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# SUSTAINABILITY REPORT



SÜDPACK Holding GmbH  
Sustainability Report for the  
2020–2021 Reporting Period

**SÜDPACK**

# KEY FIGURES IN 2021 & PROSPECTS IN 2022

We have generated **63 MWh** of energy ourselves from **renewable sources**

We employ people of **29 different nationalities**

**21%** of our **senior management** are younger than **35**

Our **waste** was **reduced by 15%** in comparison to 2019

From 2022, we will be able to set the **CCF to 0** of our German sites (in scope 2) by procuring green electricity

**30%** of our **turnover** is generated from **sustainable products**

In April 2022, we joined the **Science-Based Targets Initiative**

**57%** of our **total investments** are made in new technologies which contribute towards increased **sustainability**

We currently train **91 trainees and students**, of whom we then offer 80% a permanent job

## Nomination for the Environment Award for Companies 2022

In the year 2022, the Environment Award of the State of Baden-Württemberg is to be bestowed for the twentieth time. This prize is awarded by the state of Baden-Württemberg for remarkable achievements by companies in the field of environmental and climate protection and sustainable business.

A panel consisting of representatives from business organizations, scientific institutions, environmental and nature conservation associations, the trade unions, the State Institute for the Environment (Landesanstalt für Umwelt, LUBW), the Ministry of Economics and the Ministry of the Environment of Baden-Württemberg selects the award winners.

SÜDPACK was able to convince the jury in the first stage of the competition with its application in the category 'Industrial companies with more

than 250 employees'. Therefore, we received a personal visit by the panel, during which we presented our sustainability measures and our commitment to corporate environmental protection on-site. During this visit, we were able to give the panel a comprehensive overview of our sustainability actions and convince them of our achievements. SÜDPACK has now been nominated for the 2022 Environment Award. The prize-winner is to be announced in Stuttgart in December 2022.



**UMWELTPREIS FÜR UNTERNEHMEN BADEN-WÜRTTEMBERG 2022**

Nominierung

## Germany's Most Sustainable Medium-Sized Companies

SÜDPACK was named the 36th most sustainable company out of the top 50 SMEs in *WirtschaftsWoche's* cross-sector sustainability ranking of over 4,000 businesses.

For the first time, *WirtschaftsWoche* awarded accolades to the most sustainable medium-sized businesses in Germany. On behalf of *WirtschaftsWoche*, the Munich Strategy consultation firm analyzed the innovative strength of a total of 4,000 companies across multiple sectors which had a turnover of 10 million to approx. 1.5 billion euros.

By dint of an algorithm, the ESG targets formulated in the sustainability reports and their impact were first evaluated, as well as press releases and social media activities. From this data, the experts then calculated the Sustainability Score.

400 firms were ultimately shortlisted, which were then examined in more detail. The consultants primarily conducted detailed interviews with various stakeholders.

However, Munich Strategy took more than ecological aspects into account when making their final decision on the most sustainable medium-sized companies in Germany. Social and governance issues were also included in the assessment. According to Munich Strategy, what all the prize-winners have in common is that 'they have really shown involvement in all three categories for years with a balanced amount of effort. Above all, they do not "greenwash", but rather perceive sustainability as a way to achieve competitive advantages.'

**WirtschaftsWoche**

**Deutschlands Nachhaltigste Mittelständler**

**2022**

**SÜDPACK Verpackungen GmbH & Co. KG**

Im Vergleich: 4.000 Unternehmen  
Partner: Munich Strategy  
Ausgabe 26/2022



# SUSTAINABILITY AT SÜDPACK

The significance of sustainability has substantially increased over the past months. Many companies are focusing more and more on resource-saving, environmentally friendly technologies and products. The packaging industry is also undergoing a process of transformation: packaging made from sustainable and recyclable materials is increasingly conquering the sales shelves. Even unconventional, but especially material-efficient packaging concepts such as the flow pack for ground meat or the folding packaging for ham have been accepted by consumers after some ramp-up time. In short: the demand for sustainable packaging concepts is rising – not only amongst the processors of our materials, but also amongst end consumers. And even package printing has come into focus as a result of our initiative, because SÜDPACK's innovative SPQ technology offers a high-quality printing process that significantly reduces solvent and color consumption, thereby facilitating significant savings in the carbon footprint of printed packaging.

For SÜDPACK, sustainability is not a trend, but rather an integral part of our corporate philosophy – and at the same time, a call to action. Within the scope of our sustainability strategy, we have set ourselves fixed targets and defined concrete measures. Only if we create values and facts can we realize courageous visions and remain future-proof.

We do not limit our understanding of sustainability to our products alone, but rather focus on the entire value-added chain. Our goal is to think and to act holistically, and this in ecological, economic and social terms. This starts with production and products, investment projects and recycling, right through to society and the environment. Our mission? NET ZERO. Our credo?: Staying true to ourselves and our values in everything we do.

This Sustainability Report shows that we achieved many of the objectives we set ourselves for the years 2020 and 2021. Other initiatives are on the home stretch or have already been launched.

We have thus consistently continued to align our portfolio of sustainable film solutions to current market requirements. We are making substantial investments in

the development of new material structures, new business models and new technologies. We are committed to a functioning circular economy – and in doing so, we focus not only on our own material management, but also on chemical recycling as a supplementary recycling alternative for previously non-recyclable plastic packaging. Our commitment to chemical recycling together with our partner CARBOLIQ serves the goal of converting existing packaging and plastic waste into valuable resources, thus keeping these valuable materials in the cycle.

We are also involved in a wide variety of committees which work to introduce circular economy into the plastics packaging industry. For example, we are active members of CEFLEX and the Sustainability Committee of the FPE.

For many applications, we cannot and do not want to do without plastic packaging in the future. This is because packaging made of plastic represents optimum material efficiency. They offer optimal product protection whilst adding minimal weight, and make a major contribution towards the reduction of food loss. According to recent findings, the carbon footprint of a food product is up to 30 times higher than the footprint of its packaging, made from plastic.

On the following pages, you can find out about the different areas of sustainability at SÜDPACK and the progress we have made in each areas.



Erik Bouts  
CEO

Carolin Grimbacher  
Managing Partner

Tharcisse Carl  
Managing Director





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# COMPANY



Since its foundation by Alfred Remmele in the year 1964, SÜDPACK has stood for top quality, innovative strength and technological leadership – but above all for shared values. Today, we are still driven to ensure maximum product protection with minimum use of materials by means of pioneering high-performance films and packaging concepts, and to make a significant contribution to improved consumer and patient protection with our products.

Our company group with around 1,700 employees produces at ten locations, exports to over 70 countries and generated sales of more than 500 million euros in 2021. This was predominantly achieved in our core markets: the food industry, the healthcare sector and manufacturers of technical products (see supplement on page 3).

In the process, we secure our leading position in the market with extensive investments. We invest in new technologies, in our product portfolio and in the continuous development of our organization. One important milestone was the restructuring of our company group, which we implemented in 2020. With the introduction of the four independent Business Units Food, Medica, Functional Films & Compounds and USA, we have created a sound basis for aligning ourselves even more optimally to the requirements of our markets.

The year 2021 saw the acquisition of the Dutch LPF Packaging – now SÜDPACK Grootegast – which enabled

## » Name

SÜDPACK Holding GmbH

## » Headquarters

SÜDPACK Verpackungen GmbH & Co. KG  
Jaegerstrasse 23  
88416 Ochsenhausen  
Germany

## » Ownership Structure

SÜDPACK Holding GmbH is a 100% family-owned company. All production sites and sales companies are part of SÜDPACK Holding GmbH.

## » Production Sites

- SÜDPACK Verpackungen GmbH & Co. KG
  - Ochsenhausen, Erolzheim (DE)\*
- ecoform Multifol Verpackungsfolien GmbH & Co. KG
  - Ochsenhausen, Erlenmoos, Schwendi (DE)\*
- SÜDPACK Kłobuck sp. z o.o. (PL)\*
- SÜDPACK Bioggio SA (CH)\*
- SÜDPACK Medica SAS (FR)
- SÜDPACK Oak Creek Corporation (USA)
- SÜDPACK Grootegast B.V. (NL)
- Kamakshi Suedpack Pvt. Ltd. (IND)

us to significantly expand our expertise in the field of high barrier laminates. Seen long term, SÜDPACK Grootegast is to be expanded to become our Competence Center for high-performance laminates, and development activities for this product area will also be based here. Furthermore, our joint venture with Kamakshi Flexiprints in India represents an ideal basis for developing the market on the Indian subcontinent. We are currently building a new site there which is to be opened at the end of 2022.

However, the German sites as well as the sites in Kłobuck, Poland, and Bioggio, Switzerland, are also continuously developing – and are not just state of the art in technical terms. For example, we significantly expanded

our site in Kłobuck during the reporting period to create new printing and laminating capacities. In 2021, we produced a total of approximately 800 million m<sup>2</sup> of film, of which over 400 million m<sup>2</sup> was printed and laminated.

And yet there is one topic which never leaves our sights: the theme of sustainability. To this end, we have developed a framework for action that forms the basis for our sustainability strategy and covers the areas of circular economy, climate protection and social responsibility.

## Sustainability Leadership

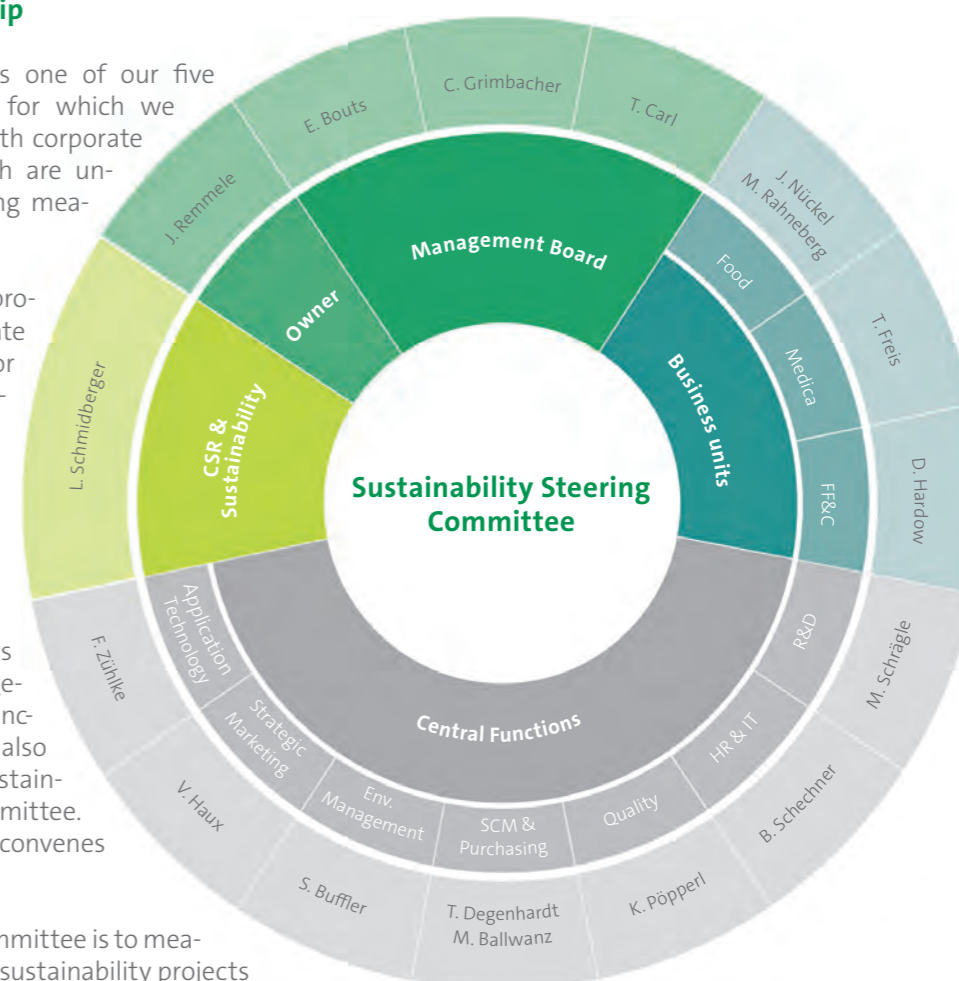
Sustainability leadership is one of our five strategic building blocks, for which we have defined targets at both corporate and functional level which are underpinned by corresponding measures.

This is intended to promote sustainable corporate development and to anchor and further develop sustainability in all functional areas at SÜDPACK long-term.

## Sustainability Steering Committee

In addition to members of the Executive Management team, other functional managers are also represented in the Sustainability Steering Committee. The Steering Committee convenes once per quarter.

The aim of the Steering Committee is to measure the success of current sustainability projects and to adopt further strategic measures and initiatives in this area.



\* The following sites are included in this Sustainability Report. During the reporting period, they generated approximately 90% of the turnover.





**Governance Structure at SÜDPACK**

SÜDPACK is owned by two families. Carolin Grimbacher heads the company as Managing Partner of the second generation. Johannes Remmele retired from the operational Management Board at the end of 2019, and accompanies the company as owner together with the Advisory Board.

**Management Board**

Erik Bouts (CEO), Carolin Grimbacher, Tharcisse Carl

The EMT represents the second-tier management level.

**Executive Management Team (EMT)**

- Thomas Degenhardt (VP SCM & Purchasing)
- Joachim Ensinger (VP Engineering & Technical Service)
- Thomas Freis (Head of BU Medica)
- Dirk Hardow (Head of BU FF&C)
- Valeska Haux (VP Strategic Marketing)
- Bernd Klarholz (Head of BU USA)
- Jörg Nüchel (Head of BU Food)
- Klaus Pöpperl (Director Quality)
- Birgit Schechner (VP HR & IT)
- Matthias Schräggle (VP R&D)
- Jens-Uwe Willenbrock (CFO and Compliance Officer)

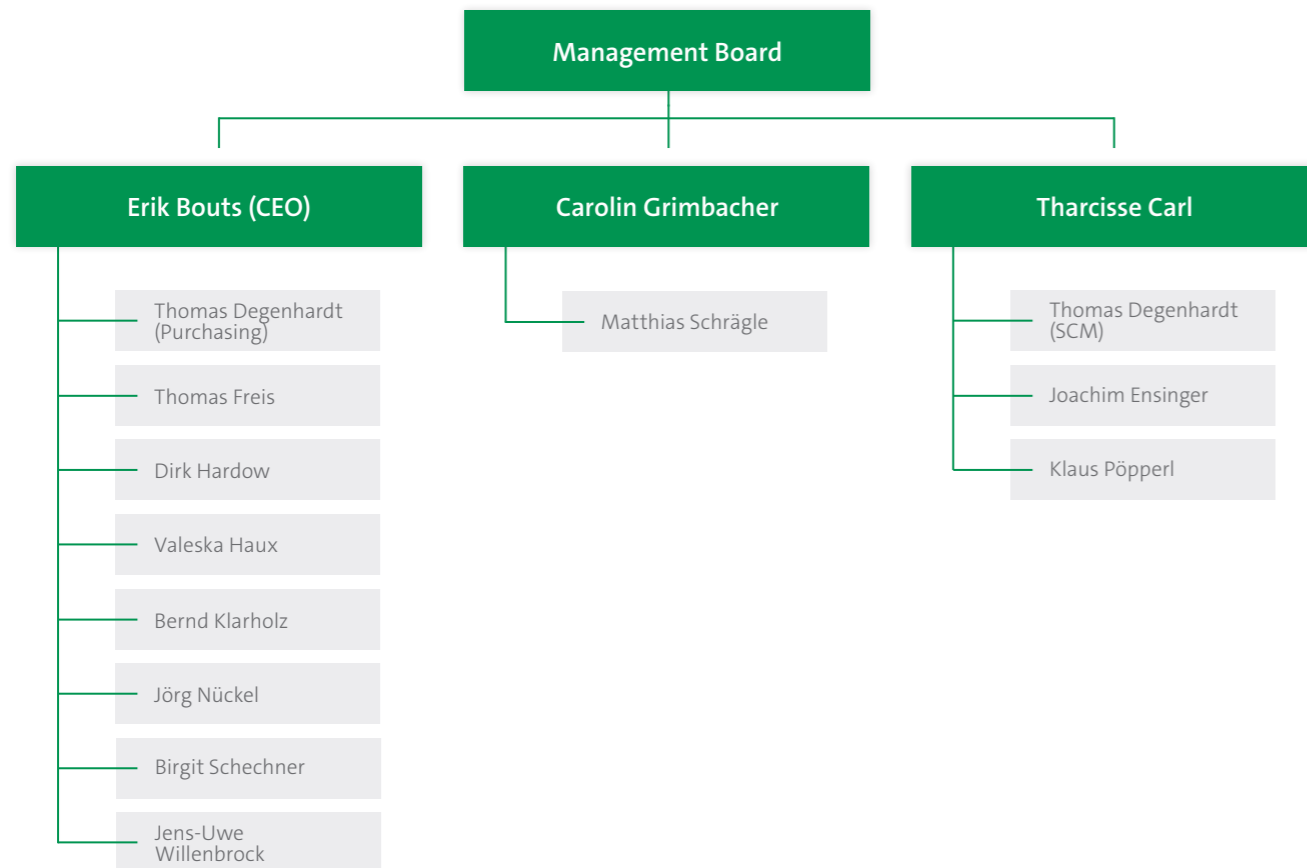
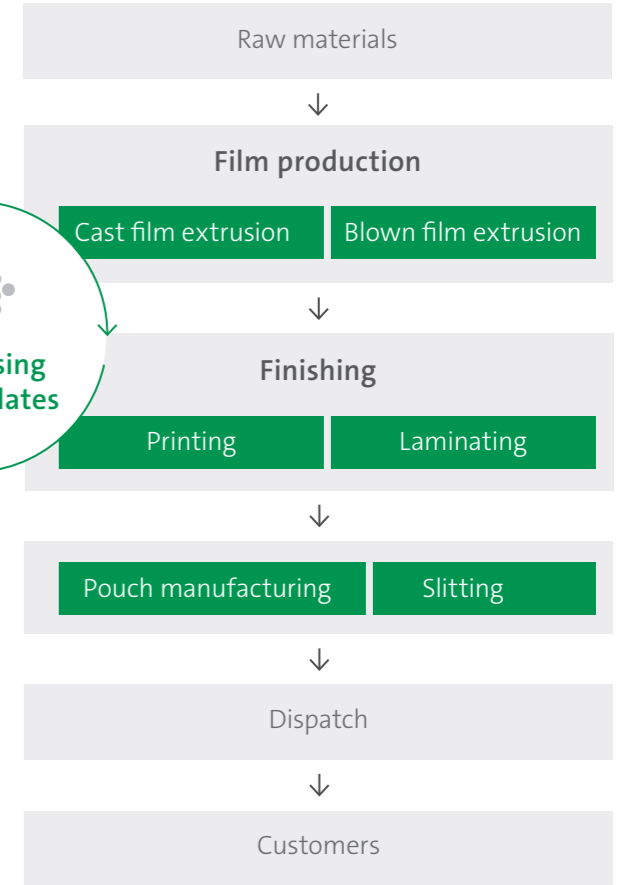
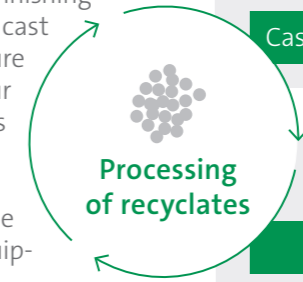
**Our Value-Added Process**

SÜDPACK is one of the leading manufacturers of high-performance films for packaging food, medical goods, pharmaceuticals and technical products. Our core competencies include film production, finishing and bag production. Core technologies are cast and blown film coextrusion, flexo, gravure and digital printing as well as laminating. Our technology mix is unique in the market, as are our many years of expertise.

We produce film solutions based on a wide variety of polymers on state-of-the-art equipment.

Thanks to more than 50 years of experience, we can optimally combine the properties of different polymers and thus perfectly design the desired functionalities for the respective applications.

For efficient material management, we are also pushing ahead intensively with regranulation and compounding – and have created a Competence Center for compounding as well as for the extrusion of films at our Schwendi site.



COMPANY



COMPANY



# OUR GUIDING VALUES

## Shaping the Future Together

The commitment, culture and values which characterize SÜDPACK as a family business with Upper Swabian roots have made us what we are today: an internationally-active manufacturer of high-performance, premium quality films for a wide range of applications. We are a leader in technology and innovation. And, over the decades, we have achieved continuous and sustainable growth.

Johannes Remmele used his retirement from operational management and the appointment of an external Management Board as an opportunity to define a set of guiding values for SÜDPACK together with the shareholder families, the Advisory Board and the management. His declared objective is to continue SÜDPACK's success story – whilst still remaining true to traditional values.

This set of guiding values is a major cornerstone of cultural understanding at SÜDPACK. At the same time, it provides an operational framework so that we can act according to these values within a dynamic market environment, despite the numerous changes taking place within our company group. Our values therefore describe our self-image; how we see ourselves shaping the future of SÜDPACK together and how we as a company wish to be represented in public, as well as how we ultimately wish to integrate new sites and employees into our organization. We are convinced that we can only continue to be one of the best in our branch if everyone in the company shares and embraces the same values.

In order to visualize our guiding principles, we have used the imagery of DTM racing sports. We have various reasons for doing so. On the one hand, SÜDPACK is a sponsor of the DTM team of ABT Sportsline with the goal of setting up new business fields in the area of eMobility. On the other, our own values are reflected in racing sports. Just as when tires are changed during a race, we can only be successful if we approach our tasks together and as a team.



## ENTREPRENEURSHIP

Sustainable success for SÜDPACK, now and in the future, is the touchstone for our actions. However, realism, common sense and a down-to-earth approach are always our priority. Pragmatism and a solution-oriented approach are always the foundation of our informed decisions.

Our hallmark? Dynamism and enthusiasm for creation and change. We embrace our tasks and work resolutely towards our goals. Our actions focus on the satisfaction of our customers, our stakeholders and our employees.

In short: we want to be a professional, reliable and reputable partner in all areas.



## INNOVATION

The ability to create something new and optimize the tried and tested is our very essence. We are laying the foundation for our successful future through innovation.

We remain agile and sustainable thanks to constant improvements and changes. And we also enjoy achieving new goals in unconventional ways thanks to our courage, perseverance, discipline and above all passion.

How does this work? We always provide space to think freely. We act prudently, intelligently and purposefully. We see mistakes as an opportunity and learn from them. These also form part of our values.

## TOGETHER

It is only together that we can perform our growing number of tasks and challenges – as a team, but also across hierarchies, sites and countries. Against this diversified background, our dealings with each other must always be appreciative, trusting and fair; criticism and feedback are always given promptly and constructively. Successful cooperation is based on giving and taking.

Openness and credibility are also essential components of our daily business. We value diversity and integration – and are happy when the needs of each individual are compatible with our corporate goals. This is the only way we are able to reach ambitious goals and secure our leading market position.



## CARING

Care matters to all of us and therefore requires everyone to show initiative. Even though occupational health and safety is a matter of course for us at SÜDPACK, improvements are a particular concern of ours. This is why we founded our Safety Task Force in the year 2021.

A further focus is training and further training such as the health and fitness of our employees. We therefore always interact with one another mindfully and provide room for growth. Lasting success is only possible with well-trained, resilient and motivated teams.



# OUR BUSINESS UNITS

SÜDPACK's sustained success is based to a large extent on expertise, quality, innovative strength, customer proximity and the ability to repeatedly and courageously take on new challenges. The restructuring of our organization into four independent business units in 2020 was therefore not only a logical step towards the future, but also essential for the development of our company group.

The four business units systematically align their strategies and competencies to the requirements of their markets. In a matrix, they are optimally networked with the functional areas, and benefit not least from synergic effects (see supplement on page 4).







**Dirk Hardow,  
Head of BU FF&C**

'With CARBOLIQ, we offer a significant system component for the further establishment of a circular economy in the food industry, which is not achievable through mechanical recycling alone due to the existing legislation. For SÜDPACK, the investment in this technology offers the opportunity to define the recycling concept for plastic waste in far broader terms.'

## BU FF&C

*The BU FF&C (Functional Films & Compounds) specializes in the production of technical films and compounds. In doing so, it uses SÜDPACK's innovative technology platform and expertise. Our strong portfolio of technical films proves that resource conservation, material efficiency and recyclability are important building blocks in technical applications, too.*

Our individual function films have to prove their high quality and maximum performance capacity in very different applications. SÜDPACK's concepts are based on well-founded raw material expertise, and are always designed to match the specific requirements of the different applications. For the development and production of compounds, we have built up comprehensive expert knowledge and modern processing and application technology in the areas of additives, biopolymers, recyclates and fillers.

In particular, we set standards in the area of compounds made from recycled materials. SÜDPACK compounds are used for injection molding applications in the consumer goods sector, for example, but can also be used in films for instrument panels and dashboards or in PC keyboards. Our first collaborations with renowned brand manufacturers, in which we contribute to optimizing the carbon footprint of the respective products with high-quality compounds made from recycled materials, are also promising.

By producing our own compounds, we are also expanding our expertise in this business area, and strengthening our market position as a holistic solution supplier.

### Applications for our Films and Compounds

- Automotive & vehicle construction
- Aviation
- Non-food & consumer goods
- Household, furniture & garden
- Building & construction
- Packaging industry

## BU FOOD

*The Food Business Unit is responsible for all packaging solutions which ensure the quality of food along the entire value-added chain. This way, our films are used to produce both end customer packaging and process packaging with special functionalities.*

SÜDPACK's proven as well as innovative concepts preserve freshness and aroma and extend the shelf life of products, which in turn contributes to a high level of consumer safety. Moreover, we have continually expanded our portfolio of sustainable packaging solutions in recent years. With material-efficient, resource-conserving and recyclable solutions, SÜDPACK helps customers around the world to meet current requirements and the growing demands in the industry. Thanks to sophisticated application technology and comprehensive expertise, we are also able to implement innovative and safe solutions with a shorttime to market in this fast-moving market.

The various awards recently bestowed on our sustainable packaging concepts prove that we are on an excellent path.

As early as 2020, the Pure-Line product family was awarded with the German Packaging Award in the Sustainability category.

In the same year, we received the Sustainability Award in the Pre-Commercialized Innovation category for mozzarella packaging which incorporates plastics from chemical recycling.

In 2021, this was followed by in the Gold German Packaging Award in the Economic Viability category for our innovative SPQ printing technology, which contributes to significantly reduced color and solvent consumption in package printing.

And at the end of 2021, our PP-based packaging concept for sliced ham won the Green Packaging Star Award.

### Applications for our Film Solutions

- Sausage, meat & poultry
- Cheese & dairy products
- Vegan & vegetarian products
- Nuts, dried fruit & cereal
- Fish & seafood
- Bread, cakes and pastries
- Coffee & tea
- Snacks & confectionery
- Ready meals
- Pet food
- Fresh pasta



**Jörg Nüchel,  
Head of BU Food**

'With our specialists, we anticipate the future requirements of our markets and support our customers with material-efficient and recyclable solutions in the development of sustainable packaging concepts.'



**Thomas Freis,  
Head of BU Medica**

'SÜDPACK Medica is one of Europe's leading suppliers of sterile, plastic-based packaging solutions and a pioneering partner for the medical, pharmaceutical and diagnostic industries.'



## BU MEDICA

The product and performance range extends from standard to customer-tailored packaging concepts. It comprises the production of bag solutions as well as of coextruded flexible and rigid films which are used as bottom and lidding films.

BU Medica's specialized sales, development and application engineering team has many years of expertise in polymers and process engineering as well as in the sterile packaging market. BU Medica relies on strong partnerships during the development of new technologies.

The products are manufactured at four sites using state-of-the-art plant technology and in accordance with the highest quality and hygiene standards – including the capacity to operate under clean room conditions.

In doing so, we also meet the requirements of a wide variety of customers and products for the traceability of our materials along the value-added chain.

One striking product highlight in the reporting period is the development of a PP-based film for the production of blister packaging for tablets and other pharmaceutical solid applications. This means that the industry now has a recyclable alternative to standard blister materials which features an excellent barrier profile and good processability.

With a high-performance multilayer film for the production of bioreactors and vaccine bags, BU Medica is again making an important contribution to safe vaccine production. These films are a vital component in the production, storage, and transport of highly effective biological medicines.

The technology behind the films provides the flexibility needed to respond to rapidly increasing demands, such as during the coronavirus pandemic.

### Applications for our Film Solutions

- Incontinence care, renal & urinary tract care
- Ophthalmology
- Interventional care
- Orthopedic & surgical care
- Pharmaceuticals
- Enteral applications & food systems
- Wound care products
- Life sciences
- Diagnostics

## BU USA

The BU USA – unlike the other three Business Units FF&C, Food and Medica – is not positioned in branches, but rather in the US-American market as a whole. The reason for this is as follows: on the other side of the Atlantic, SÜDPACK still operates largely in the midfield as a solution provider in some sectors. And this market is developing extremely rapidly.

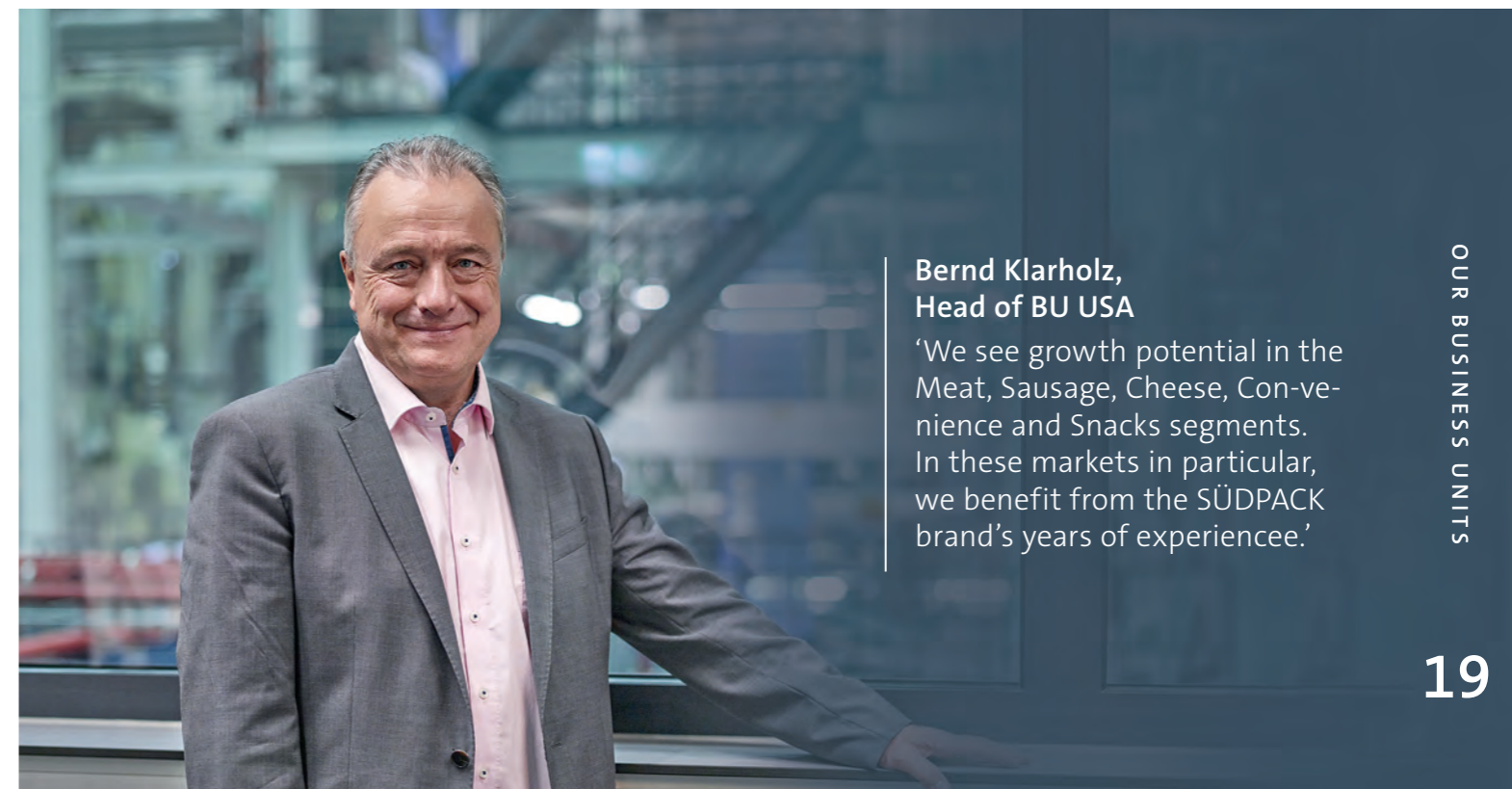
The food industry also offers great growth opportunities for BU USA. It is actively supported by the BU Food in working this market. In addition, the demand for sustainable packaging concepts is also growing in the land of fast food and coffee to go – a real opportunity for us, because with a comprehensive portfolio in this area, SÜDPACK is well prepared for the increasing demand and can offer appropriate solutions.

Thanks to our medium company size, excellent service, extensive industry experience and high flexibility, our colleagues at the Oak Creek site can already realize demanding new projects within narrow time frames. The agile management team also systematically works out potential in the market whilst dealing with the optimization of production and sales processes. As a hub for the US market, the Oak Creek site has to ensure availability at all times, particularly in the area of thermoformable materials, as well as delivery capability

in the area of printed laminates. In the year 2021, durable structures were therefore created and production and logistics capacities expanded. For this purpose, SÜDPACK invested, amongst other things, in printing, solvent-free laminating and two new slitters.

### Applications for our Film Solutions

- Food
- Non-food
- Pharmaceuticals
- Medical products
- Consumer goods
- Household items & cleaning products
- Cosmetics



**Bernd Klarholz,  
Head of BU USA**

'We see growth potential in the Meat, Sausage, Cheese, Convenience and Snacks segments. In these markets in particular, we benefit from the SÜDPACK brand's years of experience.'



# OUR PRODUCTS



*Our broad portfolio of pioneering products of optimum quality forms the essential basis of our business – and represents a decisive factor in our success. Our claim has always been to develop the optimum film solution or the perfect packaging concept for each and every product. We can only live up to this claim if we obtain a precise understanding of the individual requirements of our customers and their products.*

*Over the past decades, we have consistently expanded our diversified portfolio of high-performance solutions for a wide range of industries and applications.*

## Films for Packaging

Our performance range extends from flexible lidding and tubular pouch films, continuing with tubular films and pouch making material right through to rigid and flexible films for very different thermoforming applications. The material structures can be used in the various industries for the production of both end consumer packaging and process and transport packaging.

We have been setting standards in the market since 1964 with our packaging solutions for food.

But we also offer high-performance films for almost every packaging requirement in the Non-food segment.

And since 1989, SÜDPACK Medica has been a reliable partner for the medical, pharmaceutical and diagnostics industries with their sterile packaging concepts.

*With our many years of expertise, our modern manufacturing technology and our innovative ideas, we repeatedly realize new film concepts which set standards and convince our customers and end consumers.*

*Whether packaging for food, medical goods, non-food products or films and semi-finished products for technical applications – our experts in the Development and Application Technology Center leave nothing to chance. And our multiXtrusion pilot system permits us to implement new developments in line with our schedule and sustainably on an industrial scale.*

But regardless of whether conventional multilayer composites or particularly material-efficient and recyclable mono-materials based on mono-structures are involved, SÜDPACK solutions safely protect the packaged product from contamination and other environmental influences. In the case of food, they contribute significantly to an extended shelf life and thus prevent premature spoilage and food waste.

With a view to both the packaged goods and the packaging concept itself, our coextrusion technology allows us to optimally combine the properties of different polymers and thus tailor the desired functionalities to the respective applications. The range of possibilities includes thermoformability, mechanical strength and barrier functions of the materials as well as convenience aspects such as resealability and peelability.

## Technical Films and Semi-Finished Products

Our functional films and semi-finished products provide optimum all-round protection even in adverse working environments and when subjected to robust handling.

Since every product is different, we always develop an individual, tailor-made concept in joint dialog with our customers. As a competent and reliable partner, we provide comprehensive advice and accompany projects from the very beginning.

SÜDPACK's high-quality solutions have proven their worth in technical applications for aviation, the automotive and e-mobility sectors as well as in transportation, building and construction, security systems, household and textile care and also in packaging for personal hygiene and cosmetics.

Our trademark: maximum quality, safety and performance.

## Compounds

As part of our material management, we strictly separate the recyclables generated during production, regranulate them and return them to the value-added process by incorporating them into our coextruded film composites or using them as the basis for our compounds. We have laid the ideal foundations for just that at our sites in Schwendi and Erolzheim.

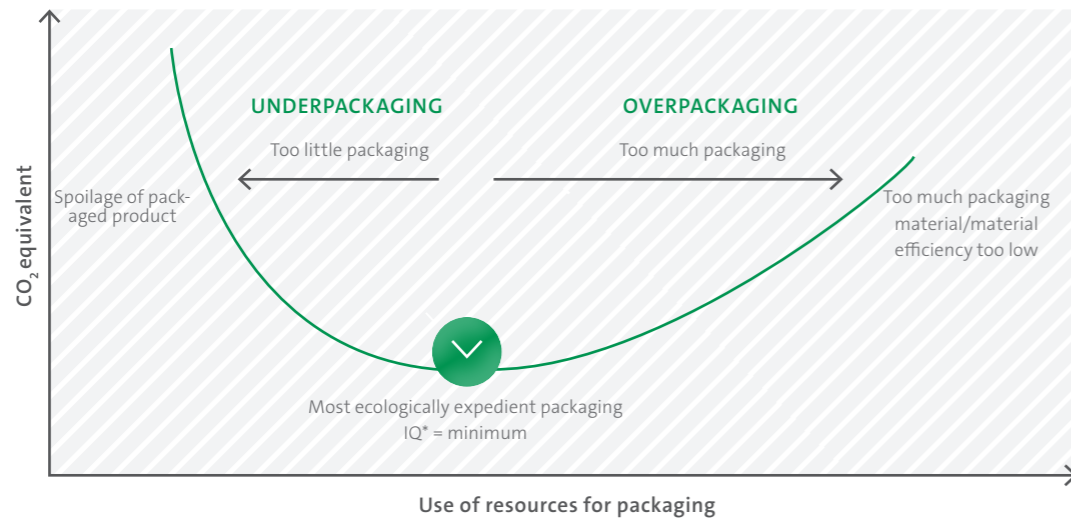
Today, SÜDPACK develops and produces individual compounds which are used in a wide variety of applications: in consumer and packaging goods, in consumer goods packaging and plastic films, in household and garden appliances, and in furniture and other furnishings. SÜDPACK compounds are also used in automotive and vehicle manufacturing and in building and construction for extra sustainability. To this end, we have built up state-of-the-art processing and application technology in the areas of additives, biopolymers, recyclates and fillers, as well as extensive expert knowledge.







### Determination of optimized packaging with regard to product protection and use of resources



Source: Munich University of Applied Sciences  
 \*IQ = Impact Quotient: impact packaging/impact food

### The Importance of Packaging

The main task performed by packaging is product protection. Packaging protects food, as well as medical goods and industrial products, from mechanical damage, contamination, light and unintentional exposure to oxygen along the entire logistics chain. They help to extend the shelf life of a product and preserve its quality, thus reducing the waste of valuable resources caused by premature spoilage.

For many food products in particular, packaging – and especially plastic packaging – is indispensable today and will continue to be so in the future – and has been proven expedient in terms of ecological footprint. The ecological footprint of a packaged food product, taking into account cultivation, production, processing and distribution or logistics, is in fact around 30 times higher than the footprint of its packaging. Only around 2% of the European Union’s climatic carbon footprint is caused by packaging. And for food packaging in particular, this number falls to less than 1%.

In summary: the benefits in terms of preventing avoidable food waste almost always outweigh the effort associated with the production and disposal of the packaging. Therefore, a holistic view of packaged goods and packaging is essential in order to be able to determine the most ecologically expedient packaging.



Source: AGVU Study 2019 on the benefits of packaging

### Sustainable Film Solutions

Our roadmap for sustainable film solutions focuses primarily on reducing the use of materials and increasing the recycled content of our products, as well as on the development of recyclable mono-materials and materials made from renewable raw materials.

Thanks to advanced technology and unique expertise in coextrusion, we are able to produce particularly thin films. After all, material that is saved from the very beginning will not have to be recycled later on. Over the past two years, we have steadily enhanced and developed our most important film types to achieve material savings of up to 50% in some fields, as well as reductions in thickness.

Parallel to this, we have expanded our product range in the area of recyclable films based on different polymer structures. Our Pure-Line, for example, is based on the polymers polypropylene or polyethylene. These recyclable mono-materials offer the same protective and convenience features as multilayer materials made from different polymers.

As an alternative to materials made from fossil feedstock, SÜDPACK also offers top and bottom webs as well as flow pack films made from renewable raw materials such as sugar cane, corn or paper fibers, some of which also have recycling streams and thus also contribute to the implementation of a circular economy.

A particular concern of SÜDPACK is the topic of circular economy. With our commitment and extensive investments in CARBOLIQ, we are making an important contribution towards circular, intelligent material management in the plastics and packaging industry. This is because chemical recycling is used to recover virgin-grade-quality raw materials from previously mechanically unusable mixed, contaminated or multilayer films, which are also suitable for food packaging. We impressively demonstrated this method at the beginning of 2021 in a pioneering pilot project.



### Our Roadmap for Sustainable Film Solutions

Our product roadmap for sustainable film solutions comprises the four fields of action: renewable raw materials, recyclability, circular economy and material reduction.

By 2025, we aim to generate around 50% of our turnover with products from this roadmap. We are on track with this objective, and currently lie at around 30% (see supplement on page 5).





# ASSOCIATION WORK

## Our Involvement in Associations

We also represent our guiding values for sustainability through various channels at industrial, political and social levels.

As a company, we are active on a wide range of committees in a large number of industry associations. We are particularly interested in issues relating to markets and technologies which we consider to be future-oriented and pioneering and which are related to our core competencies. We are particularly dedicated to the two topics of sustainability and circular economy. This is why we are also involved in numerous programs as part of partnerships and initiatives aimed at more conscious, sustainable use of plastics and the implementation of a circular economy.

The memberships and our association work provide us with the opportunity to gain and share knowledge. We can influence market developments and help to shape them. We are part of a strong community which promotes constructive dialogue, supports each other and can achieve goals which individual companies cannot achieve alone.

## Further Memberships

As a future-oriented company group and as a family-owned business with regional roots, we are also involved in numerous networks. The most significant initiatives in the climate protection and energy sector include:

- The **EnBW Netzwerk Energieeffizienz (Energy Efficiency Network)/Netzwerk Ravensburg** – a strong association of ISO 50001-certified companies whose common goal is to reduce their energy needs.
- The **EnBW Netzwerk Werkstatt (Network Workshop) KliMaSys**.
- The **Netzwerk RGC – Praxisforum Zukunft (Future Practice Forum)**, which illuminates the legal background of current or future-oriented energy topics together with the 'Energie-Kanzlei' (energy law firm) Ritter Gent Collegen.
- **GOIKAS**, a research project funded by the German Federal Ministry for Economic Affairs and Energy which deals with the overall system optimization

In Germany, for example, we are a member of **IK** (Industrievereinigung Kunststoffverpackungen); in France we are active in **ELIPSO** (Entreprises de l'emballage plastique et souple), and in Italy in **GIFLEX** (Gruppo Imballaggio Flessibile) as well as **Istituto Italiano Imballaggio**. In Spain, we are involved in **ANAIP** (Asociación Española de Industriales de Plásticos), in the Netherlands in **KIDV** (Kennisinstituut Duurzaam Verpakken), in Finland in **Pakkaus** and in Denmark in **Danish Food Cluster**. Added to this is our international association work: with **FPE** (Flexible Packaging Europe), **CEFLEX** (Circular economy for flexible packaging) and **CPA** (Circular Plastics Alliance) – but also with **FTA** (Flexo Technical Association) and **FPA** (Flexible Packaging Association) in the USA.

In particular, in **IK**, at **FPE** and at **CEFLEX**, we hold positions on committees which advocate sustainable and circular development in the plastics packaging industry. In **IK**, we chair the Flexible Packaging Forum and are active in various committees. In **FPE**, we are involved in the Executive Committee, the Sustainability Committee and the Circular Economy Task Force. Our involvement with **CEFLEX** includes various working groups, including those involved in establishing chemical recycling. We are also members of the **CEFLEX** Advocacy Group.

of refrigeration plant systems. For this purpose, we cooperate intensively with the Biberach University of Applied Sciences and the Institute for Air and Cryogenic Energy Dresden.

**We are members of the following institutions and initiatives in the area of plastics, packaging and food:**

- ZLV (Center for Food and Packaging Technology)
- Packaging Valley
- Institute of Plastics Processing
- IVLV (Industry Association for Food Technology and Packaging)
- OFI (Austrian Research Institute)
- ECR (Efficient Consumer Response)

Association/Organization		Region
	CPA	International
	FPE	Europe
	CEFLEX	Europe
	IK	Germany
	ELIPSO	France
	GIFLEX	Italy
	Istituto Italiano Imballaggio	Italy
	ANAIP	Spain
	KIDV	The Netherlands
	Pakkaus	Finland
	Danish Food Cluster	Denmark
	FTA	USA
	FPA	USA



# SUSTAINABILITY STRATEGY

## Our Goal: Sustainability Leadership

At SÜDPACK, sustainability is firmly anchored as a core component in our DNA. However, in order to achieve ambitious ecological, economic and social goals and thus further expand its leading role in the field of sustainability, even a company in which sustainability has always been practiced needs a targeted strategy from which the corresponding initiatives and measures can be derived.

The sustainability strategy described in 2021 is intended to ensure, document and also communicate that SÜDPACK will continue to fulfill its responsibility in the key fields of action of circular economy, climate protection and social responsibility.

To structure this development, we orient ourselves, amongst other things, on the SDGs, the Sustainable Development Goals of the United Nations, which are designed to ensure sustainable development on an international scale. Building on these superordinate core objectives and a comprehensive stakeholder analysis, we have further developed our materiality matrix, which

defines our framework for action – and will guide us both today and tomorrow. Our vision: sustainability leadership. In all our endeavors. In all facets. With maximum transparency.

In order to further expand our leadership in sustainability in our market, we have defined targets and initiatives at group level as well as for our business units and our central functions which contribute towards achieving sustainability leadership.

Group-level targets refer to our roadmap for sustainable film solutions, the reduction of our corporate carbon footprint, and occupational safety. At a functional level, the target definition includes topics such as the expansion of the sustainable supply chain or the implementation of software for the preparation of product life cycle assessments. Short- and medium-term targets have been set for the individual categories, based on which we can measure our further development. From 2022 onwards, these target and measured variables are to be depicted in strategic scorecards.





# SUSTAINABLE DEVELOPMENT GOALS



# SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda with its 17 Sustainable Development Goals (SDGs) entered into force on 1 January 2016. The UN's global plan to promote sustainable peace and prosperity and protect our planet applies to all nations. These are called upon to actively address global challenges such as poverty, climate change and resource consumption – and to anchor appropriate measures for better enforcement at regional levels as well. People remain the central focus of sustainable development.

In the first step, SÜDPACK is focusing on six of the 17 SDGs and commits to these. They are in line with our sustainability campaign and are of particular relevance to the company group.

## SDG 3: Ensure a Healthy Life for all People of all Ages and Promote their Well-Being

Overcoming diseases and health problems requires the innovative strength of companies in addition to efforts by society as a whole. There are many opportunities for industry today to improve health and well-being whilst also realizing business opportunities. SÜDPACK essentially focuses on two core topics in this area: products and corporate initiatives.

On the one hand, our film solutions and packaging concepts provide the best possible protection for the packaged product – food from premature spoilage, for example, and medical products and pharmaceuticals from contamination and other external influences. In this way, just like the practical functionalities of the packaging, they contribute significantly to a high level of consumer and patient safety as well as convenience.

On the other hand, as a responsible family business,



SÜDPACK places particular emphasis on company pension schemes and company health management. Nutrition and fitness consultation, vaccinations, skin screenings, a company doctor who is always available and, last but not least, individual support and care for each individual are essential components of a comprehensive program with which SÜDPACK supports the well-being of people of all ages. The reduction of carbon emissions at all sites and all along the supply chain also contribute to healthy living, as is the establishment of a Safety Task Force, which has set itself the goal of minimizing accidents, injuries and sources of danger on the way to work and during working hours and, in the best possible case, avoiding them altogether.

## SDG 7: Access to Affordable, Reliable, Sustainable and Contemporary Energy for All

Companies can contribute to achieving SDG 7 both by reducing their own energy consumption and by sourcing energy responsibly. The focus is on products, technologies and services to improve energy efficiency as well as the expansion of renewable energies.

As a company that relies heavily on energy for its production, we cannot do without energy, but we can use energy consciously and optimize our consumption through intelligent investments. Important milestones on this path include the conversion of the German sites to green electricity in 2022, and the construction of a wind farm in which SÜDPACK's shareholders have invested. In Erlenmoos, a new photovoltaic system was also commissioned in 2021, enabling us to effectively harness solar power at this site and reduce fossil fuel consumption. Our Polish and Dutch sites are to procure their electricity from Scandinavian hydropower from the end of 2022 – and SÜDPACK will thus save almost 100% of the carbon emissions for electricity.



As far as our machinery is concerned, we only invest in new equipment that offer high energy efficiency with maximum performance.



### SDG 8: Promote Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Humane Work for All



Humane work must be ensured along the entire value-added chain. Only this way can as many people as possible benefit from healthy economic growth and at the same time support it with their consumption. However, the prosperity and economic growth of the past decades has been achieved at the expense of natural resources, the limits of which are currently becoming impressively clear to us. Goal 8 of the SDGs therefore calls for a shift to a more sustainable economy with humane work for all and the decoupling of economic growth and environmental degradation.

As a top supplier in the global market, SÜDPACK is highly committed to sustainable economic growth. Because we believe that entrepreneurial activity must never be at the expense of the environment

and people. As one of the leading film manufacturers, we are also highly aware of the environmental impact of plastic packaging – and the introduction of a functioning circular economy is a particular concern of ours. This is the only way to ensure that the material structures already on the market can be recycled in a meaningful way.

At the same time, we are continuously working to offer our employees secure and fair jobs with prospects for the future. Through intelligent supplier management, we want to permanently ensure humane work along the entire value-added chain.

### SDG 9: Build a Resilient Infrastructure, Promoting Sustainable Industrialization and Supporting Innovation



Innovation is a key to meeting major global challenges such as climate and resource protection and also a digital transformation in an expedient way. After all, fresh ideas and new technologies can promote the development of sustainable industries and infrastructures if industry, politics and science work together in a targeted manner. And 'thinking outside the box' sometimes leads to groundbreaking approaches to solutions that were not previously the focus of attention. One good example of this is the innovative SPQ technology with which we at SÜDPACK revolutionized packaging printing in 2021. The unique printing process reduces color and solvent consumption to a minimum whilst significantly improving print quality.

Parallel to this, we have invested heavily in the pioneering CARBOLIQ technology over the past two years. We are thus pushing ahead with the introduction of chemical recycling as a recycling process for multilayer composites and material structures which were previously only recycled as part

of downcycling or sent for thermal recycling. In a high-profile pilot project, we proved at the beginning of 2021 that we can use CARBOLIQ to convert plastic waste into valuable resources and keep existing materials in a closed loop. We are currently working with our partners to further develop the process so that high-quality pyrolysis oil can be obtained on an industrial scale in the future. The pyrolysis oil can then be used instead of fossil raw materials for the production of high-performance films, even with sensitive packaging requirements. At the same time, we are expanding our capacities in terms of mechanical recycling through our investments in regranulation and compounding – and have thus opened up a new, sustainable business area for SÜDPACK.

### SDG 12: Promote Sustainable Consumption and Production Patterns



Sustainable production already begins with the choice of raw materials used. Through resource-efficient technologies, the use of secondary raw materials and the promotion of the circular economy, companies can raise their value-added processes to a new level and position themselves in a way that attracts public attention. In the case of the product itself, an extended use phase and product-appropriate packaging ensure that resources are not wasted.

SÜDPACK's modern film solutions and packaging concepts therefore always protect the respective product in the best possible way against damage and loss of quality. After all, an energy and resource-intensive product that cannot be used and must therefore be disposed of harms the environment. Especially in times when important raw materials are limited and prices are skyrocketing due to increasing demand or limited availability, the intelligent use of resources and the avoidance of any

waste are invaluable. Consumers, in turn, appreciate the high quality and integrity of the goods.

For this reason, SÜDPACK is also permanently involved in optimising products in terms of performance and sustainability. The modern film solutions and packaging concepts such as the Pure-Line, for example, are material-efficient and recyclable – and, along with films with a high recycle content and solutions, the raw materials which are obtained from chemical recycling, are particularly resource-friendly.

### SDG 13: Take Measures to Combat Climate Change and its Effects



Products or services that contribute to climate protection are in many respects a success factor for companies today. They thus anticipate regulatory developments such as possible increases in climate legislation stringency, and present themselves as providers with values and a sense of responsibility. Goal 13 of the 2030 Agenda explicitly calls for reducing business, product and process-related greenhouse gases.

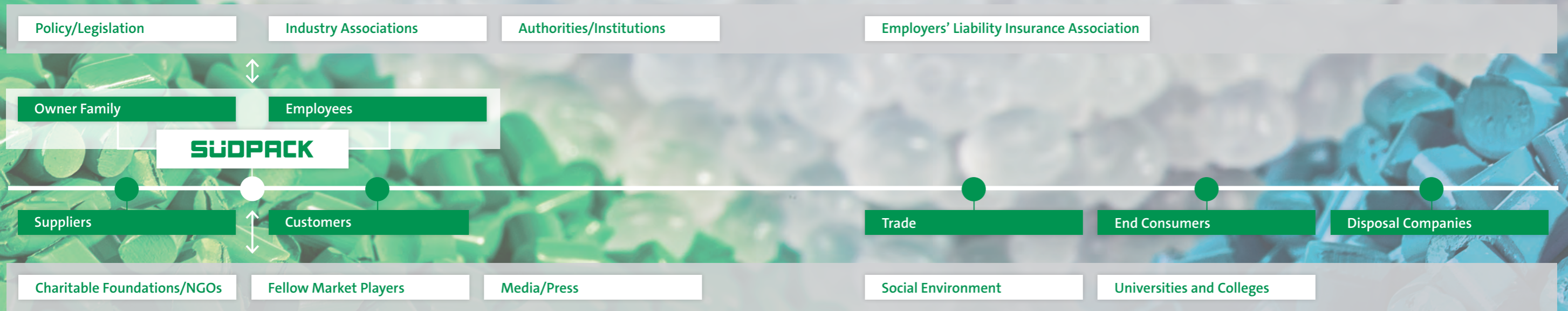
SÜDPACK has also committed to the ambitious goal of NET ZERO. To this end, various measures have been defined to reduce the corporate carbon footprint, which are being continuously updated and, above all, consistently pursued. Among the most important measures are investments in renewable energies and energy-efficient technologies.

At the beginning of 2022, SÜDPACK also committed to the Science-Based Targets Initiative (SBTi) and is to define individual initiatives in the coming months which will contribute to the achievement of the 1.5° goal.



One of the most important concerns in this context is to actively drive the transformation of the packaging and plastics industry towards a functioning circular economy in order to reduce the use of fossil raw materials and counteract the progressive environmental pollution caused by plastic waste.





# OUR STAKEHOLDER ANALYSIS

To implement ambitious sustainability goals such as circular economy, climate and environmental protection, close cooperation with stakeholders along the entire value-added chain is of great importance.

Our relationship with our stakeholders and their conduct are therefore crucial to the success of our company group. At the same time, they are directly or indirectly affected by our entrepreneurial activities, both today and in the future. In our view, successful corporate management therefore takes into account the interests of all internal and external stakeholders – in economic, ecological and social terms.

At SÜDPACK, we count our owner families, management and, above all, our employees amongst our internal stakeholders. External stakeholders are customers, suppliers, cooperation partners and providers, but also market competitors, associations and waste management companies, and ultimately the state and society.

In order to remain capable of action despite this high level of complexity, and to be able to meet the demands of all stakeholders as well as our sustainability objectives as effectively as possible, we have conducted a stakeholder analysis. This analysis is an important prerequisite for structuring our measures and for optimized interaction with our stakeholders. It makes us aware of the values, interests and influences of the individual stakeholders, and also of the future trends and requirements in our markets.

The result is a materiality matrix which, together with the SDGs, defines our company group's new strategic framework for our activities in the area of sustainability.

## Analysis Process

The stakeholder analysis process follows clearly defined and transparent guidelines, which also serve as a basis for the future development of our materiality matrix and thus meet the requirements for traceability.

The first step was to determine which economic, environmental and social issues might be relevant to our stakeholders. This was based, among other things, on a comprehensive analysis of our market competitors, particularly with regard to their sustainability communications. This list of topics formed the basis for the creation of a comprehensive list of questions for conducting expert interviews with our stakeholders.

The stakeholders to be interviewed were selected on the basis of various criteria. In the area of raw material suppliers and customers, the interviewees were selected on the basis of turnover size, amongst other factors. On looking at the stakeholder group of schools and universities, it is possible to see that we have selected universities with which we have educational partnerships, as well as universities and research institutes with international relevance.

The results of the surveys were weighted according to the relevance of the respective topic for the stakeholders and according to the relevance of the stakeholders for SÜDPACK, and consolidated into a relevance list.

The ten most important topics on this relevance list then served as the basis for conducting an internal stakeholder analysis. For this purpose, employees from a wide range of functions in our company were interviewed.

The result of the external and internal stakeholder analysis was an evaluation of the individual topics in terms of their relevance for external stakeholders and for SÜDPACK. This assessment was plausibilized and approved in our Sustainability Steering Committee. It thus forms the basis for mapping the individual topics in our materiality matrix, which is the foundation of our Sustainability Report and is presented on the following page.



# OUR MATERIALITY MATRIX

The materiality matrix represents a strategic tool for SÜDPACK. It presents the most relevant sustainability issues for our company and our stakeholders. At the same time, it serves as a basis for developing suitable measures to enable us to consistently pursue our sustainability goals.

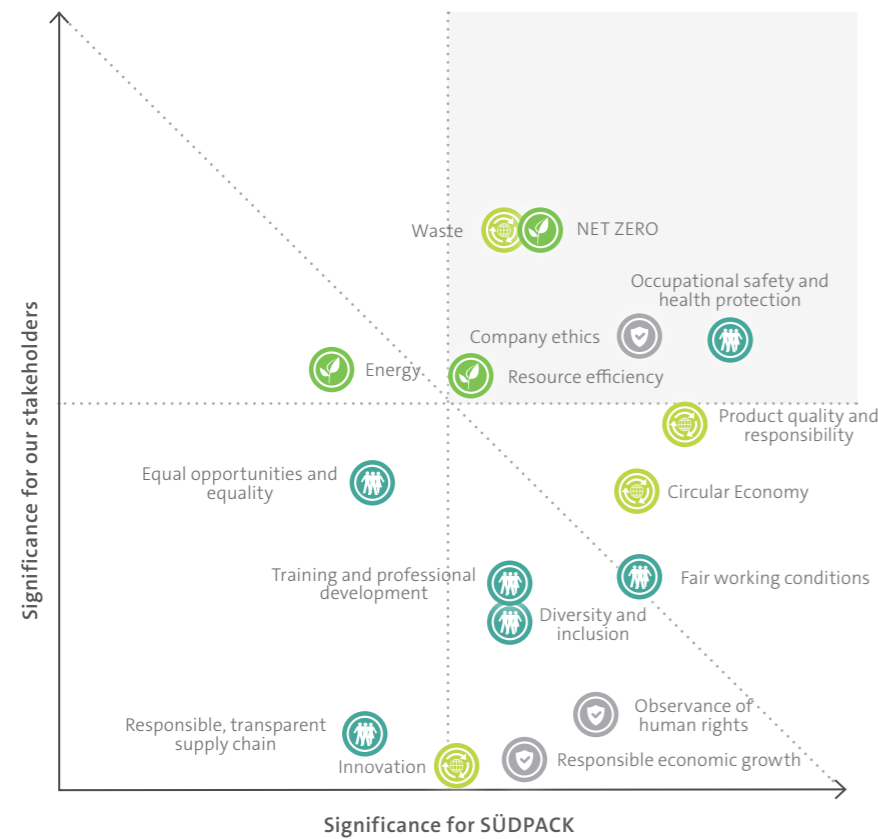
The y-axis shows the importance of the sustainability topics for external stakeholders. The x-axis visualizes their significance for SÜDPACK.

Our materiality analysis is reviewed regularly and updated every two years. To this end, we monitor not only the development of business areas, risks and opportunities for SÜDPACK, but also changes in legislation as well as the requirements and needs of our stakeholders.

The topics shown in the materiality matrix were assigned to the areas of action of circular economy, climate protection and social responsibility as part of our strategic process.

The circular economy area of action is covered by the topics of waste, product quality and responsibility as well as innovation. The topics NET ZERO, resource efficiency and energy stand for the climate protection area of action. The social responsibility area of action includes occupational health and safety, equal opportunities, diversity, inclusion, and training and development.

Targets and measured variables are developed for the individual action areas as part of our strategy development process. These are used to make progress in the topic areas measurable, and to take corrective action where necessary.



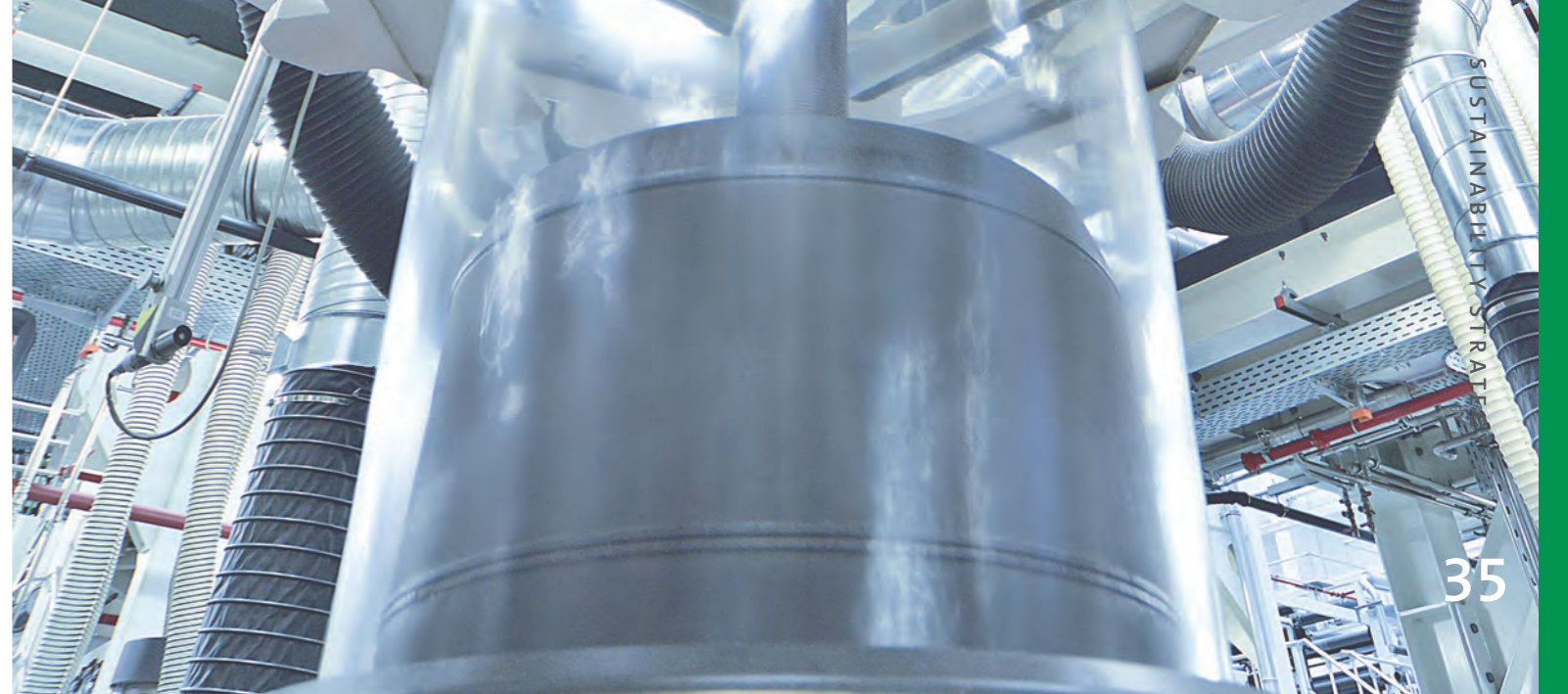
- Circular Economy
- Climate Protection
- Social Responsibility
- Corporate Governance

Our materiality matrix was updated and recreated for the 2020 and 2021 reporting period. The focus was placed on the areas of action of circular economy, climate protection and social responsibility, which are therefore also reflected in SÜDPACK's sustainability strategy. The framework for our daily activities is shaped by our Corporate Governance.



**Valeska Haux,**  
VP Strategic Marketing

'At SÜDPACK, we firmly believe that the future viability and success of a company today are significantly influenced by how sustainably is positioned and how consistently it serves the interests of a wide range of stakeholders. However, the global challenges of our time can only be met if all stakeholders pull together and sustainability can also be implemented in a way which makes economic sense.'





# OUR FRAMEWORK FOR ACTION

The circle shown below visualizes the sustainability framework and the central areas of action of our sustainability strategy. It presents our understanding of sustainability in the individual areas of action. We take a systematic look at the selected areas of action and define specific targets and measures for them, which will in fu-

ture be consistently applied to the individual functions in the form of strategic scorecards. Above all, however, they communicate our claim and our role in terms of sustainability as one of the technological and innovation leaders in our industry.



## Circular Economy

SÜDPACK has been promoting circularity and the responsible use of resources in the plastics industry for years. Through our effective, ISCC PLUS-certified material management, we also reduce our incurred amount of waste. Over and above this, we have created strong capacities for recycling production-related recyclables at our Schwendi site with our Competence Center for regranulation and compounding. We are also investing in extrusion technology so we are able to produce products which meet the requirements of mechanical recycling. And with CARBOLIQ, a future-proof chemical recycling process, we are currently playing a pioneering role with our effective circular economy in the market.



## Climate Protection

This is a long-term focal point for SÜDPACK. This is because industry, as one of the largest emitters of greenhouse gases, must do its part to improve the greenhouse gas footprint. Our goal is NET ZERO. A key basis for this is the Corporate Carbon Footprint: by 2025, we aim to reduce 95% of direct greenhouse gas emissions and emissions from our energy requirements (scopes 1 & 2) and 15% of indirect greenhouse gas emissions along the value-added chain (scope 3).

Other key areas of action relate to energy management and resource efficiency. We work intensively on reducing energy consumption and use renewable energies. Instead of external disposal, we believe in recycling – which turns waste into a true resource.



## Social Responsibility

To SÜDPACK, social responsibility means responsibility for employees, stakeholders, the region, the environment and our own company. Our core topics are occupational health and safety, employee responsibility and supply chain. The safety of our employees is of utmost importance to us. Equal opportunities, individual support, open dialogue, appreciation, employee health and a work environment without discrimination are also core topics for SÜDPACK.

In light of global developments in politics and society, however, securing a sustainable supply chain is greatly increasing in importance. In the interests of a sustainable supply chain with fair working conditions, our key suppliers will therefore be rated on EcoVadis in future.



## Corporate Governance

forms the system of coordinates for our daily activities and is regarded as the legal and factual system of order for managing and monitoring our business activities for the benefit of all relevant stakeholders. Overall, it stands for responsible corporate governance.

## Sustainable Efficiency

is the framework for SÜDPACK which enables efficient and therefore sustainable work.

This includes the areas of lean management, the methods of which enable sustainable production. Digitalization and automation are also of central importance.



# CORPORATE GOVERNANCE

SÜDPACK consistently focuses on sustainability with a holistic approach.

Corporate governance forms the legal and factual regulatory framework for our business activities and thus the framework for our daily work. At SÜDPACK, this means responsible corporate management oriented toward sustainable added value, which takes into account the concerns of all stakeholders. We are convinced that only with excellent quality, reliability, customer focus and, above all, only with ethical principles and maximum transparency can we foster the trust of our stakeholders and secure corporate development geared to the long term.

Because our company group has grown very quickly in recent years, and our business is becoming in-

creasingly complex and global, we have defined principles for our actions. This is to ensure that we conduct ourselves correctly and responsibly at all times, everywhere, as individuals and as an entire organization.

In addition to our values, the new Code of Conduct is a binding guideline for our actions. For employees, this means a clear orientation for their daily work; for suppliers and customers, it means a binding promise on which they can build. It also enables new employees and production sites to become better integrated into our organization and into our values.





**Jens-Uwe Willenbrock,  
CFO and Compliance Officer**

‘For us as a family business, the Code of Conduct represents a guideline to consolidate our position as a first-class organization in an increasingly globalized business world, operating globally while taking local needs into account.’

# CODE OF CONDUCT

The trust of internal and external stakeholders in our company, in our processes and in our products is our most valuable asset. That is why the entire management of SÜDPACK sets high standards for itself and for every employee. If we behave with integrity and loyalty, we strengthen this trust and thereby protect ourselves and our environment.

Our commitment to legally compliant and socially responsible corporate governance worldwide is documented in our Code of Conduct. This Code of Conduct is part of our compliance management, a system consisting of rules and control mechanisms with which we ensure compliance with legal and ethical standards in all areas of our company group and along the value-added chain.

For us as a family business, the Code of Conduct represents a guideline for consolidating our position as a top-class organization in an increasingly globalized business world.

To ensure that all employees – even if they come from different cultures or environments and have different values – act in accordance with the corporate culture, they receive regular training on the binding standards of conduct as part of our training concept.

Our training concept, which is discussed in more detail in the ‘Social Responsibility’ chapter, includes a training plan which is mandatory for all employees and is provided in the form of an e-learning platform. On the basis of this plan, participation in the training courses as well as learning success can be traced. The extent of training in the area of compliance and anti-corruption depends on the respective exposure of our employees.

In essence, we focus on five topics:

- Conduct within our company
- Protection of intangible & tangible assets
- Environment & sustainability
- Legal & regulatory framework
- Behavior towards business partners & competitors

To further expand our compliance organization, a risk analysis was carried out together with external consultants at the end of 2021, which will be further developed with the functional managers over the course of 2022 and reinforced with appropriate measures. This risk analysis is regularly checked and revised.

## Environment & Sustainability

We see sustainable business activity regarding natural resources as a contribution to environmental protection for current and future generations. Reducing our environmental impact, conserving resources and having a positive influence on the circular economy are key objectives for us in the area of ecological responsibility.

We therefore design our production, our manufacturing process and our products in line with the principle of ‘Reduce, reuse, recycle.’ Therefore, we pay close attention to reducing the consumption of materials and resources, to their recyclability, and to the use of alternative materials.

We prefer the use of processes that reduce energy and raw material consumption and avoid, wherever possible, emissions, noise and waste. We only trust certified disposal companies for the treatment of industrial waste that is harmful to the environment.



## Conduct towards Business Partners & Competitors

Our business partners expect to be able to rely on SÜDPACK as a legally compliant business partner. We expect the same from our business partners. As far as possible, we only commission suppliers who have an above-average standard of quality, hygiene, occupational and environmental safety and can prove this through appropriate certifications. We also ensure that all employees comply with the rules of fair competition and act in accordance with antitrust law.



## Protection of Intangible & Tangible Assets

All employees are required to protect both tangible and intangible company property and to ensure proper handling. It does not matter whether this pertains to a company vehicle, furniture, work equipment, innovations or intellectual property. Misuse, in particular for personal, illegal or other unauthorized purposes, is prohibited. Asset-damaging offenses such as fraud, theft or embezzlement will be stringently prosecuted by SÜDPACK.



## Conduct within our Company

Trusting cooperation is based on mutual respect. As an employer, we ensure a working environment which is characterized by equal opportunities, inclusion and individual support. We do not tolerate discrimination, mobbing or harassment. Occupational safety and the health of our employees are part of our self-image.

We also protect our own business secrets and those of our business partners. All employees are also responsible for the safety of SÜDPACK products and services within the scope of their area of responsibility.



## Legal & Regulatory Framework

We comply with applicable law. We observe the applicable foreign trade regulations for all deliveries, services and payments.

We observe the laws and regulations governing copyrights and other forms of intellectual property. We also take this into account in our communication and marketing activities. We strongly condemn money laundering, bribery and corruption.





# SUSTAINABLE EFFICIENCY

It is our goal that the environment can also be a part of our steady and profitable growth. The key to a more sustainable world? Lean production, sustainable products and processes, and responsible use of our resources.

SÜDPACK's declared goal is to increase our economic and ecological efficiency – and to reconcile nature, work and technology. The largest share of our manufacturing costs is accounted for by the consumption of raw materials and energy. We work continuously to exploit optimization potential and increase our material and energy efficiency in the production of our films. This

also has a positive effect on our ecological footprint. One important building block is the implementation of our own material management system, which we have continued to push forward in recent years. This way, we not only make a valuable contribution towards resource conservation, but we also ensure short distances, expand our core competencies and, last but not least, influence the quality of our products.





# MEASURES & METHODS

Sustainable efficiency helps to increase the efficiency of our value-added processes and thus provides the framework that enables us to work efficiently as well as sustainably. Only on this basis can we implement our tasks in the individual areas of action in an economically expedient and sustainable manner.

Lean management is an essential component of our sustainable efficiency concept. We benefit from the successful use of lean methods and tools, such as policy deployment, shop floor management, PMO (project management office) as well as Six Sigma. This enables us to define common goals for the company group and pursue them consistently.

Our tried and tested range of tools enable us to work in a tried-and-tested manner, and ultimately also to achieve profitable growth. By implementing lean, smooth, waste-free processes, we increase the effectiveness and efficiency in our company. We save on costs, resources and energy. We reduce redundant working steps. We also optimize collaboration along the value-added chain.



DIGITALISATION & AUTOMATISATION

LEAN MANAGEMENT

SUSTAINABLE EFFICIENCY

RESPONSIBLE PRODUCTION

Enabler

Enabler

Enabler

Enabler

## PMO

The continuous rise in the volume of projects as well as their increasing complexity have led to SÜDPACK introducing a project management office or PMO. It is ultimately a matter of keeping track of all of the dynamic processes and changes and of making the right decisions. With our PMO, we have created a framework for efficiently managing capacities and holistically prioritizing our projects. This prioritization is decisive for our Big Five target achievement and therefore for reaching our EBT target.

The PMO is an essential management tool as an important brick within lean management. Significant projects such as SPQ, ISO 7 Pharmacenter (BU Medica), digitalization Multifol, the investment projects E5 and G6 (production), the implementation of a stage-gate process for new product developments (Strategic Product Management) as well as the introduction of S4 HANA are mapped in our PMO and thus also transparent for our top management, and can be viewed at any time.

The group-wide project landscape is displayed in the digital project management tool JIRA. The goal is to create binding standards, and ultimately to stringently steer the targets of each department towards the EBT goal.

## Lean & Digital Company

In addition to traditional values, SÜDPACK also stands for high-tech and innovation. For us, automation and digitalization are not a megatrend, but central adjusting screws for sustainable corporate development. Both of these are consistently advanced – and go hand in hand. After all, automation builds on digitalization and is a logical consequence for keeping pace with the technological changes of our time.

Digital technologies support our strategy of lean production and enable efficient management. Increased efficiency, in turn, can save resources – a real plus in terms of sustainability.

The core and basis of digitalization at SÜDPACK is our uniform ERP system based on SAP. All existing sites are already using this software, or work is underway to introduce it.

It is implemented straight away at our new sites. Using SAP, we bundle all business activities in one system and automate our processes.

## Policy Deployment

Policy deployment is a tool for the targeted, cross-hierarchical management of processes as defined by and within the framework of intelligent lean management. At SÜDPACK, we focus on five operational goals, namely quality, costs, lead time, throughput and occupational safety, health and the environment. The Big Five are also the main factors influencing the achievement of our EBT target.

The holistic process approach of policy deployment promotes every employee's understanding of the overarching goals of our company group as well as of their own goals that are specific to their role. Every employee is a part of the Big Five and has an impact on the results.

The conceptual core of policy deployment is to systematically substantiate the overriding goals and strategies and to underpin them with the appropriate measures and projects for the various levels, departments and employees. This not only promotes identification with the company, but primarily aims at setting the priorities that are necessary for achieving goals.

## Shop Floor Management

This means the controlling of manufacturing and value-added processes through the active presence of managers at the point of action. This approach sensitizes management and employees to operational processes. At the same time, it serves as an important key with regard to a constructive error culture – and ultimately results in a permanent optimization process.

The goals relevant to a department that are required to achieve the company's objectives are visualized and measured in order to derive necessary measures and proactively manage the teams. Employees also learn how their work contributes to the achievement of the company's goals and how it can be carried out in a targeted manner.

Shop floor management has already been established across the group in almost all production and administrative departments. The most significant projects which emerge from shop floor management can be found in our project management tool PMO. Almost every department now has its own PMO board, where all projects are clearly displayed.



### Methodical Product Development Process

Whether thin films, products made from renewable raw materials, mono-structures or holistic recyclability concepts – the modern new packaging materials of today must be not only sustainable, but ideally also equal to or even better than former solutions. That means the demands placed on products and our company as a film producer are increasingly complex.

We implemented the Strategic Product Management division at the beginning of 2020 in order to align our company even better with future market requirements and to generate new and profitable growth through new product developments. This also involves prioritizing our development projects and increasing the efficiency of our development work.

One component of our Strategic Product Management is the implementation of a methodical product development process, or PDP for short. This starts with the initial idea and progresses through concept development and implementation to market launch of the product, including targeted marketing. Applying this kind of systematic, methodical approach makes developing successful products easier to plan and manage. It supplements the intuitive approach. And it helps optimize our portfolio as well as the strategic positioning of our products on the various markets. We defined our PDP in close collaboration with our R&D department as a stage-gate process. This is how we ensure the required resources and information are always available exactly where they are needed.

In order to continuously develop and optimize the PDP, we have defined target figures that relate to the efficiency of the PDP. These targets are the number of ideas for new products, the rate of conversion of product ideas into marketable product and time to market, i.e. the lead time of projects through the development process.

The PDP is one of the most important building blocks for our profitable growth and an important step towards being able to implement new developments in a coordinated, rapid and market-oriented manner. Simultaneously, the PDP is the product of genuine teamwork – and also a challenge. We will only achieve success if everybody in all areas, from the BUs to Product Management and Development right up to Production and Marketing works hand in hand.

### Lean Digital Responsible Production

Today, a symbiosis of lean management, digitalization, automation, social responsibility and sustainability are considered the supreme discipline. This is because efficient processes in production maximize the economic effect, whilst at the same time reducing the ecological impact. And at the center of all this are people. Without people and competencies, even our modern world cannot function.

We want all our activities to be balanced in terms of economic efficiency, social aspiration and also environmental sustainability. In terms of economy and ecology, SÜDPACK focuses in particular on energy, recyclables and environmental management, as well as greenhouse gas reduction, resource efficiency and circular economy. In addition, occupational safety and social responsibility are fixed points in the coordinate system of our sustainability strategy.

### Six Sigma

Six Sigma is also being continuously developed at SÜDPACK as a necessary cultural building block. Six Sigma takes a structured approach to process optimization for problems that prevent employees from reaching their goals. This approach makes it possible to analyze and process complex issues using statistical tools.

SÜDPACK meanwhile has a wealth of expertise in this field. For example, 47 employees started Six Sigma training during the reporting period, of whom 38 employees completed the training. This more than doubled the number of employees trained in Six Sigma compared to the last reporting period. In 2022, an employee won gold in the German Six Sigma Award of the European Six Sigma Club Deutschland e.V. She is SÜDPACK's third Six Sigma award winner. We intend to anchor the methodology even more firmly in the company than before. At the same time, further training of employees always takes place according to need.





# CIRCULAR ECONOMY

Establishing a circular economy is of central importance for SÜDPACK and for the entire plastics industry. The European Plastics Strategy stipulates that all plastic packaging must be recyclable or reusable by 2030. In order to meet this target, we have initiated a wide range of measures with which we have already achieved important results in the direction of a circular economy.

For many years, we have consciously relied on our own material management. This way, our production-related waste from extrusion and slitting is regranulated and reintroduced as far as possible into the coextruded film structures. Through the single-variety edge trim collection in Erolzheim, we also obtain high-quality regranulate, which is available to us for further processing in our materials.

We have also focused strongly on establishing CARBOLIQ technology as a complementary chemical recycling process. Holistic LCA analyses of the raw materials industry show, amongst other things,

that the oiling and pyrolysis of mixed plastic waste emits around 50% fewer greenhouse gases than their thermal recycling. Furthermore, the use of recycled plastics instead of virgin-grade materials also has a significant impact on the greenhouse gas balance of our products. For example, the footprint of mechanically recycled material is about 50%, and the footprint of chemically recycled material is about 70% compared to virgin-grade material\*. Here the following applies: the more often recycled material is recycled and thus kept in the cycle, the better the greenhouse gas balance.

Our claim regarding ZERO WASTE is manifested in these two initiatives. After all, as one of the leading film manufacturers, our goal must be to keep all the materials we bring in circulation.

\* Source: Internal calculations



# TECHNOLOGY

In our view, a successful circular economy for production-related as well as post-industrial and post-consumer plastic waste can only be based on a heterogeneous mix of different recycling technologies. The common goal here is to recycle plastics expediently at the end of their life cycle and thus keep them in the cycle. Here we see the different recycling processes as complementary and by no means as technologies that should be in competition with each other.

One necessary prerequisite for the implementation of a circular economy is the massive expansion of recycling capacities, the further development of already existing recycling processes and, not least, the development of new technologies.

**Our three main areas of action:**

- Recovery of recyclables through mechanical and chemical recycling
- Compounding for recyclables processing
- Coextrusion for the reuse of recycled materials in films

To this end, we have created the necessary capacities at our sites – and are continuing to invest in new lines and innovative technologies.

**Recyclables Recovery**

One of the most important goals of implementing a circular economy is to reduce the use of fossil raw materials. To this end, the public, legislators, institutions and above all the packaging industry have initiated a transformation process.

Accordingly, manufacturers, processors and distributors are called upon to develop suitable solutions for converting plastics into a circular product. For various reasons, mechanical recycling cannot be used to process all recyclable material fractions, which is why a large proportion now has to be sent for thermal recycling.

SÜDPACK is therefore investing in the CARBOLIQ chemical recycling technology and, together with partners, is pushing its establishment as an additional and complementary technology for materials that cannot be recycled mechanically due to their composition or degree of contamination. The recycling process enables the regeneration of a wide variety of plastic fractions into pyrolysis oil, which is used for the production of new, high-quality polymers. In our view, however, mechanical recycling remains essential.



**Recyclables Processing**

In addition to recyclates, high-quality specialty compounds are also produced at our Competence Center in Schwendi. Compounding takes place on state of the art lines.

During the reporting period, we continued to expand the capacities of our Competence Center for compounding in Schwendi. This is because, in addition to the recyclables generated in our production, we now also process recyclables from other applications into special compounds together with our cooperation partners.

Keeping these materials in circular plays a major role in improving their eco-balance. Together with industry partners, we at SÜDPACK also carry out corresponding life-cycle assessments for special compounds, if required, which take into account the entire life cycle of these materials.

**Coextrusion**

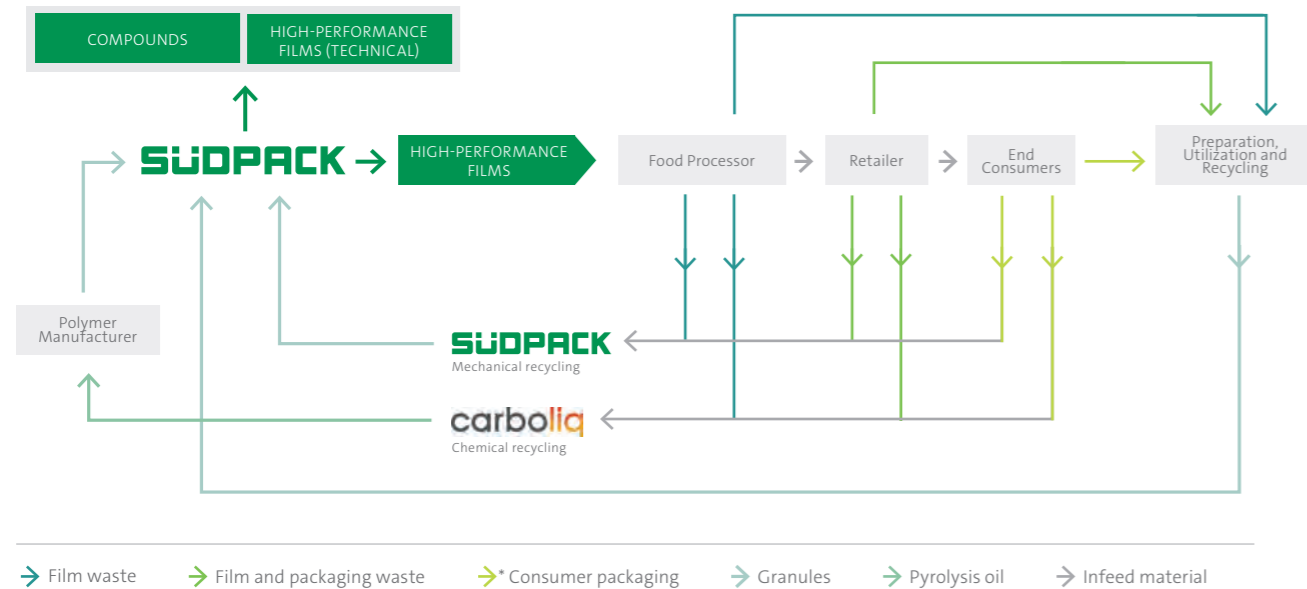
One of our core competences is the coextrusion of multilayer structures. This technology allows us to produce high-performance films which meet current requirements in terms of recyclability and material efficiency. At the same time, coextrusion technology enables recycled materials to be processed in film production (see supplement on page 5).

**CARBOLIQ in the Year 2022**

Due to an agreement signed in early 2022, SÜDPACK, CARBOLIQ and Clean Cycle Investments are pooling their expertise in the field of material management via chemical recycling. The goal is to further expand the available capacities and to make recyclable packaging materials that have not been recyclable to date for future-proof development.

With the operation of the pilot plant in Ennigerloh, SÜDPACK and CARBOLIQ proved in 2021 that numerous material fractions as well as mixed and contaminated plastic waste can be converted into a valuable resource. CARBOLIQ also offers competitive advantages in terms of energy efficiency and low emission levels. The oil that is recovered this way is then available in virgin-grade quality.

The CARBOLIQ lines for direct oiling are globally unique. The cooperation partners successfully apply the technology both for resource recovery from their own recyclable material flows as well as for recycling packaging materials from processing and from end customers. For SÜDPACK, this investment is also an essential component on the path to a zero waste company.



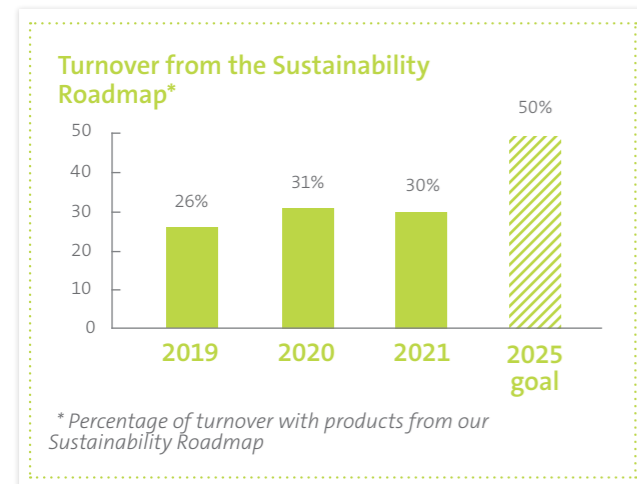


# PRODUCT DESIGN

Recyclable films and packaging concepts are an important building block for fulfilling modern requirements when it comes to ambitious recycling rates. However, whether a package is actually sustainable and can be kept in the cycle is decided at the very beginning – with the development of a suitable film and with the development of a packaging design suitable for the product.

We at SÜDPACK are experts in sustainability. As part of our sustainability roadmap, we focus strongly on the following aspects in the development of our high-tech films:

- Material reduction
- Recyclability
- Renewable raw materials
- Circular economy



- Recyclability
- Renewable raw materials
- Material reduction
- Circular economy

## Roadmap for Sustainable Film Solutions

We have consistently expanded our roadmap for sustainable film solutions during the reporting period.

Particular emphasis was placed on expanding our portfolio of recyclable film concepts, especially those based on the polymers PP and PE. In this context, we understand 'recyclable' to mean those materials for which recycling streams have already been installed.

When developing our film concepts, we take into account the existing recycling requirements of the various countries – and have the recyclability of our concepts certified by independent institutes. Our xPEP solutions, for example, are based on polyolefins, whilst our Pure-Line is based on polypropylene or polyethylene. Both product families offer the usual protection and convenience functions and, like all our films, convince through optimum performance with maximum material efficiency. Our activities in the field of recyclable materials relate not only to the food packaging market, but also to other applications. For example, we have developed a polypropylene-based thermoforming film for blister packaging and other pharmaceutical solid applications for the pharmaceutical industry. A corresponding lidding film will also be available at the end of 2022. With this product, we are able to provide the pharmaceutical industry with a sustainable alternative with an excellent barrier profile to the widely used PVC/PVdC blister materials.

In the field of film solutions based on renewable raw materials, our focus is amongst other things on the processing of PLA (= polylactic acid). Examples of these products are our Planova Flow Pack film and our Xpect-Line, as well as film solutions for laboratory diagnostic applications. PLA films offer crucial added value in packaging and sterilization for certain applications, such as culture media. Culture media requires high water vapor permeability and also benefit from the sterilization resistance of our PLA products.

We also offer a series of particularly high-quality laminates based on paper-fiber-based materials, which we design to meet the individual requirements of the products to be packaged.

Furthermore, we are also working continuously to increase the proportion of recycled material in our film solutions within the scope of the legal framework con-

ditions. For this purpose, we see chemical recycling as a viable alternative, especially in the production of films for food packaging – as plastics from mechanical recycling are only approved to a limited extent for direct food contact.

Chemical recycling thus helps to close loops for flexible films in food packaging as well. In most cases, our multi-layer film composites still have to be thermally recycled due to a general lack of appropriate sorting systems or recycling streams. By investing in technology and capacities, we hope, together with our cooperation partners, to be able to transfer the pioneering CARBOLIQ process into an industrial scale.

Last but not least, we are working consistently on further reducing the film thickness of our materials. After all, thin films consume less material, which in turn improves material efficiency – an aspect that has an overall positive effect along the process chain and on the eco-balance. Moreover, material that is saved from the beginning will not have to undergo a complex recycling process later on. Through consistent new and further development of our most important film types, we have been able to achieve savings of up to 50% for some materials – with improved performance.

## Packaging Concepts

For extra sustainability, conventional packaging concepts can be substituted by innovative alternative solutions. In many sectors, flow packs are becoming established as packaging solutions that ensure optimum product protection and perfect presentation at the point of sale despite the low use of materials. In particular, they meet the demands of end consumers in terms of reducing packaging weight. The best example is Flow Pack PurePP – an unconventional packaging concept based on polypropylene, which was launched on the market during the reporting period and has now also established itself with end consumers. Compared to conventional tray packaging, this tubular pouch reduces the amount of material used by approximately 60%.

Other outstanding concepts include recyclable and particularly material-efficient doypacks, which are used in particular as alternatives to material-intensive thermoformed packaging for a wide variety of products.



**Matthias Schrägle,**  
VP R&D

'We are pursuing a vision: for all the films we put into the market, we also want to offer suitable measures and technologies for recycling. To fulfill this vision, we are investing in product development and production technologies, in further developing our expertise, and in expanding strategic partnerships.'



# RESOURCE MANAGEMENT

One central area of action for SÜDPACK – also within the framework of NET ZERO – is closing material cycles. As already mentioned in the TECHNOLOGY section of this report, we are pursuing several different approaches: recyclables processing, coextrusion and recovery of recyclables. Whereas recyclables processing and coextrusion refer to SÜDPACK's internal processes and core competencies, the term recyclables recovery stands for both our own internal material management by means of regranulation and compounding, and our commitment to CARBOLIQ technology. This way, we prove on a daily basis that the optimized internal and external material management enables us to significantly reduce the volume of waste and the cost of disposal.

It's a fact: in our production processes, waste and reusable materials of various quality are generated. We are continuously working to reduce this amount of waste through various measures. Here, we were able to achieve a significant reduction of 15% in 2021 compared to 2019 in relation to the amount of material used.

We succeed in recycling the remaining production waste by continuously optimizing processes and recycling technologies – and successively expanding our capacities and expertise in the area of material management. In Schwendi, we run our own Competence Center for compounding and regranulation. Here and at the Erlenmoos site, all materials left over from production such as edge trim and start-up material that accumulate at our sites in Erlenmoos, Ochsenhausen and Erolzheim are systematically collected in a separate area, separated by polymer and converted into granules on state-of-the-art lines. These granules can then be reused for our film production. This not only enhances our innovative strength, but most importantly allows us to make an essential contribution when it comes to sustainability.

To increase the efficiency of our recycling processes, further investments were made in additional lines for waste processing at the Ochsenhausen site in 2019. At the site in Kłobuck, Poland, film waste generated during production is now also sorted by type of material to allow for optimal recycling. At the site in Bioggio, Switzerland, however, limited sorting of industrial waste is

performed, as waste has been primarily recycled using energy recovery methods in Switzerland so far. The quantity of waste at this site has remained fairly constant in recent years.

The process of reusing recyclates from our production in our products was successfully certified according to ISCC Plus in 2021.

We process the regranulate that we do not use ourselves into high-quality compounds that can be used, for example, for our customers' premium injection molding applications. And materials which cannot be recycled by us can now also be recycled thanks to CARBOLIQ. Only a small proportion of materials actually need to be disposed of.

Not least, cardboard, paper, metals, wood and plastic waste that can no longer be used as a recyclable material, as well as commercial waste, are separated at all sites and sent to certified local disposal companies for further processing. We record and document all quantities of waste at each site (see supplement on pages 6-7).

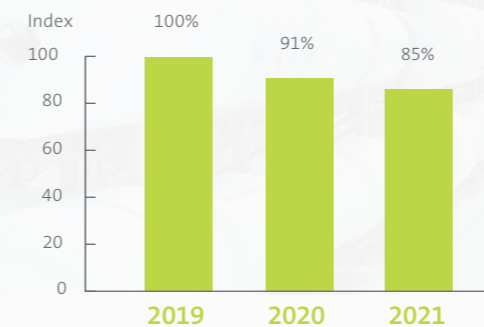
## In Conclusion:

We are also working intensively on:

- Continuously increasing the share of recomponds for internal use as well as external sales.
- Further developing recyclable adhesives, colors and, above all, films.
- Working with strategic partners to establish additional recycling technologies on the market for films for which there is as yet no mature recycling technology – for example, for films made of PET.
- Becoming a ZERO WASTE company.



Development of Relative Quantity of Waste\*



\* With regard to the material quantity used. Indexed to the year 2019

## ISCC PLUS Certification

In autumn 2021, SÜDPACK was one of the first film producers to have successfully completed the initial audit for ISCC PLUS certification (International Sustainability and Carbon Certification).

The goal of ISCC PLUS is to ensure the traceability of raw materials along the entire value chain in the food, animal feed and chemical sectors. The management system is significantly more stringent than ISO certification, because every individual operating site must be separately certified.

At SÜDPACK, one of the uses for this certification is to provide evidence of its use of mechanically and chemically recycled material. By the end of November 2021, all of our German sites had been successfully certified, starting with the SÜDPACK Verpackungen sites in Ochsenhausen and Erolzheim and continuing with Ecoform Multifol in Erlenmoos and Schwendi, whereby Schwendi has been certified as both a waste collection point and a production facility. The regranulate that is produced there, which is reused in extrusion, can therefore be designated as ISCC PLUS-certified material – just like

any mechanical and chemical recyclates which SÜDPACK purchases from an ISCC PLUS-certified business.

Since July 2022, SÜDPACK Kłobuck in Poland also has ISCC Plus certification.

Certification makes it possible to communicate transparent and verified information to stakeholders – while confirming that the ISCC sustainability requirements have been met and that the traceability of the entire supply chain is ensured. Its credibility is additionally substantiated by third-party certification.





# CLIMATE PROTECTION

Climate change and environmental degradation are existential threats to our planet and to us humans. The European Union has therefore set itself the goal of becoming the first climate-neutral continent by 2050 as part of the European Green Deal published in December 2019. By 2030, greenhouse gas emissions are to be more than halved compared with 1990 levels.

Industry accounts for a significant share of annual emissions. We at SÜDPACK are therefore taking up the challenge with conviction to permanently improve our greenhouse gas balance and thus make our contribution to climate protection. The name of our vision is NET

ZERO. This means greenhouse gas neutrality at all sites and throughout the entire value-added chain.

The comprehensive greenhouse gas balance sheet that we initially prepared for our sites in Germany in 2020 was a first step and forms an important basis. It enables the derivation of a dedicated greenhouse gas reduction strategy and the definition of corresponding initiatives. We have already successfully implemented several concrete measures, such as switching our German sites to green electricity. Further projects have been initiated or are being planned.

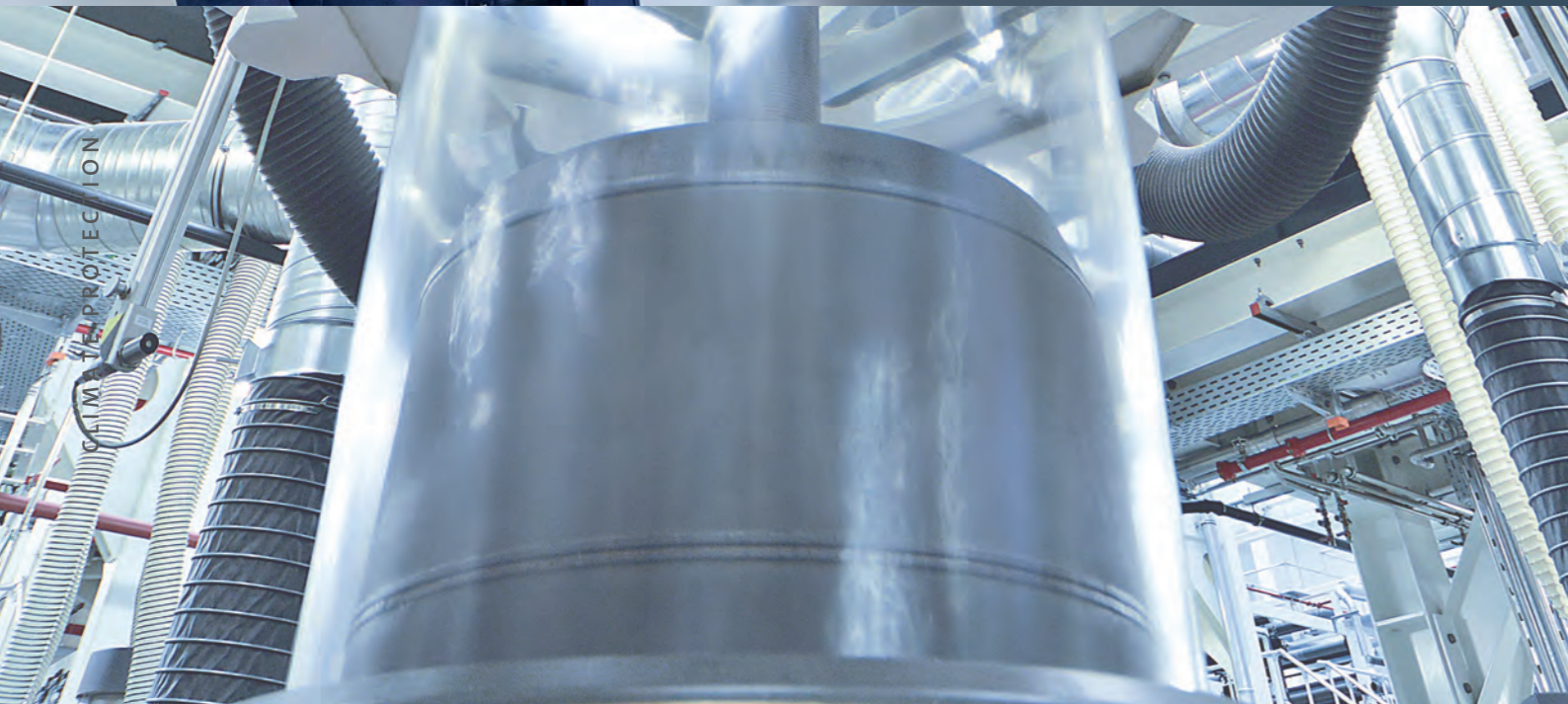




**Johannes Remmele,  
Entrepreneur and Company Owner**

'Against the backdrop of the current global political war, as China, Europe and America drift apart, we are losing focus on the topic of climate protection.

It would be desirable for climate protection to become the focus of the global community, because otherwise water shortages and famines will become inevitable or intensify.'



# NET ZERO

NET ZERO represents a central sustainability objective for SÜDPACK – and a real challenge. Because NET ZERO means that all greenhouse gas emissions from SÜDPACK – and not just CO<sub>2</sub> – must be avoided as far as possible, and the emissions that cannot be avoided must be removed from the atmosphere. In other words, the total of all greenhouse gases in the atmosphere must not increase due to our business activities, but rather must stay the same or in balance.

The focus of our activities is on reducing and avoiding greenhouse gases. For the time being, we consider compensation to be of secondary importance.

One foundation on which we are building is the 2020 greenhouse gas balance for our sites in Germany. The evaluation and knowledge of our corporate carbon footprint (CCF) forms the basis for further action to achieve greenhouse gas neutrality. The CCF provides us with information on all direct and indirect greenhouse gas emissions relating to our business activities. The main emission sources within our company are identified so

that appropriate reduction measures can be derived. Overall, the CCF is an important tool for our sustainability activities – and at the same time a necessity in order to be able to achieve our NET ZERO target.

Emissions are assigned to scopes 1 to 3 as specified by the Greenhouse Gas Protocol (GHG).

Scope 1 relates to greenhouse gas emissions which are directly emitted by the company. These include emissions from our company's own vehicle fleet, refrigerants and incineration plants.

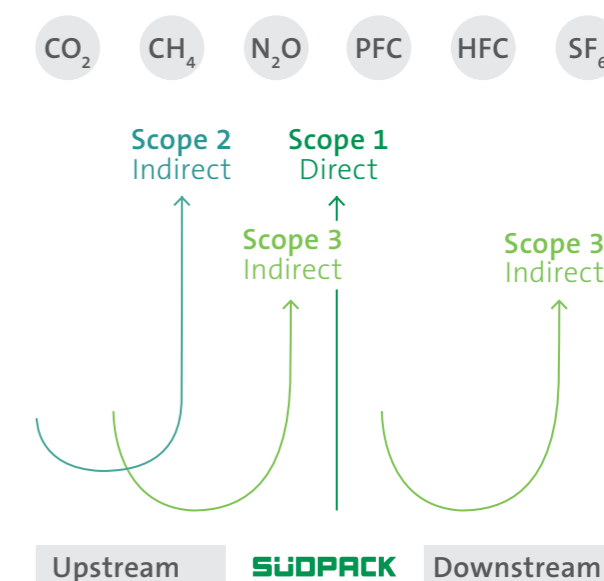
Scope 2 refers to indirect energy emissions linked to purchased energy.

Scope 3 encompasses all indirect emissions from upstream and downstream activities. These include elements such as purchased materials and their transportation and waste, distribution, logistics and employees' commutes as well as business trips (*see supplement on page 8*).

## NET ZERO

For SÜDPACK, NET ZERO means that our products, our processes and our business activities as a whole should not negatively impact the climate through greenhouse gas emissions and that the greenhouse gas balance is balanced. In addition to carbon dioxide (CO<sub>2</sub>), greenhouse gases also include methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and fluorinated greenhouse gases (F-gases).

For 'true' climate neutrality, all negative effects of human activity on the climate, such as the decreasing albedo effect, ozone smog and ocean acidification, would have to be taken into account and reversed.





**Life-Cycle Assessments of our Products**

We are also working on calculating the environmental impact of our products. For this purpose, an internal calculation tool is currently being introduced which permits us to calculate their ecological impact on the basis of a holistic life-cycle assessment (LCA). The calculations are based on a data model which takes into account various end-of-life options for our products within defined system boundaries. This allows us to create complete ecological balances for our products. We hereby pursue the approach of evaluating packaging solutions and their environmental impact holistically together with our customers, and comparing different packaging solutions with each other. We view this as an important component of our holistic customer consultation.

**Reduction of Greenhouse Gases**

Our goal is to reduce our scope 1 and scope 2 emissions by 95% and our scope 3 emissions by 15% by 2025, using the 2020 levels as a baseline. Measures to this end have already been realized or are in the implementation phase: they relate to the increased use of renewable energy and additional investments in photovoltaic systems. Since 2022, we have been sourcing 100% renewable energy at all our German sites. In terms of scope 2, our carbon footprint has therefore already been set to zero from 2022. We are also on the right track in terms of scope 3, because our commitment to circular economy and recycling in particular is bringing us steadily closer to our target.

Building on this experience, we are currently preparing to extend these calculations to all SÜDPACK sites – and

are creating the conditions for an annual calculation of the CCF and measurement of the effectiveness of all our initiatives in parallel.

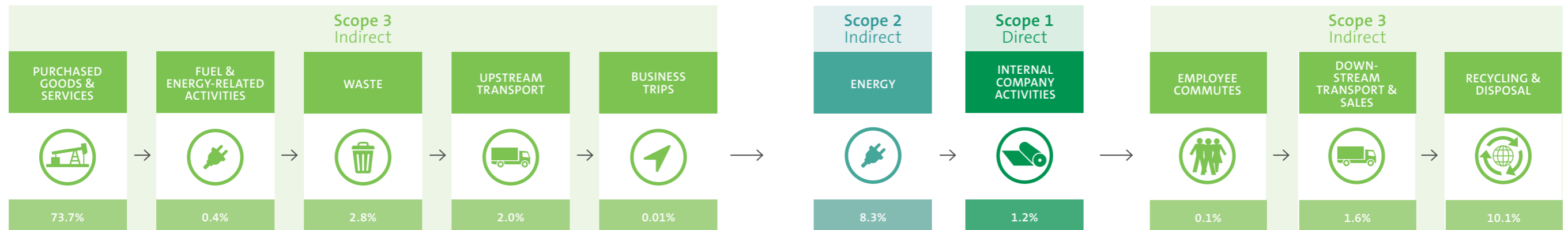
**Science-Based Targets**

As part of our NET ZERO activities, we have joined the Science-Based Targets Initiative (SBTi). The joint initiative of CDP, UNGC, WRI and WWF has set itself the goal of also anchoring effective climate protection at corporate level in order to be able to achieve the limitation of global warming to 1.5°C.

We thus belong to an international community of companies that share the same values and goals. Above all, however, we are obligating ourselves to an even stronger commitment to climate protection along our entire value-added chain on the basis of current findings in climate science. We are also ensuring that our climate-protection efforts are in line with the highest standard of the Paris Climate Agreement.

We signed the Commitment Letter in April 2022. Within the next 24 months, we will submit our specific goals to the SBTi and have them validated.

The scope 1 and scope 2 emissions according to the Greenhouse Gas Protocol standard are being taken into account, as well as the scope 3 emissions, since these account for approximately 90% of the total emissions at SÜDPACK.



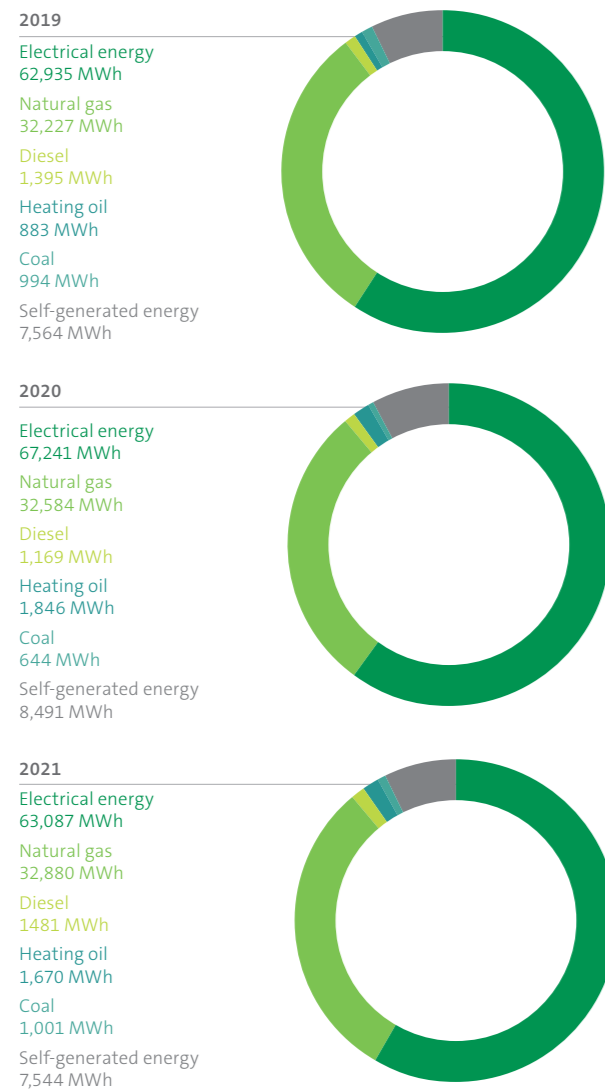
SÜDPACK corporate carbon footprint – German sites in 2020



# ENERGY MANAGEMENT



## Energy Consumption from Non-Renewable Sources



Due to its manufacturing processes, SÜDPACK is a highly energy-intensive company. In 2011, our acknowledgement of the significance of energy efficiency led to the implementation of an energy management system in accordance with ISO 50001 at our most energy-intensive site in Ochsenhausen. Certification has been carried out regularly since then.

Specifically, the proportion of energy in the scope 1 and scope 2 segments accounts for over 85% of greenhouse gas emissions. The aim is to save energy wherever possible and to use it as efficiently as possible. In the last two years in particular, we have therefore implemented or initiated numerous measures to improve our energy efficiency.

## Measures for Reduction of Electricity and Compressed Air Consumption

One of the most recent examples is the refrigeration system in our production hall in Ochsenhausen. In the course of a comprehensive screening, potential for improvement was identified there and corresponding measures for the cold distribution process were defined. By replacing the pumps on the evaporator and condenser side, it was not only possible to increase the throughput in the system – the temperature spread is also reflected in significantly more efficient operation of the overall system. We now achieve electricity savings of around 85 MWh per year.

By making a number of adjustments, we also reduced the electricity consumption of our lighting systems by a total of 109 MWh in 2020 and 2021. Amongst the most striking improvements was the reduction of outdoor lighting at the Erolzheim site.

In addition, during a consumption analysis of the compressed air consumers at the Schwendi site, we identified potential for improvement for two regranulation systems. This is because the use of compressed air also means high energy consumption levels. Thanks to fewer adjustments, it was possible to make drastic cuts in energy consumption: the annual savings amount to over 65%. This totals approximately 12 MWh.

## Renewable Energies

In this area in particular, a lot has happened at SÜDPACK in the last two years: a new photovoltaic system was commissioned in Erlenmoos in 2021. Another

PV system will start operation in Erolzheim in the course of 2022, and PV systems are also planned medium-term for the Grootegast site, as well as for use on the roofs of parking lots.

The Polish site in Kłobuck switched to green electricity in January 2021. From 2022, SÜDPACK's German sites will also use 100% renewable energy and carbon-neutral natural gas. From 2023, we will procure wind power from the Ummendorf wind farm at our Swabian sites. In Schwendi, a hydroelectric power plant is to be positioned directly on the river which runs through the plant site in order to generate energy, 100% of which is fed into the municipal power grid.



**Joachim Ensinger,**  
VP Engineering & Technical Service

‘For us, the use of energy as a resource is very important from both an economic and an ecological point of view. We have permanently been working on improving our energy efficiency – but in view of the global challenges of our time and in particular the supply situation, it will be even more important in the future to exploit all optimization potential.’



# RESOURCE EFFICIENCY

Secure access to raw materials is of existential importance for a film manufacturer like SÜDPACK. Resource efficiency and the associated efficient use of raw materials play a decisive role here. One of our most important goals is to use as little material as possible in the production of our high-performance films, thus ensuring maximum performance and product protection with minimum weight input. Or, in other words, the material input should be nearly equal to the material output. The focus is therefore on how we can make our products and processes as resource-efficient as possible.

## Recycling and Substitution of Valuable Recyclables

Thanks to our expertise and state-of-the-art lines, we are able to produce high-quality granules from materials left over from production, which can be reintroduced into our film production or processed into high-quality compounds.

We have invested in chemical recycling technology for the recycling of film scraps generated by our customers and packaging at the end of its life cycle that cannot be sent for mechanical recycling. This process allows us to obtain pyrolysis oil from the recyclable materials, which is used instead of fossil raw materials at the beginning of the process chain.



## SÜDPACK wins Gold German Packaging Award 2021 with SPQ

In August 2021, the SÜDPACK SPQ technology received the German Packaging Award 2021 in the Economic Viability category. And the gold German Packaging Award also went to SÜDPACK in 2021. This award was in recognition of an innovative printing technology which significantly improves the greenhouse gas balance as well as the print quality in packaging printing.

The award ceremony took place on September 28 at the FachPack 2021 in Nuremberg.

## SPQ – Sustainable Print Quality

When it comes to ensuring that products are as resource efficient as possible, the old adage 'less is more' is now more applicable than ever. We also followed this principle when developing our innovative SPQ technology, with which we revolutionized package printing in 2021. SPQ offers significant advantages in terms of sustainability, efficiency and quality. With SPQ, all designs are mapped using a reduced color palette. This standardized color palette allows the number of color changes in the printing machine as well as the associated color, solvent and film consumption to be reduced. In addition, the printing plates are produced via a water-based process. This renders the use of solvents in plate production obsolete.

Thanks to its high register accuracy and standardized color management along the process chain, SPQ also contributes to increased color consistency and a considerable increase in the quality level. And not least, the printing adjustments and on-site print approval that had once been necessary become obsolete, and the amount of material needed for proofs is minimized.

Overall, we have been able to reduce color and solvent consumption by up to 60% in the projects we have completed with our customers to date.

## Solvent Consumption and Solvent Recovery in Bioggio

In the meantime, the further development of adhesive systems has made it increasingly possible to laminate without solvents. This offers various advantages. As the name implies, no solvents are used in solvent-free laminating. Furthermore, significantly less adhesive is applied here than with solvent-based laminating, and solvent recovery is rendered obsolete. As a result, the increased use of solvent-free laminating has both an ecologically and economically positive effect, and the overall consumption of adhesives and solvents in our production has been significantly reduced.

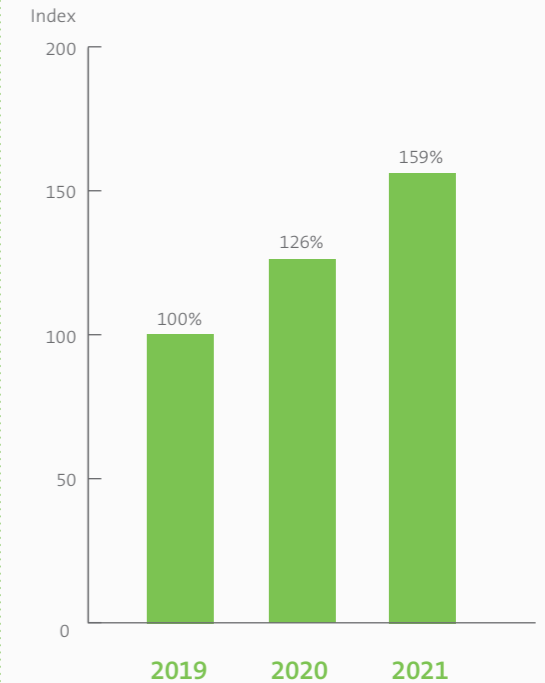
We are also consistently addressing the issue of solvent recovery for the solvent-based laminating required for some applications. At the Bioggio site, our investment in a large, activated carbon plant enabled us to recover over 1,500 metric tons of solvent in 2021.

Another approach is already a reality at five sites: here, air containing solvents is filtered using solvent filters and incinerated in RTO lines. The energy thus generated is used to create heat.

## Downgauging of our Materials

We use innovative technologies and raw materials which allow us to reduce the thickness of our films more and more whilst maintaining the desired functionalities. One important measured variable for presenting our material efficiency is therefore the ratio between extruded film area in m<sup>2</sup> and production volume in kg. Thus, the extruded quantity in m<sup>2</sup> increased by 15% in 2021 compared to 2019, whilst the volume of the produced quantity in kg only increased by 10%. The reduction in the basis weight of our materials is largely due to the fact that we now produce significantly thinner and lighter films. One of many examples are the PE-based cheese maturing bags from SÜDPACK, the recyclability of which has been certified at 97%. By developing a special formulation, it was possible to significantly re-

## Reused Materials from Internal Regranulation



Indexed to the year 2019

duce the thickness of these high-performance materials whilst maintaining the same properties.

## Improvement of Resource Efficiency in the Area of Finishing

Over the past two years, we have also made significant progress in the area of finishing – quite apart from our innovative SPQ technology. The use of higher-quality colors, for example, means that less color needs to be applied. This significantly reduced the color consumption per area. Furthermore, various optimization measures have led to a further reduction in our color consumption and the associated disposal volumes. In concrete terms, savings of more than 20% are achieved in the use of chromatic colors in relation to the printed area, and 6% in the use of white. As a result, the disposal volumes for colors in 2021 were reduced by more than 40% compared to 2019 (see supplement on page 10).



# SOCIAL RESPONSIBILITY

SÜDPACK is a part of society – as an employer, as a business partner and for its employees. People are always the focus of our attention. After all, our employees are our most important resource, our customers and business relationships are the foundation of our successful development, and open communication with all stakeholders represents a valuable component of our brand philosophy.

Social responsibility therefore represents a central task for SÜDPACK. Through our commitment, we create a safe, sustainable working environment. We consciously participate in social life. And we contribute to the intelligent and sustainable design of our environment – as well as the entire value-added chain. We are convinced that sustainability can only be lived and implemented in all its facets if we keep people in mind and are aware of the potential impact of our actions at all times.

Within our company, we invest all our energy to the central issues of job security, employee qualifications, training and professional development, occupational safety and health protection, employee satisfaction and communication. Externally, we focus primarily on selected projects and cooperations that are appropriate to our culture as a family-owned company with Upper Swabian roots and which have a

sustainable impact for the common good. We promote sports, culture, education, charitable projects and institutions, and, last but not least, volunteer work. And we are also increasingly focusing on our duty of care in the value-added chain.

In 2021, SÜDPACK was honored by the state of Baden-Württemberg as a 'Volunteer-friendly employer in civil protection'. This award is bestowed annually on companies that promote volunteer work in every way, and actively support their employees in performing a volunteer role in the field of civil protection. At SÜDPACK, approximately 25 employees are currently active as volunteers in a broad variety of areas. In the case of an emergency or operation, our helpers are released from work duties without any red tape. SÜDPACK also supports professional development programs and makes sure that volunteer work is acknowledged and not simply taken for granted.

In all our activities, our value statement defined in 2021 provides an important framework. It serves as a system of coordinates for our daily interaction and enables us to stringently pursue our goals despite our strong growth and changing framework conditions such as globalization and digitalization.



# EMPLOYEES

Awareness of our responsibility for our employees is a part of our DNA. Over 1,700 people in our company group shape our everyday working life with their competence, commitment and passion.

But what makes us attractive as an employer, both today and tomorrow, in a world that is undergoing profound change due to digitalization, scarcity of resources, and not least the coronavirus pandemic?

We ask ourselves this question on a daily basis. And every day, we work hard to create the best possible working environment. Our key topics during the reporting period were as follows: modern work, training and remuneration models, interesting prospects and individual support for each person in many ways.

## New Opportunities

SÜDPACK is a responsible employer which deliberately supports not only skilled workers, but also career changers and newcomers to the profession in choosing and pursuing a career.

To keep our employees up to date on current developments and refresh their knowledge, SÜDPACK has developed a comprehensive, modular training concept. The training modules are provided via an e-learning platform and must be completed within a defined period of time. Through the training modules, the learning success can be traced. This way, every new SÜDPACK employee undergoes a training program on a wide range of topics as part of their induction. In addition, the program includes annually recurring training courses, such as an annual training course which is mandatory for all employees and covers the topics of hygiene, communication, occupational safety, energy and environmental management, sustainability and documentation, as well as compliance training which is mandatory for various departments and managers.

In addition to internal training, SÜDPACK also offers its employees the opportunity to receive topic- and function-oriented further training as part of external training courses and seminars. And SÜDPACK also supports external further training, such as technician training, specialist trades or part-time master's degree courses – both financially and through adapted working-time models. In short: committed employees who are willing to perform can start their careers and make a career at

SÜDPACK. Because if you give your best every day, all doors in our company group are open to you. This is also reflected in the age structure of our managers: 21% of our managers are younger than 35.

We also offer modern and, above all, attractive working-time models – and are extremely flexible in terms of individual arrangements, both full- and part-time. This also applies for our shift models in the commercial sector. In this way, we would like to contribute in particular to the compatibility of family and career and also provide our employees with the best possible support in difficult situations. Even during parental leave, SÜDPACK offers individual options for structuring working hours and working conditions, in particular to make it easier for young parents to return to work. In the reporting period, 93 employees at our German sites took parental leave, of which 27 were female and 66 male. 93 employees returned from parental leave during the reporting period.

## New Work Environment

Although the pandemic did not initiate the transformation process in the world of work, it did accelerate it. The new normality is called remote work. Virtual event concepts and meetings have long been a reality, as has digital networking. Laptops and smartphones are standard equipment, whilst permanently installed PCs are already a thing of the past. Shared desk solutions are also becoming the norm in everyday working life.

Against this backdrop – and also with a view to the further internationalization strategy of our company group – SÜDPACK has invested heavily in new tools in recent years and adapted its structures in the direction of the 'New world of work'. For example, the digital skills of our employees have been further expanded and mobile workstations created across the board wherever this made sense. Existing systems have been updated or expanded, and better security concepts implemented for the digital transformation.

Equipping our employees with mobile devices was an indispensable prerequisite for implementing our security measures when the coronavirus pandemic occurred. In this way, it was possible to convert as many workplaces as possible to remote work within a very short time, thus minimizing the risk of infection.

## 'Entrepreneurs as Teachers'

Our owner, Johannes Remmele, took part in the 'Entrepreneurs as teachers' project as part of his role as IHK (Chamber of Industry and Commerce) Vice President, and designed a lesson for the students of the Carl-Laemmle-Gymnasium in Laupheim, during which he talked about his personal and professional career and SÜDPACK. The aim of the 'Entrepreneurs as teachers' program is to illustrate entrepreneurship to students using practical examples.

## The New Remuneration System

This system is highly transparent and applies for all employees. With its introduction, the compensation systems of our industrial and commercial employees were harmonized and the remuneration systems simplified and standardized. The aim is to act as transparently and comprehensibly as possible and to create clear structures.

In addition, we have encouraged the participation of all employees in the success of the company by implementing a variable compensation component. Now our compensation structure consists of a fixed and a variable component based on the achievement of a common earnings target that is the same for everyone.

Our vision? 'WE'RE ALL IN THIS TOGETHER.' If each individual contributes to the achievement of our goals, we also all share in the company's success – and promote a corporate culture that puts people at the center.

## Company Pension Scheme

SÜDPACK introduced an attractive, employer-funded company pension plan many years ago, which is available to our employees at the German sites. In addition to the employer-funded pension plan, there is also the option of an employee-funded pension plan in which our employees can build up a further pillar of retirement provision through voluntary deferred compensation from their gross salary.

### Birgit Schechner, VP HR & IT

'Our values, very good prospects for the future, a comprehensive range of career and training opportunities, but also the right work-life balance – that is what SÜDPACK stands for as an employer to this day. Because as a responsible family business, what counts for us, in addition to economic success, is above all the people.'





### Training at SÜDPACK

With a total of eight different apprenticeships and nine courses of study, SÜDPACK offers an attractive range of opportunities for our junior staff at its German sites. Five full-time instructors and 100 training managers in the individual departments are available to supervise them. The success of this system is also reflected in concrete figures: in each of the last three years alone, over 80% of trainees and students have been taken on.

Our modern training program is supported by three training ambassadors. They are trainees who have both personal and professional qualifications and have been certified by the Chamber of Industry and Commerce for this task. They report on their own experience from their working environment at schools, universities and events. The aim is to give schoolchildren and students an insight into everyday working life and individual occupational fields, to raise their awareness of internships and applicant training, and ultimately to get them interested in training or studying at SÜDPACK. We currently work closely with seven cooperating schools.

In addition to visiting classes and courses, our training ambassadors are also available for in-depth discussions at various in-house and training fairs in the region. An important component in this context is our own career information day, 'Snap your job', which takes place annually. Other highlights in the reporting period also include the advertising tour for an apprenticeship at the Gebhard Müller School, the cooperation with the Student Research Center, Girls' & Boys' Day, our summer vacation program and the individual project afternoons

with cooperation schools. In addition, we also organize cooperations with schools and kindergartens at our Polish site in Kłobuck.

Our partners Carolin Grimbacher and Johannes Remmele are active as curators at universities in our region (Carolin Grimbacher in Kempten, Johannes Remmele in Biberach). Furthermore, SÜDPACK also holds guest lectures at various colleges and universities in order to be able to report to students based on the company's practical experience. The topic of sustainability is also often on the agenda, as demonstrated by the recent presentations at Kempten University of Applied Sciences and at Stuttgart Media University on the topic of 'Sustainability at SÜDPACK.'

Starting in 2022, SÜDPACK will also support one student each in the field of Business Information Systems – Data Science at the university in Neu-Ulm and at the university in Kempten with a Germany scholarship (see supplement on pages 11–13).

# OCCUPATIONAL SAFETY

### Health Protection

During the reporting period, we offered the following health and fitness programs for our employees at the German sites. These have met with a very positive response, and are to be further expanded in the future and transferred to the other production sites.

### Skin Screening

Prevention is better than cure – and can save lives. For this reason, we will continue to offer skin screenings for all employees as part of our company health management program in cooperation with the statutory health insurance company BARMER. The examinations are performed by experienced dermatologists directly at SÜDPACK.

### Carotid Screening

Strokes or cerebral infarctions are one of the leading causes of death. Triggers are usually clogged blood vessels, thrombi or cerebral hemorrhages. By examining the carotid artery, which is particularly frequently affected by such deposits, risks can be quickly identified. In November 2021, we offered a screening for employees at SÜDPACK for the first time. In future, the examinations, which are performed by experienced experts, are to take place regularly at SÜDPACK.

### JobRad

The bicycle replaces the car – this is not only good for your own fitness, but also protects the environment. With our JobRad cooperation, we want to encourage our employees at our German sites to use their bikes more often – whether for commuting to work or for leisure. More than 170 employees have already selected their desired bicycle from a specialist dealer or online and leased it through SÜDPACK. Because with the JobRad, our employees can save up to 40% compared to the conventional purchase price.

### Health and Fitness Consultation

Where do I stand in terms of fitness? Which sport is the right one for me? What do I actually want to achieve through physical activity? Occupational health management at SÜDPACK offers the opportunity to receive comprehensive advice from a personal trainer during working hours. Employees can also take advantage of a body analysis, nutritional counseling and a program for stress management or relaxation in the event of complaints or as a preventive measure.

### Coronavirus

To protect employees, business partners and customers, far-reaching measures were defined at all sites from the start of the pandemic, some of which are still in place today. For example, SÜDPACK was one of the first employers in the Swabia region to offer all employees and their families comprehensive testing and vaccination services by a team of doctors and medically trained staff. To date, a total of over 18,000 coronavirus tests and 1,200 coronavirus vaccinations have been performed at our sites. Strict adherence to hygiene and distance rules and mandatory working from home were also part of the program, as were attractive incentives to further boost vaccination rates.





**The Occupational Safety Task Force**

In spring 2021, the Occupational Safety Task Force was established at SÜDPACK. The aim is to initiate a further cultural change throughout our entire company group, and to prevent accidents and injuries of all kinds through targeted measures.

So far, requirements and guidelines have been formulated, tools activated and measures recorded in a roadmap.

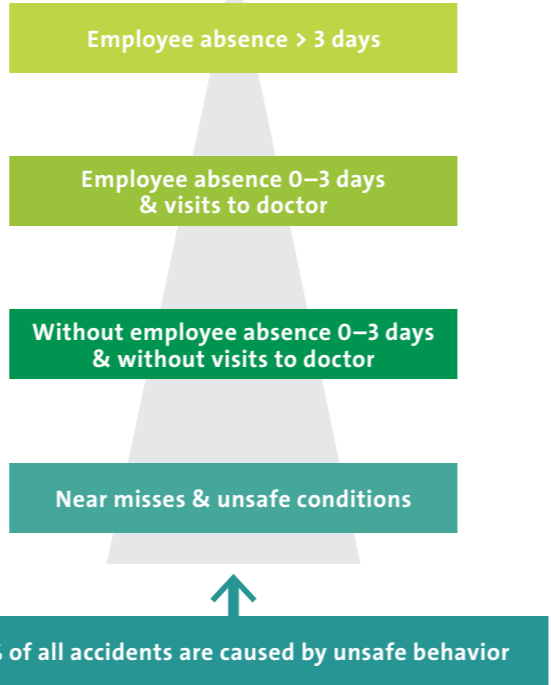
In this context, the target for 2025 is < 6.5 PPM (accidents per million hours worked), and the target for 2022 has been defined as 7 PPM. For near misses, the 2025 target is over 1,000 reports per year. One of the aims here is to further increase awareness of occupational safety amongst our workforce.

Furthermore, an action and communication plan has been created and a master board rolled out. All safety officers have received comprehensive information about occupational safety at SÜDPACK. Trainees and students have also been made aware of hazards in the workplace within the scope of five training courses. We are currently working on firmly embedding the topic of occupational safety into our meeting culture.

The Safety Masterboard forms the company-wide control tool for the top issues and is available to all sites. The respective activities are organized into the different divisions and appropriate topics. Since 2022, for example, the downtimes for all production sites have been registered monthly. The recording of near misses puts the focus specifically on hazard points and on suitable preventive measures.

In particular the weekly safety walks, which are part of the communication area, are a useful tool for identifying deficiencies across all hierarchies and eliminating these as quickly as possible. During the walk, work processes are checked for potential hazards by a member of the Management Board, and since early February, also by an EMT member at specific points in time (five walks per year per EMT member). Employees who would like to address an issue can approach senior management directly.

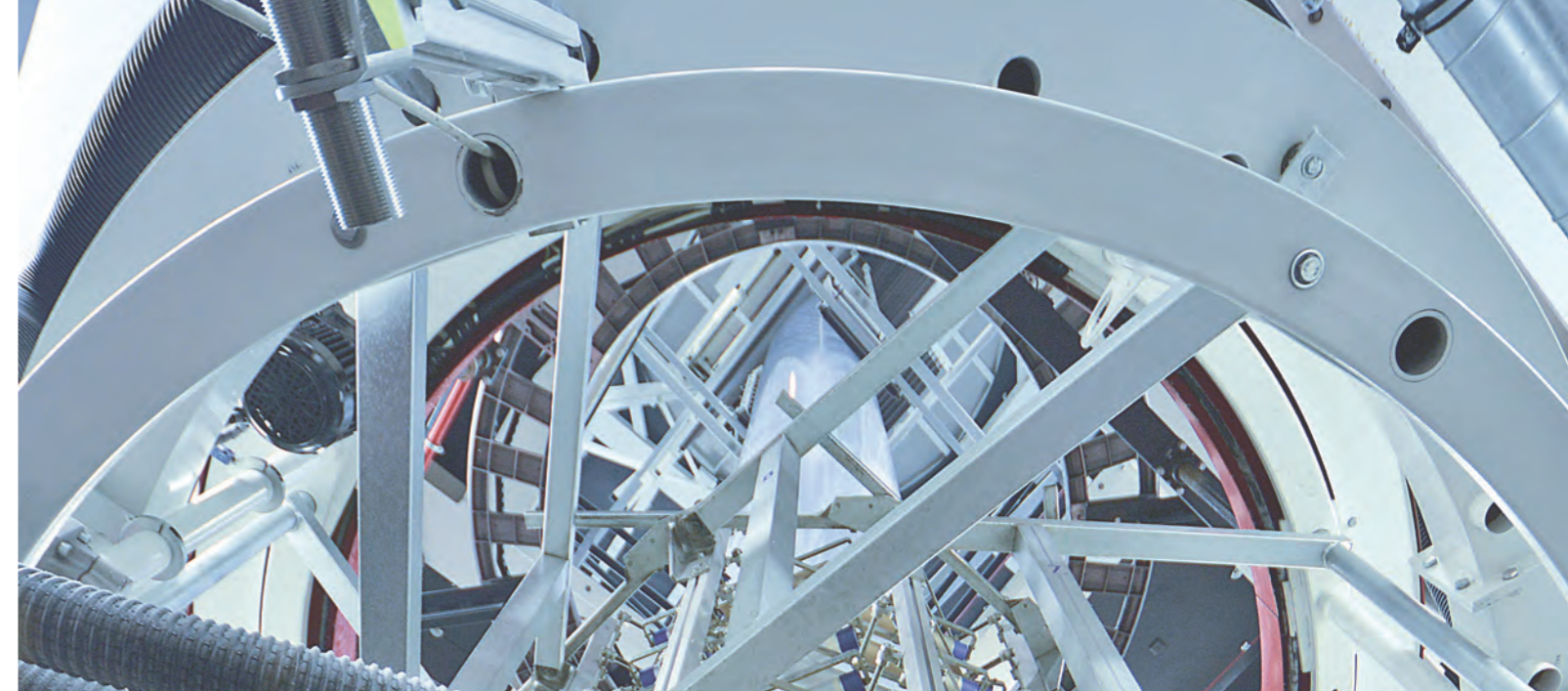
Other elements of the communication strategy, which actively involves all sites, departments and hierarchical levels, also includes the occupational safety pyramid available on the intranet and an early warning system, as well as mandatory annual training on occupational safety and health protection (see supplement on page 14).



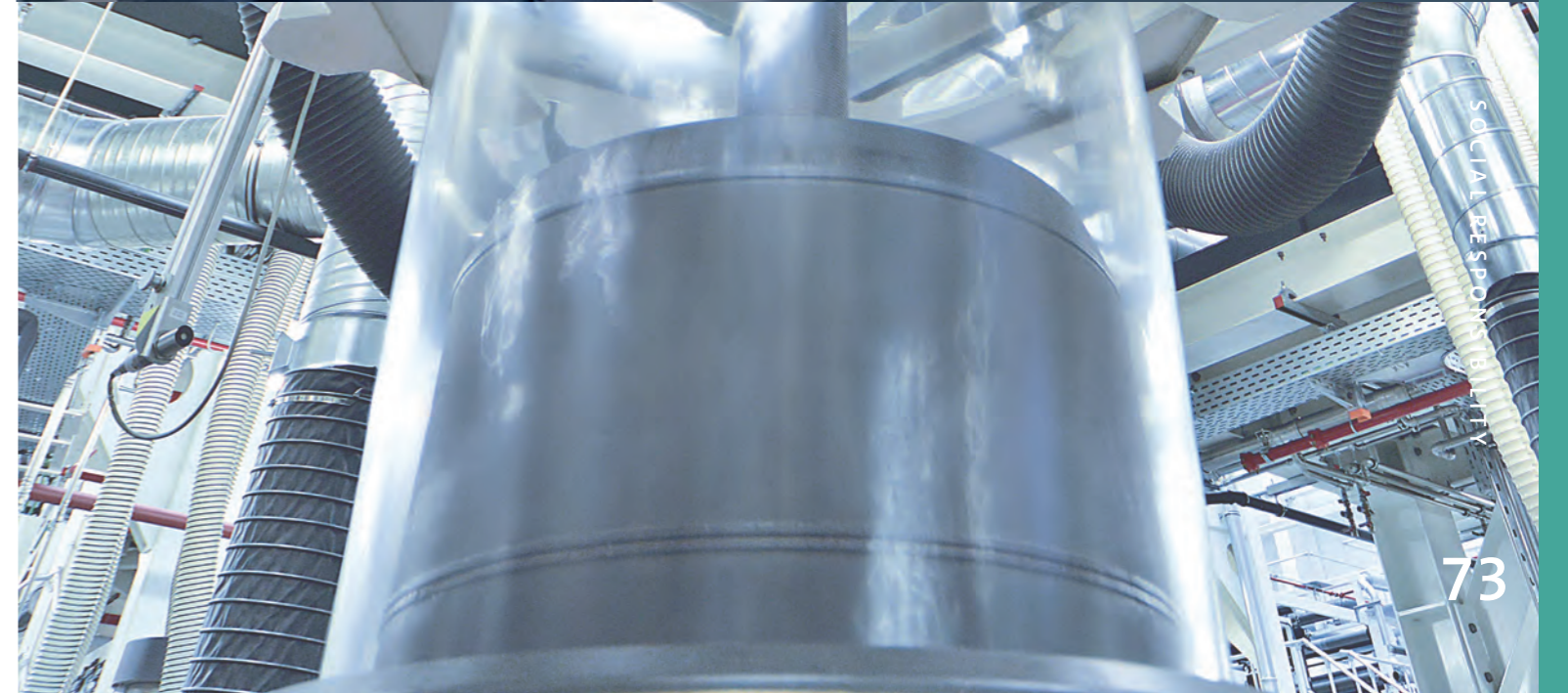
**ISO 45001**

In the first half of 2021, the previous BS OHSAS 18001 standard was converted to the new ISO 45001 standard at the German sites and at the Bioggio site. The certification of the management system in Kłobuck took place for the first time in August 2021.

The occupational health and safety management system effectively supports us in continuously improving occupational health and safety performance and meeting ambitious occupational health and safety targets of our own as well as legal requirements.



**Klaus Pöpperl,  
Director Quality**  
 'Our vision? Stay safe and well! Zero accidents, zero injuries. During working hours and on the way to work. This is our daily objective on which we work together with our employees and our managers.'





# SUSTAINABLE SUPPLY CHAIN

*Our standards in terms of sustainability and responsibility are very high. But do our suppliers and business partners also meet the legal as well as the requirements of SÜDPACK and its various stakeholders with regard to human and environmental rights? What risks along our global supply chain do we have to calculate with? And what ecological footprint do our products leave behind from the time they are manufactured until the end of their life cycle?*

We increasingly concern ourselves with these and other questions. After all, a transparent supply chain with the lowest possible negative impact on the environment and society is an obligatory goal for us, but at the same time the key to sustainable success. We also see cooperation along the value chain as the basis for a sustainable future – for example, to close material loops. Our successful cooperation with customers and suppliers in the field of chemical recycling and our investment in the pioneering CARBOLIQ technology are among the outstanding examples here.

Even though the Supply Chain Due Diligence Act stipulates that companies of our size do not have to review their global supply chains and implement the legal requirements until January 1, 2024, we are already taking action today. This is because, particularly in view of the tense situation on the raw material markets and the economic, social and political framework conditions, we are challenged to ensure our ability to supply and sup-

port our customers in the long term. Through solid, reputable business relationships, we also send a clear signal to the market, reduce reputational risks, strengthen our business and our brand and, last but not least, comply with current regulations.

Suppliers who are newly included in our supply chain are already checked for compliance with various sustainability criteria on the basis of a corresponding self-disclosure and as part of quality assurance agreements. Our supply chain responsibility also includes conducting on-site supplier audits. However, this activity had to be severely curtailed during the reporting period due to the coronavirus pandemic.

## Investments and the Procurement Process

In the period under review, we initially focused on always ensuring environmentally friendly and, in particular, energy-efficient machinery when selecting new equipment as part of our delivery specifications. We therefore consider a more energy-efficient alternative for each individual investment decision. In addition, we consistently give preference to regional suppliers when procuring granules and products: 86% of the granules and 85% of the purchased films come from suppliers in Germany and the EU. We obtain 33% of the purchased films from German suppliers, and 15% of these from within a radius of about 50 km.

of Human Rights, the UN Conventions on the Rights of the Child and on the Elimination of All Forms of Discrimination as well as the OECD Guidelines for Multinational Enterprises.

The individual points represent minimum standards. They commit the signatories to fulfill their social responsibility in all business activities and to comply with the applicable laws and other relevant regulations of the countries in which the company operates in all business actions and decisions. Amongst other things,

business partners must always be treated fairly, contracts must be honored, employees' privacy must be respected, and confidential information and intellectual property must be protected.

We see the implementation of our Supplier Code of Conduct as a continuous and long-term process that should encompass both existing and newly qualified suppliers (see supplement on page 15).



## EcoVadis

SÜDPACK has been active on EcoVadis since 2013 and is rated there annually. Like around 90,000 other companies, we benefit from a common platform, a universal scorecard, as well as benchmarks and helpful tools in which our sustainability performance can be displayed.

In the coming months, we will work intensively to also rate our key suppliers via EcoVadis and subject them to a risk analysis. This way, we create the



basis for a transparent supply chain in which ethical, social and ecological standards are observed and taken for granted. These suppliers must be able to demonstrate that they are meeting their responsibilities according to the 21 defined criteria in the four overarching EcoVadis themes.

## Our Supplier Code of Conduct

This was revised in 2021 and is now available on our website for all stakeholders to view. Our suppliers agree to this Supplier Code of Conduct through their signature on the supply contracts.

The code applies to the signing company, its management and its employees and serves as the basis for all business relationships. The ethical guidelines described therein are based on the principles of the UN Global Compact, the International Labor Organization (ILO) Conventions, the United Nations Universal Declaration



**Thomas Degenhardt,**  
VP SCM & Purchasing

‘Integrity and a shared understanding of values are essential for a trusting, long-term business relationship. With mandatory environmental, compliance and labor standards, we ensure that all participants in our supply chain worldwide meet their environmental, social and economic due diligence obligations – and can therefore rely on each other at all times.’



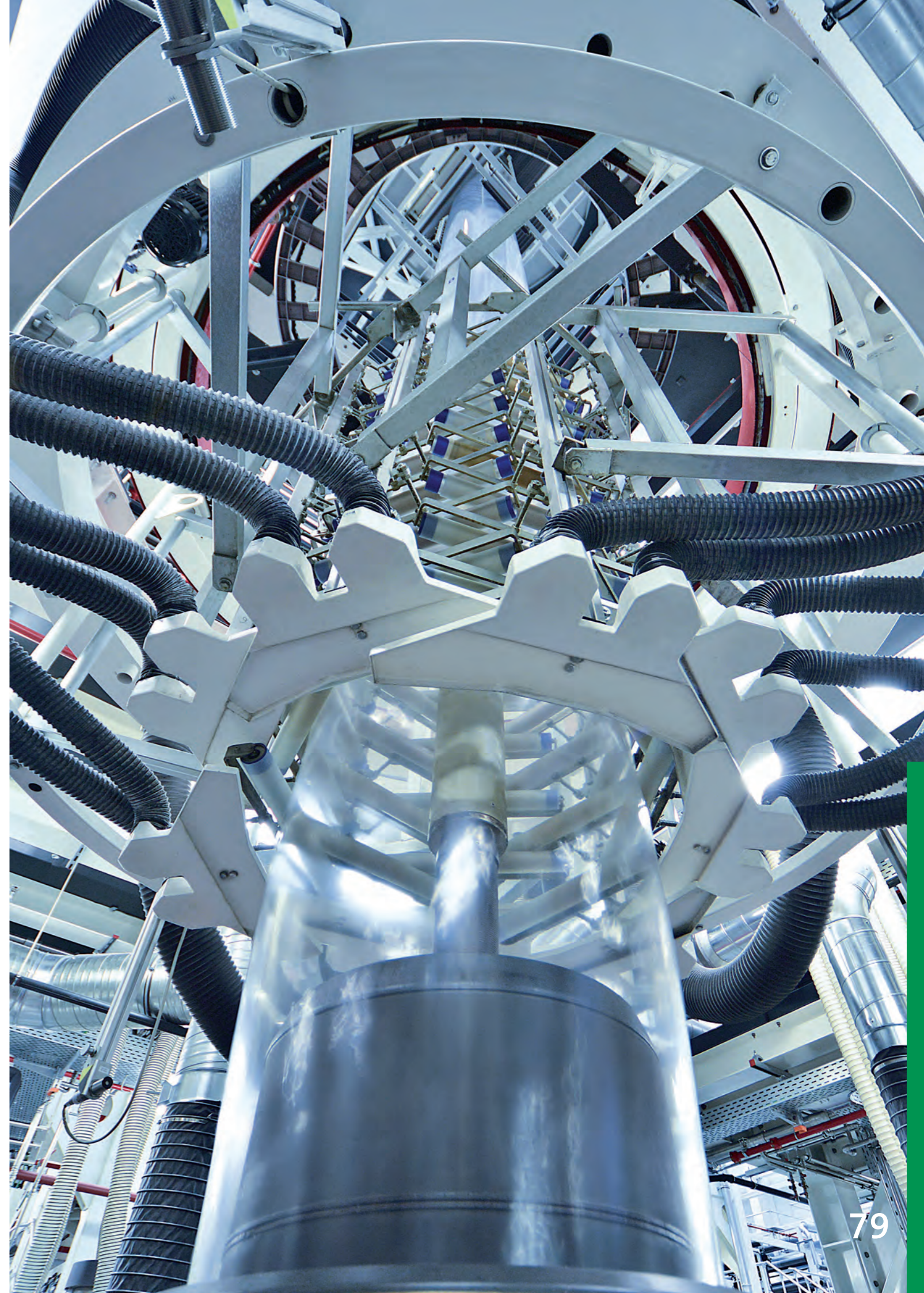
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203-1	Infrastructure investments and services supported		8, 29–31, 50–51, 74	5
205-1	Operating sites assessed for risks related to corruption	100% (Code of Conduct applies for all operating sites)	40–41	
205-2	Communication and training regarding anti-corruption policies and procedures	All relevant employees receive regular training in this area	40–41	
205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption in the reporting period	40–41	
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	No legal actions for anti-competitive behavior, anti-trust and monopoly practices during the reporting period	40–41	
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302-4	Reduction of energy consumption	No absolute reduction as sales quantities increased	62–63	9
305-1	Direct (scope 1) GHG emissions		58–61	8
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306-3	Accumulated waste			6–7
306-4	Waste diverted from disposal			6–7
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307-1	Non-compliance with environmental laws and regulations	No non-compliance with environmental laws and regulations during the reporting period	40–41	
308-1	New suppliers which were screened using environmental criteria		74–75	
308-2	Negative environmental impacts in the supply chain and actions taken	No negative environmental impacts known during reporting period	74–75	
<b>400 Social</b>				
103-1/2/3	Management approach	Certification acc. ISO 45001:2018 management system for occupational health and safety ( <a href="https://www.suedpack.com/de/zertifikate">https://www.suedpack.com/de/zertifikate</a> )	40–41, 66–75	
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403-2	Hazard identification, risk assessment and incident investigation		71–73	
403-3	Occupational health services	All employees have access to occupational health services through SÜDPACK, e.g. a company doctor	71–73	
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GRI Standard	Additional information	Page Report	Page Supplement
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403-9	Work-related injuries		14
403-10	Work-related ill health		14
404-2	Programs for upgrading employee skills and transition assistance programs		68–70
404-3	Percentage of employees receiving regular performance and career development reviews	100% (annual employee and management appraisal)	
405-1	Diversity of governance bodies and employees		2
405-2	Ratio of basic salary and remuneration of women to basic salary and remuneration of men		69
406-1	Incidents of discrimination and corrective actions taken	No cases of discrimination during the reporting period	40–41
408-1	Operating sites and suppliers at significant risk for incidents of child labor	See Supplier Code of Conduct ( <a href="https://www.suedpack.com/en/sustainability">https://www.suedpack.com/en/sustainability</a> )	74–75
409-1	Operating sites and suppliers at significant risk for incidents of forced or compulsory labor	See Supplier Code of Conduct ( <a href="https://www.suedpack.com/en/sustainability">https://www.suedpack.com/en/sustainability</a> )	74–75
412-1	Operating sites which have been subject to human rights reviews or impact assessments	Human rights are observed at all sites	40–41
412-3	Significant investment agreements and contracts that contain human rights clauses or have been screened for human rights aspects	All contracts with suppliers through Supplier Code of Conduct	74–75
413-1	Operating sites with local community engagement, impact assessments and development programs	All operating sites are involved in the local community through social commitment and donations	66
413-2	Business operations with significant or potential negative impacts on local communities	No negative impacts	
414-1	New suppliers that were screened using social criteria		74–75
414-2	Negative social impacts in the supply chain and actions taken	No negative social impacts known during the reporting period	74–75
415-1	Political contributions	No political support, but social involvement	66
416-1	Assessment of the health and safety impacts of product and service categories		14–19, 20–23
417-1	Requirements for product and service information and labeling		18
417-3	Violations in connection with marketing and communications	No violations during the reporting period	40–41
418-1	Substantiated complaints with regard to violation of protection and loss of customer data	No complaints in the reporting period	40–41
419-1	Non-compliance with laws and regulations in the social and economic area	No non-compliance with laws and regulations in the reporting period	40–41





# SUSTAINABILITY AUDIT

## Certification of an Independent Sustainability Audit

To SÜDPACK Holding GmbH, Ecoformstraße 1, 88416 Ochsenhausen

We have duly conducted a sustainability audit according to the Audit Standard AS1000 v3 (2020) Type 2 to obtain limited assurance for the information given in the 2022 Sustainability Report by SÜDPACK Holding GmbH (in accordance with the limits stated in the report) for the reporting period 2020/2021.

## Responsibility of the Legal Representatives

The top management of SÜDPACK Holding GmbH is responsible for creating the Sustainability Report in accordance with the reporting principles of the Global Reporting Initiative Standards for Sustainability Reporting (GRI Standards):

- Stakeholder inclusiveness
- Sustainability context
- Materiality
- Completeness
- Balance
- Comparability
- Accuracy
- Topicality
- Clarity
- Reliability

This responsibility includes the selection and application of appropriate methods to create the above-mentioned report and making assumptions and estimations about individual information which are plausible under the given circumstances. Moreover, the design, implementation and upholding of systems and processes are an executive-level responsibility, insofar as they are of importance for composing the report.

## Responsibility of the Auditor

Our responsibility is to express a conclusion based on our work performed as to whether any matters have come to our attention which cause us to believe that the sustainability-related disclosures for the period 2020/2021 presented in the Sustainability Report have not been prepared, in all material respects, in accordance with the GRI sustainability reporting standards and criteria. In addition, we were tasked with making recommendations for the further development of sustainability management and reporting based on the audit results.

The focus of the audit is placed on the principles of corporate sustainability responsibility and the reliability and quality of the report content based on random sampling.

Validation of the sustainability-related information presented in the report was planned and executed so as to enable us to make an assessment with limited audit assurance.

This limited assurance applies exclusively to verification from internal sources. Obtaining audit evidence is limited to the corporate or management level of SÜDPACK Holding GmbH in Germany. Systems and processes were audited which determine the content of the report, using the materiality principle and the process of engaging stakeholders. Specific sustainability performance was checked on a random basis.

The planning of audit procedures was based on the auditor's judgement and was implemented amongst other things through the following activities:

- Examination of the documents regarding the SÜDPACK Strategy Structure, strategic scorecards, company organization and stakeholder consultation.
- Examination of the documentation for systems and processes to collect, analyze and aggregate data regarding sustainability performance.
- Personal interviews with the CEO and the VP SCM & Purchasing, the VP Strategic Marketing and Sustainability officers.

- Documentary review of the additional work by Finance, Human Resources, QM, Environmental Protection and Occupational Safety.
- Analytical assessment of the communicated figures and trends for the 2020–2021 reporting period.
- Random collection of evidence of individual values, amongst other things by inspecting internal management documentation and accounts, and by analyzing data sets that were generated as reports from internal data systems.

## Assessment

On the basis of our sustainability audit to obtain limited assurance, no matters have come to our attention that cause us to believe that the sustainability-related information provided in the 2022 Sustainability Report by SÜDPACK Holding GmbH was not created in all material aspects in accordance with the Global Reporting Initiative Standards for Sustainability Reporting.

## Supplementary Notes – Recommendations

Without qualifying the conclusion indicated above, we make the following recommendations for the further development of sustainability management and reporting:

- The recently prepared SÜDPACK Strategy Structure has created a sound basis for a concrete sustainability program. Prompt implementation and stringent monitoring in a cross-divisional sustainability program are to be carried out.
- A clear and structured presentation of the fulfillment of set sustainability objectives should be added to the report in the future.
- The sustainable supplier management is to be further developed. The focus should be on clearly defining evaluation criteria and monitoring compliance with them.



Hamburg, 19 August 2022

GUT Certification Company for Management Systems mbH  
Environmental verifier

*[Signature]*

Susanne Moosmann



# ABOUT THE REPORT

This Sustainability Report is the fourth of its kind compiled by SÜDPACK Holding GmbH and refers to the years 2020 and 2021. Also shown is the data for 2019 – where possible – to ensure better comparability with the previous reporting period.

As this report also shows, sustainability is a fundamental component of our corporate strategy at SÜDPACK. It is to our sustainable corporate governance that we owe our success. This way, we can continuously develop our diverse sustainability initiatives. The new challenges, developments and special initiatives and measures are also summarized and presented in a comprehensible manner in our fourth Sustainability Report.

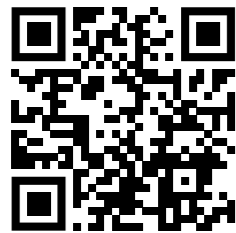
Compared with the last report from 2020, we have re-defined our key areas of action: the current report is divided into the following thematic blocks: Corporate Governance, Sustainable Efficiency, Circular Economy, Climate Protection and Social Responsibility. We have defined these areas as being essential for SÜDPACK and our stakeholders. Corporate governance also includes the economic pillar of sustainability and sustainable efficiency.

The scope of the report, which covers the German sites SÜDPACK Verpackungen GmbH & Co. KG and ecoform Multifol Verpackungsfolien GmbH & Co. KG with its

operating sites in Ochsenhausen, Erlenmoos, Schwen-di and Erolzheim, as well as SÜDPACK Kłobuck sp. z o.o. in Poland and SÜDPACK Bioggio SA in Switzerland, has remained the same. During the reporting period, these sites generated approximately 90% of the turnover.

We are already working on successively extending our Sustainability Report to our other sites over the next few years.

The report complies with the internationally recognized Sustainability Reporting Standards published by the Global Reporting Initiative (GRI Standards). The content has been compiled in accordance with the 'core' option of the GRI Standards. The Sustainability Report is produced biennially. In non-reporting years, we provide our stakeholders with a progress report.



You can find our supplement containing the key figures for this Sustainability Report using this QR code.





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**SÜDPACK**