

PACKAGING FOR A SUSTAINABLE FUTURE



“Sustainability means balancing business success with our responsibilities toward society and the environment. This strategy guarantees long-term success!”

A handwritten signature in black ink, consisting of a stylized 'A' followed by a series of loops and a final horizontal stroke.

Alexander Baumgartner
Chief Executive Officer

Ever since the Group was founded, we have been aware of our business, environmental, and social responsibilities. For us, sustainability means paying consistent attention to these three dimensions and the interactions between them.

Three-tier sustainability model





People, Passion, Packaging

At Constantia Flexibles, we are great people with a huge passion for innovative and high-quality packaging. This unites and defines us across borders – this is the binding link between our global network of plants. It is also the motor that keeps us going and striving for growth – it makes us one big Constantia Flexibles Family.

Our passion for packaging enables us to deliver excellent packaging solutions that follow the 4 Ps of Packaging.

4 Ps of packaging – the core element of our business model

Due to the unique (physical) properties of flexible packaging, our products represent the ideal solution for a range of applications. Their efficient use of materials, their adaptability, and their low weight lead to cost reductions in terms of storage and transportation, while at the same time providing savings in terms of energy consumption and greenhouse gas emissions.

Across the globe, and especially in developed nations, we are becoming increasingly aware of the need to protect the environment and make the best use of resources. As the world population grows, we strive to throw away as little food as possible and to allow as little food as possible to spoil.

4 Ps of packaging



Preservation

Ensures longer shelf life
*

Barrier functions against UV light,
moisture, oxygen, and seal integrity
*

Hygiene standards



Protection

Puncture resistance
*

Burst strength
*

Tamper evidence



Presentation

Shape
*

Portion size
*

Essential
information



Promotion

Promotional text
*

Customer convenience
(microwave ability)
*

Functionality (carrying, opening)



Achievements of packaging

The increased demands on modern packaging result in increased packaging requirements.

Only in this way, can product wastage be avoided across the entire value chain. This in itself, represents a reduction in environmental damage. In Europe alone, foodstuffs worth up to €100 million (46.5 million tonnes of food) go to waste annually.

Over the entire value added, the food losses / waste are between approx. 125 to 300 kg per capita and year. Above all, end consumers in industrial countries of Europe and North America cause a 10-fold higher waste of food than developing countries.

In this way, flexible packaging saves more resources that it uses, all the while protecting and preserving the valuable product.

Prevention is the first objective in the EU (packaging) waste hierarchy, however often measures focus on increasing recycling rates, which does not necessarily mean superior resource efficiency. IFEU, an independent research organization, showed that the substitution of all non-flexible packaging with flexible packaging (except beverages), even with zero recycling, would:

- * prevent 26 million tons of packaging material per year (-77%)
- * save 42 million tons of CO₂-eq (-38%) which is equivalent to 100% of Slovakia's GHG emissions (2012) or 0.93% of the total GHG emissions in EU28 (2012)
- * save 276 million m³ of water use (-44%) which is equivalent to 100,000 Olympic size swimming pools or 7 times the EU27 beer production¹

*** 40%²**
of the harvest in developing countries is lost due to a lack of packaging.

*** >80%²**
of packaging is recycled in Austria, Switzerland and Germany.

¹ Results of the IFEU (Institut für Energie- und Umweltforschung Heidelberg GmbH) study (www.flexpack-europe.org/tl_files/FPE/sustainability/IFEU_exec_summary_%20Waste_Prevention.pdf)

² DVI (www.verpackung.org)



Outstanding products

Division Food

CONSTANTIA

Die Cut 2020

New generation of cup closure systems – thanks to the innovative co-extruded sealing layer, a considerable reduction in aluminum thickness as well as a reduction of the CO₂ footprint by 40–50% is possible.

Benefits at a glance

- * Up to 50% reduction in material compared to the conventionally marketed lacquered lids
- * Very big range of sealing temperature (200–280° C) with good sealing properties
- * Easy and continuous peeling behavior – no tearing of the lid
- * High corrosion resistance
- * In the case of UV flexo printing, the „Die Cut 2020“ lid is a solvent-free product solution

Division Pharma

CONSTANTIA

Blister Eco

- * Economical blister lidding foil for products that do not require the protection of standard blister lidding
- * Noticeably thinner aluminum foil with tissue paper layer, making the product 23% lighter
- * Offers more than adequate barrier for PVC and PVdC blisters

Benefits at a glance

- * Sustainable solution with renewable raw material paper and 5 g/m² heat seal laquer instead of 7 g/m² (compared to standard blister lidding foil)
- * Significant cost saving compared to standard blister lidding foil
- * 23% lighter than 20 µm blister lidding foil (48 g/m² vs. 62g/m²)
- * Use of pre-heating: approximately same efficiency blister per minute

Division Labels

Spear RC

SpearRC is a pressure sensitive label that detaches cleanly from the bottle, making it completely compatible with the PET recycling process. Now, you can achieve premium shelf impact without sacrificing environmental consciousness or cost, as SpearRC is priced competitively with traditional pressure sensitive labels.

Benefits at a glance

- * Premium and impactful look
- * Supports complex label shapes
- * Increases productivity
- * Cost-effective (Near cost parity with current pressure sensitive labels)
- * 100% recyclable



Certificates and awards



DIN certificate for bio-based products

Constantia Flexibles receives bio-based DIN certificate for its multi-laminate pouch packaging specification. Its Paper/PLA specification contains a bio-based carbon content of 90%. This specification is used for producing multi-laminate pouch packaging to pack ground coffee, dried soups, confectionery products or dried energy food for example. Bio-based products are completely or partially made from raw materials that have absorbed as much CO₂

during their short growth as they emit when they are disposed of and/or burned.

The removal or replacement of fossil based products in a manufacturing process greatly reduces harmful effects to the environment.

Awards

We are committed to top quality – in our customer relations, in our products and services, in the way we work towards best-in-class performance. This has been recognized by customers, regulators and institutions with certificates, prizes and awards. With our annual internal Innovation Prize we set the stage for a continuous stream of in-house innovations.

Selected awards

- * IMDA: Best Thin Wall Packaging Award – gold for Unilever packaging Verstraete IML
- * EAFA Trophy Aluminium Container with embedded recycling logo
- * TLMI Environmental Leadership Award for Labels Division
- * Sustain Pack Award: Constantia Flexibles FOOD: Paperlid





Our goal

Constantia Flexibles is engaged in the area of corporate sustainability, including the central recording and monitoring of internal key figures. By developing a standardized, step-by-step approach, we are able to understand the emissions impact of the entire Constantia Flexibles value chain.

In order to attain the Group-wide goal of a 40% reduction in CO₂ by 2023 (per square meter produced), Group-wide integration of all sites for recording the Scope 3 emissions, in particular, stood at the forefront. In the course of a risk assessment, hot-spots were then able to be identified and analyzed, and projects were initiated for the continuous improvement of sustainability performance across the value chain.

It can be observed that in 2016 Constantia Flexibles had a total of 88 initiatives with environmental focus. Some 36 initiatives intended to reduce energy consumption have been implemented among which 21 resulted in total savings of 9.51 GWh.

Constantia Flexibles committed CO₂-emissions reduction by 2023

40%



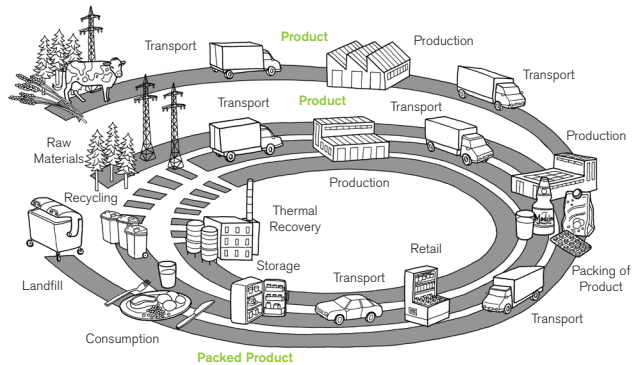
Life cycle assessments

As a basis for the improvement of our environmental footprint, we undertake life cycle assessments. Here, Constantia Flexibles is treading on new, innovative ground.

Life cycle assessments at Constantia Flexibles have thus been conducted since mid-2015, via a semiautomated approach, in order to meet the range of inquiries from customers and those which come up in the course of life cycle design more efficiently.

In the process, corporate and raw material data is automatically entered into life cycle assessments models and made available to various internal and external interest groups via web-based platforms.

As part of quality assurance and to ensure that –



- * the procedures and methods for developing the underlying models follow the requirements described in the Standards ISO 14040 and ISO 14044;
- * the primary and secondary data used, including their sources (e.g. background datasets), indicators and assumptions are appropriate; and
- * the interactive Meta LCA-Model functions correctly and delivers

comprehensible results. CF desired a critical review by an independent expert. Critical appraisal of the Meta LCA-Model (extract/ statement of verifier):

The Meta LCA-Model is a sophisticated tool which enables Constantia Flexibles to assess the potential environmental impacts of its diverse packaging solutions to a high level of detail and with great flexibility.





Transparency

Constantia Flexibles represents complete transparency regarding our sustainability performance, which is why we are also working toward collaboration with selected platforms. Alongside our internal platform, we also work with a range of providers, according to the division in question.



EcoVadis

aims at improving environmental and social practices of companies by leveraging the influence of global supply chains. EcoVadis operates the first collaborative platform providing Supplier Sustainability Ratings for global supply chains. Constantia Flexibles has been evaluated by

Ecovadis on Group and on plant level and has thereby achieved Ecovadis' silver and even gold rating. This good result places our company among the top performers evaluated by EcoVadis.

Carbon Disclosure Project (CDP)

CDP evaluates strategies, goals, and actual reductions in emissions annually, along with the transparency and verification of reported data. In recognition of both the high degree of transparency in our climate change reporting and our climate protection efforts, Constantia Flexibles was awarded a high CDP Climate Score Rating.

„We are very proud that we achieved B in the climate score – compared with the global average we are among the top 12.1% of all companies evaluated and thus above global average.”

With respect to the general reporting of non-financial key figures, Constantia Flexibles was also able to completely meet the requirements of the French Grenelle II legislation for the first time in 2015. In this instance, we were especially delighted that the high degree of completeness and reliability of the key figures reported was confirmed by external verification/validation.



Responsible/ ethical sourcing

We see our partnerships across the entire value chain, for example, in implementing “responsible sourcing” certifications and even achieving improvements on the side of the supplier, as an important factor in a comprehensive approach to sustainability.

Constantia Flexibles is as a logical consequence, a founding member of initiatives such as the Aluminium Stewardship Initiative (ASI).

The Aluminium Stewardship Initiative was established to promote sustainability performance and transparency across the entire aluminum value chain. Introduced by several businesses, ASI, as a non-profit initiative, aims to mobilize a broad base of players in the value chain toward implementing responsible business ethics and environmental and social performance practices and toward establishing corresponding standards.

The New Plastics Economy is an ambitious, three-year initiative to build momentum towards a plastics system that works.

Applying the principles of the circular economy, it brings together key stakeholders to rethink and redesign the future of plastics, starting with packaging.

Catalyzing change in this global material flow will not only create a more effective plastics system, but will also demonstrate the potential for a wider shift from a linear to a circular economy.¹



Stop waste/ save food

SEDEX (Supplier of Ethical Data Exchange) is an important ethical standard for Constantia Flexibles. SEDEX is a non-profit organization and platform for members who are constantly working on improvements in terms of ethical procurement criteria throughout the value chain. SEDEX focuses on four areas: Labor standards, health & safety, environment, business ethics. The majority of our companies are already members of SEDEX.

At Interpack, the world's leading trade fair in Düsseldorf (Germany) specialists from the packaging industry were thinking about how food waste can be put to an end and how packaging industry can help. This resulted in the Save Food initiative, which received even international recognition in 2011. The United Nations World Food Organization (FAO) and its environmental program are participating in the campaign. An amazing feature, as the UN organizations are usually reluctant to cooperate with the economy. As Messe Düsseldorf, which launched the project, was accepted as a neutral body, the UN organizations were able to participate as partners.

asi Aluminium
Stewardship
Initiative



¹ www.aluminium-stewardship.org
and newplasticseconomy.org



Quality standards

Certified companies of the Constantia Flexibles Group ensure continuously high quality. In addition to our efforts to offer our customers attractive solutions based on innovative products, we also consider the legal compliance of our products to be a top priority. We guarantee this by constantly following the developments of legal requirements that apply to our flexible packaging products.

- * All sites have implemented a Quality Management System
- * Specifically certified systems in dedicated plants
- * Full traceability of raw materials and processes
- * Raw materials only from approved suppliers
- * Implemented risk management
- * Fulfilment of legal requirements
- * Well-equipped quality labs at Constantia Flexibles' sites
- * Full compliance with customer specifications

*** Constantia Flexibles holds about 150 ISO-certificates for its plants worldwide, here an excerpt.**

BRC, FSSC 22000, FSC-CoC, AIB, ISO 9001, DPG, ISO 14001, ISO 50001, FDA/IMS, SQF 2000, ISO 15378, SMETA, OHSAS 18001, ISO 22000, ...



Employees

Constantia Flexibles Group is an attractive employer with a performance-oriented rewards culture, corresponding benefits, and a business culture focused on staff development. Our employees are the key to our success; they are the ones who enable us to be a reliable partner for our customers.

The Constantia Flexibles Group is made up of people of various different origins, cultures, religious affiliations, genders, and ages. This results in a range of different ways of thinking and viewing the world, of competencies and experiences, all of which contribute to the lasting competitiveness of our company.

Our companies take comprehensive steps to support human rights and prevent child and forced labor, in line with the respective legal statutes. Group management guidelines strictly prohibit discrimination for reasons of race, origin, religion, disability, gender, sexual orientation or political beliefs, and this policy is implemented as a matter of course.

Almost 70% of Constantia Flexibles' employees are blue collar employees. 94.1% of the employees of Constantia Flexibles are full-time employees and have permanent employment contracts. Additionally Constantia Flexibles is often giving people job retention in rural areas.

56% of Constantia Flexibles' employees are 30–50 years old. Its workforce is 23.4% female and 76.6% male.

Constantia Flexibles is an equal opportunity employer with all employment decisions made without regard to race, color, religion, sex, sexual orientation, gender identity, age, disability, national origin, and citizenship/immigration status. 2.5% of Constantia Flexibles' workforce at plants are employees with disabilities.



Social initiatives

We regard being a good neighbor as a matter of importance and therefore actively seek the assumption of social responsibility at our business locations. Accordingly, all sites are expressly urged to become actively involved socially.

Every year there is the possibility to submit projects for the Constantia Flexibles Social Award of Constantia Flexibles. The best projects will be presented in a traditional gala in Vienna. The high quality and large number of the projects submitted previously reflect the enormous commitment of the staff with regard to social engagement.

Recent examples:

* 1

Constantia Flexibles is supporting 20 START students in Austria. This sustainable initiative operating in several Austrian states wants to contribute to the educational careers of gifted students with a migration background, supporting their social commitment and community involvement to facilitate integration. www.start-stipendium.at

* 2

Constantia Cooking – Employees of Rivergate headquarters cook for homeless at VinziRast in Vienna since 2009

* 3

Visionaries and Voices, Cincinnati USA, Constantia Spear supporting art projects and gallery of people with disabilities since 2013

* 4

Project Gift, Blythewood, USA. Since August 2007 Constantia Blythewood and its employees have been active in the local community, providing food to hungry children.

* 5

Verstraete, Belgium. Every employee received a beach ball and was encouraged to take a photo of it on holiday and then share on the company's facebook page. Verstraete made a donation for every photo to an organization fighting leukemia

* 6

Project „Muthande Lamontville“, Constantia Afripak, South Africa. The company built a service center for elderly in Durban. Project took seven years



Health, Safety, Security, Environment (HSSE)

Constantia Flexibles promotes the constant development of Health & Safety at work with the aim of continuous and sustainable improvement of the work environment by managing all related hazards and risks to avert any potential adverse effect to Humans, Finance, our Reputation and the Environment.

Constantia Flexibles acting as a worldwide team integrates this overarching approach with regard to HSSE being part of our daily business-life.

We strive for achieving our goal of "ZERO LOSS – NO HARM" for protecting all our assets and declare ourselves accountable from the entrepreneurial view.

As part of our ongoing efforts to avert harmful losses, we provide our employees with trainings, which are most relevant to their role creating awareness and understanding of hazards attached to their work.

Further combined efforts will be realized to accelerate our quality of work. Constantia Flexibles started to establish a HSSE-framework undertaking certain enhancements by implementing group-standards,

providing Safety-Leadership trainings for Senior Management and by having competent HSSE-experts at all organizational levels available.

This global HSSE-community – lead by the Group function – continuously develops and delivers continuously Safety Initiatives and shares group wide lessons we have already learnt due to near misses or even accidents to prevent their re-occurrence.



Facts and Figures Constantia Flexibles



#2
in Europe



#4
globally



55
production facilities
in 24 countries



Headquarter
in Austria,

Vienna

3

Business
Segments



Food / Pharma / Labels

48%
aluminium based

44%
plastic based

8%
paper based
products



about
10,000
employees

Sustain ability

in general



4,000
external requests for
sustainability/year

600

ecological assessments
and life cycle assessments
for raw materials
and products
per year

Sustain
ability

in 2016



64

sponsoring activities
worldwide



51

social initiatives
(thereof 64% with focus
on local communities)

about

50%

of the world's electricity
purchased from
renewable resources



88

initiatives with environ-
mental focus reducing
energy consumption and
CO₂ emissions



>50%

of our plants own technologies for the recovery
of solvents and for the avoidance of solvent emissions

About

150

ISO-certificates
for our plants
worldwide

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