

**SUSTAINABILITY  
REPORT  
2020**



# TABLE OF CONTENTS

## **03 INTRODUCTION**

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- 03 CEO's introduction
- 04 About CANPACK
- 05 CANPACK's approach to sustainability
- 06 Policies and standards
- 07 Sustainability awards

## **09 CARE**

---

- 10 Only zero accidents will do
- 12 We respect the rights and dignity of all of our employees
- 17 Opportunities for young people and women
- 19 Helping people in need

## **21 SUSTAIN**

---

- 22 We comply with global standards of environmentally responsible operations
- 25 Water stewardship
- 26 Environmental awareness programmes and our carbon footprint
- 27 Responsible use of raw materials and energy

## **29 RECYCLE**

---

- 30 We design and manufacture fully recyclable packaging
- 31 Our aim is zero waste to landfill
- 32 Improving recycling rates of beverage cans

## **33 SUMMARY**

---

- 34 Materiality Analysis

## **35 CONTACT**

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# CEO'S INTRODUCTION

At CANPACK, we work hard to “create that feeling” for the brands we work with.



**ROBERTO  
VILLAQUIRAN**

CEO CANPACK  
Group

At CANPACK, we work hard to “create that feeling” for the brands we work with. This goes beyond the look and feel of our packaging solutions. One feeling that’s becoming increasingly important to create is that our clients and their consumers feel they have made a sustainable decision by choosing to work with us or by choosing to use our products. On account of this I am proud, on behalf of the entire CANPACK Group, to introduce our first sustainability report.

Over the last two years, we have worked hard to set up a structured sustainability management system. We launched our CANPACK Global Sustainability Policy in 2019, which revolves around three sustainability pillars: **CARE, SUSTAIN, and RECYCLE.**

In accordance with these pillars, we have put a variety of sustainability activities into practice across all of our sites, which are described in more detail within this report. An important milestone has been the launch of our sustainability key performance indicators

(KPIs) reporting system, which enables us to continuously monitor and improve our sustainability performance.

In Autumn 2019, we signed up to the ten principles of the UN Global Compact. This demonstrates our commitment to creating a sustainable business that can play a part in helping to achieve the UN’s ambitious Sustainable Development Goals. CANPACK has always been a responsible company, but this is the first time we have published our progress against these far-reaching goals.

These are only the first of many steps on our sustainability journey. In the future, we hope to collaborate even more with our business partners, clients, suppliers, and competitors to play our part to make the entire industry even more sustainable.

Kraków, September 2020

A handwritten signature in blue ink, which appears to read "Roberto Villaquiran". The signature is stylized and written in a cursive-like font.

# ABOUT CANPACK

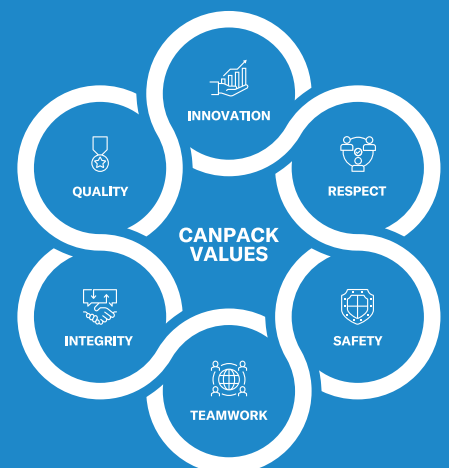
CANPACK Group has its roots in Poland. From our headquarters in Kraków, we have been operating in the metal and glass packaging market for 30 years.

Over time, our company has evolved into a modern capital group and has become a leading manufacturer in the beverage packaging industry in Central and Eastern Europe. We have also constantly strengthened our market position in Western Europe, Asia, Africa, South America, and recently announced our entry into the US (the world's largest market for aluminium beverage cans).

Today, CANPACK S.A. is the main entity of the CANPACK Group, and thanks to continuous investment in world-class equipment and know-how, we have increased the range of packaging and services we offer. We are the leading global producer of environmentally-

friendly, modern packaging solutions, able to supply top-quality primary packaging on time, wherever it's needed. We employ almost 8,000 people worldwide, in production sites for aluminium beverage cans, a wide range of welded steel cans for the food industry, glass bottles, crown corks, and aerosol cans, as well as packaging for the chemical and cosmetic industries.

The foundations of CANPACK Group's growth are strong, trust-based relationships with both large multinational beverage producers and strong local market players. These relationships are defined by our set of values which includes Safety, Quality, Integrity, Teamwork, Respect and Innovation.



“ We are the leading global producer of environmentally-friendly, modern packaging solutions. ”



# CANPACK'S APPROACH TO SUSTAINABILITY

A commitment to sustainable development lies at the heart of the company's business strategy and corporate culture.

By thinking and acting in a sustainable manner, we recognize our responsibility as an employer, packaging producer, business partner and community member. This allows us to develop our business responsibly and contribute to economic growth, while respecting environmental and social needs.

Our three sustainability pillars, **CARE**, **SUSTAIN** and **RECYCLE**, provide the framework for our goals and reflect the expectations of our stakeholders. In order to provide practical guidance to our employees and suppliers for each of these pillars, we have implemented guidelines and policies that set out clear objectives and describe the roles and responsibilities for everyone working for, or with, CANPACK.

**CARE**  
**SUSTAIN**  
**RECYCLE**

# POLICIES & STANDARDS

As a global business we either exceed or work in-line with local laws and regulations.

In countries where legislation is in an early development phase or where norms are not widely implemented, we still recognize our responsibility to protect the environment, natural resources and human health, along with the quality and safety of our products. To ensure higher standards, our plants have been implementing and certifying the following management systems:

- **Environmental:** ISO 14001 standard
- **Energy:** ISO 50001 standard
- **Occupational Health and Safety:** OHSAS 18001 / ISO 45001 standard
- **Product/Food Safety:** BRC/FSSC 22000/ISO 22000 standard
- **Quality:** ISO 9001 standard
- **Carbon footprint:** ISO 14067 standard

Our integrated management system is the key to the successful implementation of the policies and procedures that set the framework for our activities.

The most important, from the perspective of sustainability, are:

- CANPACK Group Sustainability Policy
- CANPACK Group Code of Conduct
- Integrated Management System Policy
- CANPACK Group Global Environmental and Health & Safety Policy
- Global Trade Compliance Policy
- Global Anti-Corruption Policy
- Risk Management Policy
- CANPACK Group Data Protection Policy
- Security Policy
- CANPACK Group Supplier Code of Conduct
- Purchasing Procedure and related procedures: Internal Procedure of Procurement and Cooperation Office – Suppliers’ Audits, Procedure on Entering Suppliers into Suppliers’ List.

CANPACK Management regularly reviews the efficiency of implemented systems and makes sure that our policy goals are known, understood, and observed by all employees.

KEY PERFORMANCE INDICATOR	UNIT	2018	2019
Facilities ISO 14001 certified	%	48	52
Facilities ISO 50001 certified	%	4	4
H&S certification (ISO 45001 / OHSAS 18001 / others)	%	39	48
Employees who have signed CANPACK Code of Conduct	%	100	100
CANPACK production sites covered with carbon footprint calculation	%	100	100

# SUSTAINABILITY AWARDS

We are extremely proud of the external recognition we have received for the work we have done to become a better, more sustainable business.

These awards demonstrate our commitment to conduct business in an environmentally and socially responsible manner. They also

confirm that we really do base activity on our **CARE, SUSTAIN** and **RECYCLE** pillars. Prizes we are particularly proud of include:



## SILVER RATING BY ECOVADIS FOR SUSTAINABILITY PERFORMANCE (2019)

This places CANPACK in the top 2% of companies in the metal manufacturing industry and was driven by higher scores than in the previous year for all assessed categories: Environment, Labor and Human Rights, Ethics and Sustainable Procurement.



## BEST SUSTAINABLE PACKAGING SOLUTIONS CEE (2020)

For our outstanding commitment to employees, communities and the environment. These are great results, but we are determined to achieve even more. By constantly raising our standards and improving our results, we'll not only be a more responsible business, we'll also play our part in creating a more sustainable industry.



## FAIR COMPANY (2020)

This defines our company as a CSR Leader, and takes account of our involvement in charity and sponsorship activities, and confirms our responsibility as a producer, employer and community member.



## GREEN COMPANY (2020)

In recognition of our measures to reduce the total environmental impacts of our activity and for our social responsibility programmes conducted by the company in the field of ecology.

CARE  
CAKE  
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CAKE



# CARE

We take care of our employees and our communities.

Our first sustainability pillar, **CARE**, defines our responsibilities to our employees and local communities. It includes health and safety; protection of human rights; prevention of discrimination, corruption, forced labor and child labor; as well as community engagement. The activities undertaken by CANPACK within this pillar are consistent with the United Nations Global Compact (UNGC) principles and reflect our contribution to the implementation of Sustainable Development Goals (SDGs) established by UN Member States in 2015.

## ALLOCATION OF UNGC PRINCIPLES

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.

**Principle 2:** Businesses should make sure that they are not complicit in human rights abuses.

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** Businesses should uphold

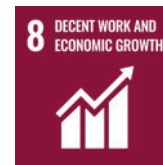
the elimination of all forms of forced and compulsory labor.

**Principle 5:** Businesses should uphold the effective abolition of child labor.

**Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

## ALLOCATION OF SDGs



“ We strive to not only have safe and accident free workplaces, we also want CANPACK to be a company that supports good health and well-being. ”



# ONLY ZERO ACCIDENTS WILL DO

In order to ensure a safe working environment for all our employees, we have implemented a variety of health and safety measures.

These include detailed health and safety risk assessments, the provision of personal protective equipment (PPE) and regular safety inspections of our equipment. We have put in place procedures to anticipate health and safety risks related to changes of operation as well as handling of chemicals and hazardous substances procedures, all of which are translated into the languages spoken by our employees.

To promote a healthy workplace, we have implemented preventative measures for stress and noise, such as silencers and noise cabins. We strive to not only have safe and accident free workplaces, we also want CANPACK to be a company that supports good health and well-being.

The best example is our plant in India, which was awarded with Platinum status by the Indian Green Building Council (IGBC) for providing a healthy workplace to its employees. Following the principle of 'Safety First', we always put the health of our employees first. In the face of any health threat, even if it is not directly related to our activity, we will make quick responsible decisions, implement protection measures and provide employees with safe working conditions.

All relevant employees are trained on health and safety risks and good working practices on a regular basis and undergo topic-specific online training. These health and safety training programs are extended to any subcontractor working on our premises. To safeguard the health and safety of our employees, all aspects are overseen by a Joint Health and Safety Committee.



“All relevant employees are trained on health and safety risks and good working practices on a regular basis and undergo topic-specific online training.”





During the COVID-19 pandemic, we have implemented multiple measures at our facilities to protect our employees. These measures include increasing sanitation within our facilities, limiting the number of employees gathering in our canteens, limiting visitors to our sites, encouraging

working at home for some and staggering shifts for others, limiting travel for all, temperature screening all employees, and following standards established by the World Health Organization relating to personal hygiene and social distancing.

KEY PERFORMANCE INDICATOR	UNIT	2018	2019
Employees trained on health and safety issues	%	100	100
Health and safety risk assessment conducted	%	100	100
Impacted employees with PPE (personal protective equipment)	%	100	100
Total Recordable Incident Rate (TRIR)	-	1.77	1.59
Average number of hours of safety training per employee	hr	4.72	10.09

# WE RESPECT THE RIGHTS AND DIGNITY OF ALL OF OUR EMPLOYEES

We are aware that the success of CANPACK is strongly dependent on teamwork, so we've created a culture and work environment that embraces diversity, fosters inclusion, and offers development for our employees. The protection of human and labor rights lie at the heart of our commitment to being a responsible business. Through internal training courses, our management and employees are made aware of human

rights issues, and, most importantly, they are encouraged to report any concerns.

Any incidents can be brought to our attention through our whistleblower mechanism or by approaching an immediate supervisor/manager, the HR department, health and safety inspectors, employee representative body (work councils) or the CANPACK ethics officer.



## RIGHT TO LIFE AND HEALTH

We believe it is imperative that our employees are protected from injuries, noise and dust by means of PPE and by providing them with access to medical care. We also believe we have a duty to protect the communities we serve. For example, we have put dust filters and silencers on our production facilities to protect the local environment. And because we are primarily a manufacturer of food and beverage packaging, we ensure that all of the packaging we make adheres to the strict standards as set out in ISO 22000.

## RIGHT TO PRIVACY

CANPACK guarantees the right to privacy through a systematic data protection and IT security plan. To prevent any breaches of confidential information, security risk assessments, as well as audits of control procedures, are carried out on a regular basis. CANPACK has also implemented a record retention schedule, an incident response procedure, and rolled out awareness courses which include phishing training to ensure third party data is protected from unauthorized disclosure. The whistleblower system can also be used to report any breaches of privacy.





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## RIGHT TO MARRY AND FORM A FAMILY

At CANPACK we strongly promote the right to marry and form a family. In recognition of this, we organize events for families and children such as picnics, children's days, sports events and other family meetings.



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## RIGHT TO FREEDOM OF THOUGHT, CONSCIENCE AND RELIGION

CANPACK has a diverse international team. We work hard to ensure that our working conditions promote diversity and strive to create the environment where people of different ethnic, cultural and religious backgrounds can thrive.

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## RIGHT TO WORK

CANPACK is one of the major employers within the packaging industry, employing nearly 8,000 people in 19 countries across four continents. Alongside providing job opportunities, the company encourages career development through many paths. We carry out an annual individual performance assessment and the training needs identified are set out in a tailored career plan. Every employee is given the opportunity to partake in skills development programs as well as internal international work placement opportunities in order to help them develop professionally.







**RIGHT TO ENJOY JUST AND FAVOURABLE CONDITIONS OF WORK**

In accordance with the guidelines set out by the International Labour Organization (ILO), CANPACK ensures that every employee can enjoy just and favorable working conditions. These include flexible working, compensation for extra or atypical working hours, a transparent remuneration process, as well as a bonus scheme based on company performance. To help our employees keep a good work-life balance, we provide a system of benefits that supports and promotes physical, cultural and tourist activities.

**RIGHT TO FORM AND JOIN TRADE UNIONS AND THE RIGHT TO STRIKE**

CANPACK strives for transparency by building a dialogue with employees and consulting on issues that affect them. All employees have the right to represent their own interests, including the ability to form and join trade unions, which is fully guaranteed by law.

KEY PERFORMANCE INDICATOR	UNIT	2018	2019
Human rights impact assessment performed	%	100	100
Employees receiving 24 hours rest within a timeframe of 7 consecutive days	%	100	100
Granting of paid annual vacation	%	100	100
Granting of special remuneration / time off for overtime worked	%	100	100
Employees receiving social benefits (health care, childcare allowance etc.)	%	88	100
Average number of hours of skill development training per employee	hr	15.48	12.73
Data protection procedure implemented	%	100	100

## NON-DISCRIMINATION



At CANPACK we have introduced proactive measures to make sure our employees are aware of, and protected from, discrimination.

During the recruitment phase, all candidates receive a detailed description of the recruitment process which clearly communicates that applicants of any social, cultural and religious background are welcome to apply. We do our best to integrate employees with disabilities and ensure equal work opportunities for all members of staff by providing accessible restrooms, accommodation, transport infrastructure and work equipment.

In order to manage our human resources in a responsible and honest way, we have implemented Global Grading, which is a standardized method of classifying jobs across a global company. We map jobs, not people, in relation to one another, with vertical and horizontal checks.

We intend to create Grading Maps for all CANPACK businesses and keep them updated regularly.

CANPACK's Pay Philosophy is a reflection of CANPACK's core values – we treat equally employees who perform the same work with comparable results (Integrity) and pay a competitive salary, adjusted to the local market (Respect). Our bonus system depends on team objectives and results (Teamwork). We pay discretionary rewards for innovations and savings (Innovation), and a salary adequate to high-quality work (Quality).

Employees are made aware of our activities through dedicated anti-discrimination awareness training, and are encouraged to use our whistleblower 'Speak-Up line' in case of any transgressions. All whistleblowers are given full anonymity and immunity.

## NO CHILD AND FORCED LABOR



At CANPACK we condemn any form of child or forced labor.

We perform risk assessments to identify operations exposed to potential child or forced labor. Other measures include site-specific guidelines, instructions and systems to prevent the entry of underage persons into our factories. We constantly monitor our organisational structure and supply chain, and audit our internal processes regularly to prevent any form of exploitation. Child and forced labor, slavery and human trafficking are also part of our awareness training programs. Any incidents can be reported through our whistleblower mechanism.

**ANTI-CORRUPTION**



To prevent any form of corruption or bribery, CANPACK undertakes periodic risk assessments as well as regular audits of our accounting and purchasing transactions.

The company has a specific approval procedure for sensitive transactions such as gifts, entertainment and vendor relations. Before going into business with a third party, an extensive anti-corruption due diligence process takes place, which complies with the Foreign Corrupt Practices Act (FCPA) guidelines. Any misconduct can be reported through our whistleblower process, which is communicated through our anti-corruption and bribery training program which is mandatory for every employee to attend.

**ANTI-COMPETITIVE PRACTICES**



Anti-competitive practices are not tolerated at CANPACK.

Similar to our anti-corruption program, we regularly include anti-competitive practices in our periodic risk assessments, audit our control procedures, undertake employee training and encourage any bad practice to be reported through our whistleblower mechanism. In addition, we provide our employees with clear competitor interaction guidelines, covering aspects such as participation in trade associations or business meetings and competition law guidelines.

<b>KEY PERFORMANCE INDICATOR</b>	<b>UNIT</b>	<b>2018</b>	<b>2019</b>
Employees trained on discrimination and diversity	%	100	100
Employees trained on child labor, slavery and human trafficking	%	100	100
Employees trained on business ethics (corruption, IT security, anti-competitive practices)	%	100	100
Business ethics risk assessment performed	%	100	100
Age admission check performed	%	100	100

# OPPORTUNITIES FOR YOUNG PEOPLE AND WOMEN

At CANPACK we believe education is the key to fostering sustainable values at a young age.

To fulfil our obligations as a good corporate citizen, CANPACK has set up various environmental and social awareness projects at our sites across the world. In Poland, for example, CANPACK is involved in the 'Business vs Smog' project to educate and promote the value of a clean environment and natural resources.

Education plays a very important role in accelerating sustainable development, and this has been highlighted as one of the SDGs. In order to support this belief, we have

and supports the professional development of local communities. A good example is in Thakarwadi village, India, where we have built 200 rainwater collection systems to protect local communities from some of the negative effects of climate change. In Maharashtra, we have also launched a waste sorting plant which not only provides jobs for the local community, but also supports the development of the circular economy.

Additionally, we support local farmers by offering training programmes in soil and

## **“WE STRIVE TO UNDERSTAND THE DIFFICULTIES AND CHALLENGES THAT COMMUNITIES IN MANY OF OUR LOCATIONS ARE TRYING TO MEET.”**

supported various school and educational projects in India aimed at providing good learning conditions. These include access to libraries, mobile science laboratories, sanitary facilities, playgrounds, sports equipment and drinking water.

We have also funded projects which equip students with the soft skills necessary to apply for jobs. In Poland, CANPACK provided scholarships for students of the Jagiellonian University Faculty of Law and Administration in Kraków to partake in a student exchange program in Kiev and offered summer internship program at our headquarters in Kraków.

Our company contributes to the improvement of living conditions in the areas we operate

water conservation, and we have undertaken several tree planting projects.

In the Netherlands, as in India, we use our potential as an employer to support the local community and provide it with a chance to work in fair conditions. Landscaping for our 9 hectares site in Helmond is done by people who feel excluded from the labor market through an organization named Senzer.

We strive to understand the difficulties and challenges that communities in many of our locations are trying to meet. CANPACK is open to cooperation and we are ready to use our position to help those in need. CANPACK Romania participated in 'Zambetele lor conteaza' raising money for 25 disadvantaged children from Berceni village.



In the municipalities of Maracanaú and Itumbiara in Brazil, we are proud to have supported the most vulnerable in the community. Support has included donating toys, clothing and personal hygiene products to orphanages, providing food baskets for hospitals and making financial donations to elderly people on a low income. The important thing to note about these projects is that CANPACK's own employees help deliver these campaigns. By giving up our own time to help others, we are able to make a real difference.

Our company contributes to the promotion of a healthy lifestyle and physical activity, especially among children and young people. In Morocco, we are a member of the Association Sportive de l'Amitié de Casablanca, where we donated money for a digitization project. In Poland, we sponsor three sports academies: the Wisla CANPACK Academy, the CANPACK Okocimski Brzesko Academy and the Cracovia Hockey Academy.

We also support the local soccer team in Vyshgorod, Ukraine.

In the face of the global COVID-19 crisis, we now pay even more attention to the needs and concerns of local communities and make every effort to provide them with our support. CANPACK has not only donated masks, anti-bacterial gel, disinfectants, medical equipment and food, but the technical capabilities of our R&D department have enabled us to produce protective shield masks using 3D printing.

As a company we advocate gender equality. We have organized empowerment sessions for women and self-help groups in India, and for many years financially supported a female basketball team and basketball training program for girls. And in Morocco, CANPACK cooperates with 'Terre des Femmes' on a female empowerment program to support the development and independence of women.





# HELPING PEOPLE IN NEED

In 2015, we set up the CANPACK Foundation to make a lasting difference to society.



By working with other institutions and organizations, we have been able to effectively support many different projects including:

## HEALTHCARE

e.g. the 'Make it before disease' project in Brazil, the Association of Women with Oncological Problems in Brzesko, and the purchase of medical equipment for the oncology and haematology wards of the University Children's Hospital of Kraków

## SPORT

e.g. the 'We train with passion' project with the Children's Football Academy Association in Dębica, and the 'Brzeska Dycha' with the Jakub Sports Club in Brzesko

## CULTURE AND EDUCATION

e.g. the 'Bet on Family' project with the Culture Center in Brzesko, and the 'Lesson of patriotism with Pilecki' project with the Power of Joy Association in Jodłówka

## ACTIVITIES FOR THE DISABLED

e.g. an educational trip for the students of Special Branch School in Bydgoszcz, and 'Team A' project for people with Asperger's syndrome with Superpower Foundation in Kraków

## LOCAL INITIATIVES

e.g. The 'Hydro rehabilitation' project in a nursing home in Orzesze, and the purchase of medical equipment for fire brigades in Rzezawa and Jaworsko

We are extremely proud that the Foundation's activities are often initiated by our employees, who are socially active volunteers and are able to quickly organize action to help local communities. Under the 'Time for Volunteering' program, we promote the activity of our employees who, thanks to financial support, were able to implement original social help projects last year. Furthermore, our employees are involved in providing children with Christmas gifts, participating in sporting activities, promoting an active lifestyle, as well as showing mutual support by organizing fundraisers for their colleagues who are in difficult life situations.

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# SUSTAIN

We look after our environment.

Our second sustainability pillar, **SUSTAIN**, drives company-wide procedures and activities with the aim of reducing our environmental impact. Our strategy revolves around following best practice examples in this area, complying with global environmental standards, water stewardship, carbon footprint management, as well as efficiency in the use of energy and materials.

## ALLOCATION OF UNGC PRINCIPLES

**Principle 7:** Businesses should support a precautionary approach to environmental challenges.

**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.

**Principle 9:** Businesses should encourage the development and diffusion of environmentally-friendly technologies.

## ALLOCATION OF SDGs



“As a manufacturer of packaging products, we strive to minimize our impact on the environment as much as possible.”





## WE COMPLY WITH GLOBAL STANDARDS OF ENVIRONMENTALLY RESPONSIBLE OPERATIONS

As a manufacturer of packaging products, we strive to minimize our impact on the environment as much as possible.

We not only comply with the laws and regulations of the countries we operate in, but also adhere to internationally recognized voluntary standards. We have implemented ISO 14001 standard environmental management systems throughout our operations. And our plant in Scunthorpe in the UK has implemented an ISO 50001 energy management system. In 2020, when EcoVadis carried out a sustainability

rating, we received a silver medal for our social and environmental activities. We also report our carbon footprint annually to the Carbon Disclosure Project (CDP). To ensure compliance with these standards throughout our supply chain, we conduct sustainability risk assessments covering not only our own operational boundaries, but also our suppliers.

This activity helps us to identify any potential risks to our sustainability efforts and helps us put mitigation measures in place. Furthermore, all CANPACK plants are obliged to set internal environmental targets related to five KPIs: electricity consumption, thermal energy consumption, water consumption, waste generation and waste recycling.

We actively implement global standards and the best environmental practices in our production activity.

At our Volokolamsk aluminum cans production plant in Russia, we are testing a BioReactor to reduce volatile organic compounds (VOC) and intend to implement this solution across the CANPACK Group if the test results are positive. We expect this solution will significantly reduce gas consumption and NOx emissions.

In Brzesko, Poland, and Tocancipá, Colombia, we installed devices to increase the concentration of VOCs in the waste gas, which are used to heat the inlet gas as a result of the autothermal reaction. Thanks to the high concentration of organic compounds, there is no need to supply any additional energy from natural gas to afterburn VOCs. This significantly reduces the consumption of natural resources.

We are always open to new technologies and are looking for improvements that could help us reduce the negative impact of our activities on the environment and human health.



“ We are always open to new technologies and are looking for improvements that could help us reduce the negative impact of our activities on the environment and human health. ”



A great example is the Automated Warehouse, launched in Hämeenlinna, Finland, where traditional gas forklifts have been replaced by electric AGVs. This optimization reduces gas

consumption by 90%, decreases emissions and provides safer working conditions, reducing the risk during the handling and storage of finished goods, packaging and chemicals.

**“WE ENCOURAGE OUR SUPPLIERS TO REDUCE THEIR GREENHOUSE GAS EMISSIONS.”**

We also implement other solutions in the field of logistics management, striving to ensure efficient, environmentally- and economically-friendly transport of our goods.

At CANPACK’s plants in Finland and in the Netherlands we use High Capacity Trucks (HCTs), which thanks to the new design of the transport vehicle space can hold up to 42 pallets of beverage cans. The HCTs reduce the number of long-distance vehicle runs, reducing the negative impact of transport on the environment and society.

Collaboration with our suppliers to advance our sustainability agenda has become increasingly important over recent years. For instance, a dedicated in-house sustainability team is responsible for training CANPACK buyers and suppliers on sustainability challenges. We particularly encourage our suppliers to partake in the CDP supply chain program in order to help them to reduce their greenhouse gas emissions.

As part of our terms and conditions, all suppliers are required to sign our CANPACK Supplier Code of Conduct which sets out our expectations on how to conduct socially and environmentally responsible business. To guarantee suppliers adhere to our guidelines, our sustainability team regularly assesses and audits suppliers on their sustainability practices (69% of our suppliers were audited on CSR issues over the period 2017-2019).

KEY PERFORMANCE INDICATOR	UNIT	2018	2019
Employees trained on environmental issues	%	100	100
Buyers trained on sustainability issues	%	100	100
Facilities with environmental management system implemented	%	100	100

# WATER STEWARDSHIP

Water management at CANPACK has two main goals: to decrease water consumption and to increase water quality.

We address consumption through employee awareness programs and innovative technology. At our plant in Dubai, we use advanced water metering systems, and we have a rainwater collection system at our plant in Novochoerkassk, Russia, which enables us to reuse water in our production processes. We also run water community programs which include installing ponds and rainwater wells to facilitate rainwater harvesting.

In Brazil, we have improved water quality with infrastructures such as water and wastewater treatment stations, and in India, we have implemented a zero liquid discharge system. We also regularly undertake water testing to prevent contamination of groundwater and provide our employees with water quality training.



KEY PERFORMANCE INDICATOR	UNIT	2018	2019
Total water consumption	m <sup>3</sup>	1,828,977	2,447,207
Water treatment	%	100	100

# ENVIRONMENTAL AWARENESS AND OUR CARBON FOOTPRINT

CANPACK works to reduce greenhouse gas emissions to prevent the negative effects of climate change.

Through active measuring, monitoring and reporting of the carbon emissions generated by our business operations, we have taken the first steps to reduce our carbon footprint.

Some of the reduction measures implemented include the production of renewable energy through solar panels, the purchasing of renewable energy at several of our sites, the optimization of how we use our machines (e.g. pump usage), and an employee awareness program on energy conservation. To offset any residual

greenhouse gas emissions in India, we have set up a tree planting program to sequester carbon dioxide.

In 2019, 70% of electricity in Polish CANPACK plants located in Brzesko, Bydgoszcz, Dębica, Tarnów and Orzesze came from renewable energy sources. The current agreement with the electricity supplier stipulates that in 2020 all electricity used in the above-mentioned plants will have guarantees of origin from renewable sources. A similar contract is in place for the production plant in the UK at Scunthorpe.

KEY PERFORMANCE INDICATOR	UNIT	2018	2019
CDP rating	score	D	C
Total carbon footprint	mt CO <sub>2</sub> eq.	4,373,548	4,440,552
Renewable electricity share	%	24	28

# RESPONSIBLE USE OF RAW MATERIALS AND ENERGY

At CANPACK we continuously work on improving our raw material efficiency.

By thinning the sidings of steel packaging, aerosol packaging, crown corks, and the thickness of aluminum can walls, we can substantially reduce the amount of material needed to manufacture our products without compromising the quality or performance of our containers. Thanks to advanced equipment, we have also been able to reduce our varnish consumption by precisely measuring the distribution of internal varnish.

Investments in equipment upgrades have increased our energy efficiency and reduced our fossil fuel energy consumption. An increasing number of CANPACK plants have been equipped with photovoltaic systems on factory roofs. Further upgrades have included LED lighting throughout our sites and regular flushing of our heating systems to improve performance.

At our site in Orzesze, Poland, we have been using a heat recovery system to generate compressed air for the production of bottles

from waste heat instead of conventional fuel sources. Thanks to regular monitoring of our consumption levels through meters and regular energy audits, we ensure continuous improvement of our energy efficiency.

We also consider energy saving issues at the planning and design stages of launching new plants. However, our efforts in the field of environmental protection and saving natural resources go beyond the production process. For example, at Helmond in the Netherlands, we provide our employees with free charging of electric cars in 8 permanent charging spots, and encourage them to use innovative and sustainable technological solutions. As a result, more of our employees are now using electric/hybrid cars. Although our total energy consumption is increasing because of the dynamic growth of CANPACK, for several years in a row we have managed to reduce both the average electricity and thermal energy consumption per product.

KEY PERFORMANCE INDICATOR	UNIT	2018	2019
Total electricity consumption	MWh	517,912	581,566
Total thermal energy consumption	MWh	953,751	1,010,112

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# RECYCLE

The Circular Economy.

Our third sustainability pillar, **RECYCLE**, describes our responsibility towards our products at every stage of their lifecycle. For many years now, CANPACK has been carrying out the collection of aluminum cans and educational programs that encourage recycling, with the aim of supporting a circular economy.

## ALLOCATION OF UNGC PRINCIPLES

**Principle 7:** Businesses should support a precautionary approach to environmental challenges.

**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.

**Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

## ALLOCATION OF SDGS



“ We recognize our responsibility towards the implementation of the circular economy. ”



# WE DESIGN AND MANUFACTURE FULLY RECYCLABLE PACKAGING

It is CANPACK’s declared goal to advance the circular economy – a more sustainable alternative to the traditional linear economy which is based on the paradigm of ‘take-make-dispose’.

In a circular economy, resources are kept in use for as long as possible, the maximum value is extracted from them whilst in use, and materials are recovered and

regenerated at the end of their service life. To advance the circular economy, we focus on packaging made of permanent materials which can be recycled over and over again, namely: aluminum, steel and glass. We also require our aluminum suppliers to provide data on the recycled content in delivered materials with the final goal of decreasing the primary materials used for production.

KEY PERFORMANCE INDICATOR	UNIT	2018	2019
Average recycled content of aluminum can*	%	51	52
Average recycled content of glass bottle	%	49	58

\* The Recycled Content in aluminum cans is based on the average data sent to CANPACK Group by its suppliers. Differences in methodologies used by suppliers for calculations may influence the final result. Given numbers are not verified by any third party.



## **OUR AIM IS ZERO WASTE TO LANDFILL**

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Due to the nature of our production process, waste is unavoidable. Therefore, we have implemented work processes and waste management plans to provide guidance on how to reduce, recycle and re-use waste.

With the help of waste management training and waste audits, we ensure that these guidelines are adhered to. We even have a dedicated waste management team in India – the Civic Response Team (CRT) – who

oversees recycling initiatives at our site there. All food waste generated in our plants in India is recycled and used as compost in agriculture.

In our plant in Vyshgorod, Ukraine, we have an initiative to cooperate with fillers and other packaging manufacturers in order to implement widespread, separate waste collection. Another very important step we have taken is to set internal reduction targets related to waste generation and landfill.

<b>KEY PERFORMANCE INDICATOR</b>	<b>UNIT</b>	<b>2018</b>	<b>2019</b>
Total amount of waste	mt	84,225	100,876
Waste recycled	%	92	91
Waste management plan implemented at production sites	%	96	100



# IMPROVING RECYCLING RATES OF BEVERAGE CANS

CANPACK’s commitment to sustainability extends beyond our manufacturing process and focuses on the whole lifecycle of our products.

We are particularly active in the lifecycle management of our base product – the aluminum beverage can. We run dedicated companies in Poland and Romania to collect used cans from the market and prepare them for efficient recycling.

Our company is also a committed member of the ‘Every Can Counts’ (ECC) program, which is running activities in 19 countries in Europe to promote can recycling to millions of consumers every year. The ultimate goal

of ECC is to make sure that each and every can will have a chance for a second life. It is not a typical educational campaign – it aims to create a magical experience for consumers and help them be a part of the circular economy.

We believe that increasing recycling rates is a task for many stakeholders, so we are actively involved in industry initiatives to support local governments in setting up proper collection schemes.

KEY PERFORMANCE INDICATOR	UNIT	2018	2019
Weight of collected used beverage cans in Poland and Romania	mt	22,576	22,907

“ We are actively involved in industry initiatives to support local governments in setting up proper collection schemes. ”



# SHARED AMBITIONS

This report is our first attempt to systematically describe our sustainability management system.

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Informed by the insights, requirements and ambitions of various stakeholders, we have been able to not only implement a comprehensive sustainability strategy ourselves, but also to cooperate with others to promote sustainability within the industry.

The stakeholders we have been working with over the last few years include our clients,

final consumers, suppliers (who we closely cooperate with to reduce our Scope 3 greenhouse gas emissions), our employees, governments, and local communities near our sites.

Thanks to this input, we have been able to refine our sustainability strategy to meet the needs and requirements of all those united by our shared products and business.







## **MATERIALITY ANALYSIS**

The structure and content of our three-pillar sustainability strategy – and ultimately of this report – has been influenced by several factors.

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As a signatory of the UN Global Compact (UNGC), we made sure to address all 10 Principles set out by the UNGC. We regularly undergo the EcoVadis sustainability rating, so we also included the criteria that we are being assessed on.

To incorporate the view of our stakeholders, we have conducted an online survey and in-depth interviews with our clients and employees. Our final selection is therefore a combination of all three sets of criteria.

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We recognize that sustainability is a dynamic journey and that we need to be able to adapt to changing circumstances. We therefore invite all our stakeholders to remain in active dialogue with us about sustainability.



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