

CANPACK is a leading global producer of high-quality, environmentally friendly, modern packaging solutions. With worldwide production lines we produce aluminium beverage cans, glass bottles, metal closures, and steel containers for food and drink manufacturers and others. We believe it is our responsibility to procure the raw materials used to manufacture our products in a sustainable and responsible manner.

Our commitment

Manufacturing across five continents, CANPACK's operations often rely upon complex, global supply chains. Due to this and coupled with the continuously changing global environmental issues, economic challenges, and societal pressures, we are committed to building and maintaining resilient supply chains. We recognise that positive progress and outcomes can only be achieved through meaningful cooperation with our supply chain formalised through an official sustainable purchasing policy. The key purpose of this policy is to enforce high standards that our suppliers must adhere to and which, in turn, help us all further reduce social and environmental risks in our supply chains, improve transparency and help us collectively achieve our expectations and the expectations of our customers and their consumers.

Through this procurement policy, we are committed to:

- complying with the laws and regulations of the countries in which we operate,
- supporting high environmental, social, and ethical standards and promoting sustainable practices,
- establishing a formal criterion for assessing the sustainable performance of our suppliers,
- prioritising suppliers who have implemented sustainable practices both within their own operations and within the operations of their supply chains,
- identifying risks in supply chains and managing them,
- communicating this policy to our stakeholders, both internal and external, and raising awareness among our suppliers.

Practical implementation of the policy – flowchart

Our approach to implementing this policy is presented below. It is applicable to all **strategic suppliers**, i.e., suppliers that deliver materials from our Global Product Categories. A complete list of Global Product Categories is available in CANPACK's internal Delegation of Authority policy.



- 1. Determining the target group** - Each year CANPACK determines a group of suppliers that will be assessed in terms of sustainability criteria.
- 2. Supplier self-assessment questionnaire** – The questionnaire focuses on the management systems and environmental, social, and ethical activities

undertaken to maintain a responsible and sustainable supply chain. The frequency of assessments depends on the type of materials provided by the supplier and their share of CANPACK's portfolio.

3. **Assessment and analysis** – CANPACK's supplier risk assessment covers ten risk areas (Fig. 1). Based on this assessment, the supplier is classified into one of five risk levels: Critical (X), High (D), Medium (C), Low (B), Very Low (A). After analysing the results, CANPACK's Sustainability Office is committed to providing bespoke feedback for each supplier. They are also required to provide a report, which includes a summary and the results, to the Group's Procurement Office.
4. **Audit** – CANPACK Group's Procurement Office carries out supplier audits in accordance with the agreed schedule, taking into account the criteria of sustainable development. The audit verifies the information previously provided by the supplier.

Note: Regardless of the self-assessment questionnaire (step 2) all suppliers of aluminium and steel sheets are required to report the following indicators on an annual basis:

- Recycled Content [%]
- Electricity intensity [MWh/t]
- Thermal energy intensity [MWh/t]
- Renewable energy share [%]
- Waste generation intensity [t/t]
- Waste recycling [%]

Throughout the year, we work with our (selected) suppliers to share information and provide feedback and, where appropriate, ask them to take corrective action. We are committed to building and maintaining close relationships with our suppliers and continuously sharing our strategy and goals with them.

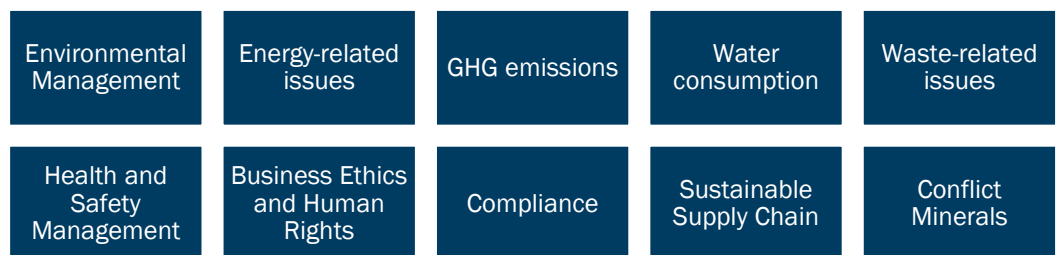


Fig. 1 Sustainability areas to be assessed.

Targets

Our targets include:

- 100% of strategic suppliers must be initially assessed (with the appropriate frequency) against the adopted sustainability criteria by the end of 2023.
- 100% of all suppliers establishing and conducting business cooperation with us must endorse and sign the CANPACK Code of Conduct from 2023 onwards.

- By 2025 100% of our strategic suppliers must implement Environmental Management System certified to ISO 14001 (or equivalent), Health and Safety Management System certified to ISO 45001 (or equivalent), and Business Ethics and Human Rights Policy as well as undertake due diligence on human rights.
- By 2025 no strategic supplier may use any conflict minerals, or - if they do - must implement a Conflict Minerals policy.
- By 2025 100% of our strategic suppliers must implement targets on reducing Scope 1, 2 and 3 emissions, electricity consumption, thermal energy consumption, and waste generation.
- By 2025 100% of suppliers must conduct regular assessments of their suppliers in terms of sustainability and implement sustainable procurement policy.
- By 2030 100% of our strategic suppliers must include sustainability clauses in commercial contracts with their suppliers
- By 2030 100% of our suppliers must join UNGC initiative or other external initiatives requiring reporting and progress. Additionally, 100% of our aluminium suppliers, implement ASI Chain of Custody in at least 50% of their plants.
- By 2030 100% of our strategic suppliers must implement Science Based Targets, targets on increasing renewable energy share, improving waste recycling, reducing water consumption.

Scope of application

This policy applies to anyone at CANPACK who is involved in procurement activities (CANPACK Group Supply Chain).

Review mechanism

CANPACK reviews this Sustainable Procurement Policy on an annual basis. This includes a review of the policy's implementation and effectiveness. Where necessary amendments are made.

Roles and responsibilities

CANPACK's Sustainability Office is responsible for conducting the self-assessment questionnaire and providing feedback to suppliers with recommendations on where they can improve their sustainability credentials (if applicable).

In the case of suppliers who are deemed to be Critical or High-Risk, the decision of whether CANPACK continues to trade with them resides with the Group's Supply Chain Officer. If CANPACK chooses to continue with them mutually acceptable supplier corrective actions must be implemented.

It is the responsibility of CANPACK Group's Procurement Office to communicate the provisions of this policy to everyone in the CANPACK procurement team, during the onboarding phase and annual trainings, and to all strategic suppliers. CANPACK Group's Procurement Office is responsible for carrying out the systematic audits in

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accordance with the agreed schedule. This audit is used to verify the data provided by the suppliers in the self-assessment questionnaire.

Sanctions

Any violations of the rules set out in this policy can be reported through the CANPACK whistleblower mechanism report@lighthouse-services.com, or through the web-site located at www.lighthouse-services.com/canpack. All whistleblowers are granted anonymity and immunity.

Silviu Vasilache
Group Supply Chain Officer

11/20/2023

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