Page
GRI:3 MATERIAL TOPICS 2021				
Better Working Place				
GRI 3: Material Topics 2021	3-3	Management of material topics	People	39
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Diversity, Equity, and Inclusion	40
			Talent Retention, Development, and Attraction	42
			Employee Benefits	42
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Diversity, Equity, and Inclusion	40
			Talent Retention, Development, and Attraction	42
			Employee Benefits	42
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety	47
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	47
	403-5	Worker training on occupational health and safety	Occupational Health and Safety	47
	403-9	Work-related injuries	Occupational Health and Safety	47
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Talent Retention, Development, and Attraction	42
			Employee Benefits	42
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity, Equity, and Inclusion	40
			Talent Retention, Development, and Attraction	42
			Employee Benefits	42
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Diversity, Equity, and Inclusion	40
			Talent Retention, Development, and Attraction	42
			Employee Benefits	42
GRI 407: Freedom of Associations and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Supplier Code of Conduct	27
Local Communications and Stakeholder Engagement				
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability at FPS	11
			People	39
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability at FPS	11
			People	39
Circular Economy				
GRI 3: Material Topics 2021	3-3	Management of material topics	Product	22
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Product	22
	301-2	Recycled input materials used	Product	22



GRI Standard	Disclosures		Source and/or Direct Answers	Page
GRI:3 MATERIAL TOPICS 2021				
Building Sustainable and Resilient Supply Chain				
GRI 3: Material Topics 2021	3-3	Management of material topics	Circular Economy	23
			Building a Sustainable and Resilient Supply Chain	27
			Supplier Code of Conduct	27
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Circular Economy	23
			Building a Sustainable and Resilient Supply Chain	27
			Supplier Code of Conduct	27
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Circular Economy	23
			Building a Sustainable and Resilient Supply Chain	27
			Supplier Code of Conduct	27
	308-2	Negative environmental impacts in the supply chain and actions	Circular Economy	23
			Building a Sustainable and Resilient Supply Chain	27
			Supplier Code of Conduct	27
GRI 414: Supplier Social Assessment 2016	308-1	New suppliers that were screened using social criteria	Circular Economy	23
			Building a Sustainable and Resilient Supply Chain	27
			Supplier Code of Conduct	27
	308-2	Negative social impacts in the supply chain and actions taken	Circular Economy	23
			Building a Sustainable and Resilient Supply Chain	27
			Supplier Code of Conduct	27
Product Quality & Safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	Product Quality	31

