

Introduction		Our focus areas			Food systems
					15
Message from the President & CEO	Executive summary	Circularity	Climate	Nature	Social sustainability
About us		27	38	50	63
6	Collaborating with suppliers to meet sustainability goals	Business conduct	About this report This report summarises the sustainability performance for the Tetra Pak group in the period 1 January 2023–31 December 2023. For this report we have,	This report covers Tetra Pak's value chain and provides an update on activities and ongoing work to measure our sustainability progress. All information in this report covers	product use at customer sites, and product end-of-life. For more details about Tetra Pak and our work in sustainability, including performance data see our website.
Our sustainability agenda 7	12	74	for the first time, used the European Sustainability Reporting Standards (ESRS) as the reference when preparing our sustainability disclosures. This is in anticipation of the mandatory reporting in line with the European Union (EU) Corporate Sustainability Reporting Directive (CSRD) from 2026 based on 2025 performance, which will apply to several Tetra Pak entities in the EU.	the activities of the Tetra Pak group, which includes the business activities performed by all entities operating under the Tetra Pak brand. 'We' in this report refers to the Tetra Pak group. Tetra Pak's value chain includes the sourcing of raw materials for equipment and packaging material, manufacturing, transportation of products to customer sites,	External assurance Tetra Pak's scopes 1, 2 and 3 greenhouse gas (GHG) emissions data¹ has received limited assurance by a third party since 2013. This year, our 2023 direct operations water data has also received limited assurance by a third party. Read more on our website.



Message from the President & CEO

On 1 December 2023, an important milestone occurred for the world's food systems. In Dubai at the 28th Conference of the Parties (COP 28), for the first time ever, a global agreement aimed at improving food systems¹ was signed and adopted by 159 countries. At Tetra Pak, we welcomed this agreement, which acknowledges that the way the world grows and produces food is critical for protecting nature's resources and communities. It commits signatories to scale up solutions to address the impact of food and agricultural systems. This sets a new foundation for the sustainable transformation of the global food system in the years ahead – one that is critical to reducing impacts on climate, nature and people, and improving the lives of those in vulnerable communities.

Against this backdrop, collaboration across the food industry is ever more important – to feed a growing population, sustainably. At Tetra Pak we provide integrated solutions for the processing and packaging of food, working with our customers to keep food supply chains running, to minimise food waste, and to make food safe and available everywhere, while protecting people and the environment. Our global presence and end-to-end solutions give us opportunities every day to collaborate with stakeholders across the value chain, from farmers and food producers, to suppliers, policy makers, consumers and others. We understand the responsibility that comes with this role at the heart of our world's food systems. It is why our ambition is to lead the sustainability transformation within our industry – because we can contribute and collaborate across the entire value chain.

It is also why we take a holistic approach in our sustainability agenda across five interdependent areas: it starts with food systems and includes circularity, climate, nature and social sustainability.

Because food processing and packaging are essential to the transformation of food systems. For decades, our technology and solutions have contributed to reducing food waste and making food accessible even in remote areas with challenging supply chain conditions, protecting the quality and safety of perishable foods while extending their shelf life. We have done this for over 70 years, but we know we can do more in collaboration with our stakeholders. This is why, in 2023, we developed a Food Systems Approach that details our role in the transformation with corresponding targets for each of its four pathways.





In parallel, we have been investing heavily to significantly enhance the sustainability profile of our packaging and processing solutions. We continued to invest approximately €100 million per year in packaging research and development, and we will continue to invest a similar amount annually in the years ahead. We also launched an aseptic beverage carton featuring a paper-based barrier, with 90% renewable content – putting us one step further towards our journey to develop the world's most sustainable food package¹. We also continued to invest €40 million annually to increase the collection and recycling of carton packages worldwide. Compared to 2022, collection of carton packages increased globally by 7% in 2023, amounting to approximately 1.3 million tonnes of carton packages collected and sent for recycling.

Decarbonising food systems is another critical priority. We approach this from a complete value chain perspective - working upstream with suppliers, decreasing greenhouse gas (GHG) emissions in our own operations, working with customers

downstream on the impact of their operations, and addressing the end-of-life of our products. We are on track to meet our target of net-zero GHG emissions in our own operations (scope 1 and 2 and business travel) by 2030 from a 2019 baseline, having achieved a 47% reduction (scope 1 and 2 and business travel)² already since 2019. This progress supports our long-term ambition to achieve net-zero GHG emissions across our value chain (scopes 1, 2 and 3) by 2050 from a 2019 baseline. As of 2023, we have achieved a 20% reduction in total absolute GHG emissions across our full value chain compared to 2019.

We also recognise the urgency of action to halt and restore nature loss and achieve a water-secure world – and through our work with our own operations, customers, and suppliers, we aim to reduce the impacts of our value chain on nature and to restore landscapes. Last year we conducted an assessment to understand our impacts and dependencies on nature. This led to our new Approach to Nature, which defines quantitative targets and sets clear actions to reduce negative impacts our business

might have on nature and water. In 2023, we embedded these targets and actions in different areas of our own operations, upstream and downstream of our value chain.

And we remain committed to social sustainability. This includes respecting human rights across our own operations and value chain, in line with the UN Guiding Principles on Business and Human Rights (UNGPs), with action plans initiated with our stakeholders in 2023. In addition, 64 million children in 49 countries received milk or other nutritious beverages in Tetra Pak packages through our School Feeding Programmes in 2023. We also expanded our involvement in School Feeding Programmes to countries including Bangladesh, Uganda and Yemen, and added three new Dairy Hub projects in Colombia, India and Nepal. During 2023, 29,300 farmers - 99% of whom are smallholder farmers - delivered milk to our customers through our Dairy Hub projects. Internally, we continued promoting diversity, equity and inclusion (DE&I) within our organisation, improving female representation in senior positions; driving

awareness and actions to foster inclusiveness and wellbeing; and initiating or accelerating various programmes to support our DE&I approach.

The hard work, drive and passion of our teams and our stakeholders have ensured supply chain continuity. They have showed enduring commitment to securing sustainability transformation amidst increasing challenges. We are on a journey - one of collaboration, where companies, policy makers and civil society need to come together to find and implement sustainable solutions to the challenges we face as a society. At Tetra Pak, this transformation continues to lie at the core of our purpose: "We commit to making food safe and available, everywhere and we promise to protect what's good: food, people and the planet".

^{1 &#}x27;The world's most sustainable food package' means creating cartons that: are fully made of renewable or recycled materials; are responsibly sourced – and so help to protect and restore our planet's climate, resources and biodiversity; contribute towards low carbon production and distribution; are convenient and safe, so help to enable a resilient food system; and are fully recyclable

² Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all

About us

Our company in numbers

Figures as of 1 January 2024

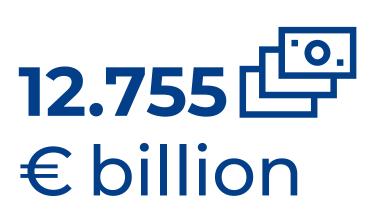


24,391

employees



Tetra Pak® packages sold in 2023



net sales in 2023

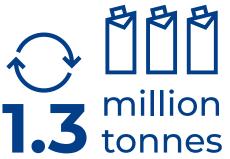


>160 Countries in which Tetra Pak had sales in 2023



Collaborating with

recycling facilities



of carton packages collected and sent for recycling



100 Sales

offices

Production plants

Market companies

Technical training centres

Research & Development Centres

Customer innovation centres

DELIVERED IN 2023



Filling machines



2,302 Processing units



Downstream equipment

IN OPERATION



8,426 Filling machines 108,396 **Processing units**



21,789 Downstream equipment

Who we are

Tetra Pak is a world-leading food processing and packaging solutions company. We work closely with food and beverage manufacturers and our suppliers to provide safe, innovative and resourceefficient products and solutions that, each day, meet the needs of hundreds of millions of people in more than 160 countries.

More than 70 years ago, we began a journey to help make food safe and available, everywhere. Today, we continue to innovate to protect food, people and the planet. We do this by developing food processing and packaging solutions, and offering related services, that are tailored to meet the needs of global customers. Using the latest science and technologies, our dedicated team of innovators, collaborators and experts work together relentlessly to find answers to some of the biggest challenges facing the global food and beverage industry today.

We are part of the Tetra Laval Group, which includes Sidel and DeLaval, all focused on technologies for the efficient production, packaging and distribution of food.

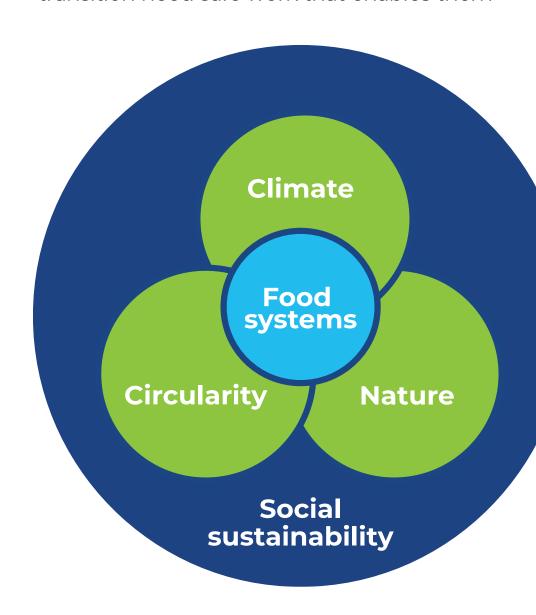
Read more in the Tetra Laval annual report and on their website.

Our sustainability agenda

Our sustainability agenda is embodied by our purpose: 'we commit to making food safe and available, everywhere and we promise to protect what's good - protecting food, people and the planet.' Our purpose forms the foundation of our business. decisions, unifies our people and is a driving force behind our innovations.

Our approach to sustainability takes into consideration the expectations of our stakeholders alongside the environmental, social and governance (ESG) topics that are most material to our business activities across the value chain.

There are five key areas of focus that form our sustainability agenda: food systems, circularity, climate, nature and social sustainability. We recognise that these areas are interconnected and interdependent. For example, there is a need to expand food production and support farmer livelihoods without exerting more pressure on natural resources, to protect and restore ecosystems while mitigating climate change, and to move away from a 'takemake-waste' linear consumption model towards a circular economy¹. Additionally, the climate crisis and the necessary transition to a net-zero economy exacerbate risks to people across the value chain, such as lost livelihoods from extreme weather events or loss of employment as industries shift. Workers that are affected by the transition need safe work that enables them



to improve their prospects and livelihoods. The interconnections across the five areas are detailed throughout this report.

Strengthening our sustainability disclosure practice

As a privately held company, Tetra Pak is

preparing to meet the obligations of the EU CSRD and associated ESRS for the first time in 2026, reporting on the year 2025. Our FY23 Sustainability Report has offered us an opportunity to strengthen our capabilities in sustainability performance tracking and reporting across our focus areas, with a view to meeting the requirements of increasing sustainability reporting obligations. This work has been supported by a cross-functional business transformation programme to become CSRD-ready, which is led by our Finance team and supported by external

expertise.



Throughout 2023, we undertook the following actions:

- · conducted our first Double Materiality Assessment (DMA)², aligned to the ESRS;
- · assigned standard owners and teams for each of the ESRSs to assess maturity and identify gaps to close;
- began developing a reporting manual and strengthening internal controls that support assurance of our reporting, leveraging our financial reporting capabilities;
- · initiated an EU taxonomy project with a third party to determine preliminary eligibility and create a plan for implementation of taxonomy key performance indicators (KPIs):
- · conducted a thorough assessment and selection of information technology (IT) systems to support sustainability disclosure and reporting; and
- · engaged in dialogue and learning with peer companies on common challenges when preparing for the CSRD.

¹ Ellen MacArthur Foundation, "The circular economy in detail", 2020. Source: https://www.ellenmacarthurfoundation.org/the-circular-economy-in-detail-deep-dive

² DMA includes how sustainability issues might create financial risks for the company (financial materiality), but also the company's own impacts on people and the environment (impact materiality). Source: https:// ec.europa.eu/newsroom/fisma/items/754701/en

Our material topics

Tetra Pak remains committed to monitoring managing, and reporting on the focus areas in our sustainability agenda and regularly conducts formal materiality assessments. In 2023, we completed our first DMA with a third party, in line with guidance from the EU CSRD and the ESRS.

The assessment was conducted in four phases: understanding, identification, assessment and determination. The DMA process involved identifying and assessing the material impacts¹ that Tetra Pak has on people and the environment – called impact materiality – and the material risks and opportunities that various ESG topics have on our business, referred to as financial materiality. These material impacts, risks and opportunities (IROs) were grouped under 21 material topics related to the five areas of our sustainability agenda.

During the DMA process, we engaged experts from across different functions within Tetra Pak, including Sustainability, Corporate Governance, Risk Management, Human Resources and Finance.

Existing sustainability assessments that involved engagement with external stakeholders were also used to inform the assessment, such as our Human Rights Salience Exercise, Biodiversity Impact Assessment and Water Value Chain Analysis. As part of our commitment to openness and transparency, we intend to engage with affected stakeholders on a regular basis and build the necessary due diligence processes to close any identified gaps.

Read more in Social sustainability and **Business** conduct

We plan to refine our DMA methodology and assessment in 2024, considering the learnings from our first assessment and the draft guidance² published by European Financial Reporting Advisory Group (EFRAG) in December 2023. Results from this refinement will help inform the disclosure requirements to be included in Tetra Pak's future CSRD-compliant reports³.

READ MORE

OUR FOCUS AREAS	OUR MATERIAL TOPICS
Food systems	Food access Food production Food loss and waste
Circularity	Design and materials of packaging Collection and recycling of carton packages Design, materials and life cycle of equipment Waste in our operations
Climate	Climate change mitigation and adaptation Energy source and intensity
Nature	Biodiversity and ecosystems Water management Pollution to air and water
Social sustainability	Employee workplace and wellbeing Employee health and safety Employee diversity, equity and inclusion Working conditions in our supply chain Forced labour in our supply chain Indigenous peoples and local communities Informal waste collection workers Consumer health and safety
Governance	Business conduct

¹ Material impacts include the potential and actual, positive and negative impacts

² European Financial Reporting Advisory Group (EFRAG), "Materiality Assessment Implementation Guidance".

Source: https://www.efrag.org/Assets/Download?assetUrl=%2Fsites%2Fwebpublishing%2FSiteAssets%2FDraft%2520EFRAG%2520IG%2520I%2520MAIG%2520231222.pdf



Each of the five areas of our sustainability agenda are supported by our Strategy 2030, which integrates sustainability across our packaging, processing and services businesses. The associated ambition and targets across food systems, circularity, climate, nature and social sustainability, are regularly monitored, managed and reported.



Highlights

Unveiled an action-oriented approach towards food systems transformation establishing four key pathways with targets **READ MORE**

29,300

FARMERS

participated in Dairy Hub projects with three new projects added in Colombia, Nepal, and India

READ MORE

64 An

MILLION CHILDREN

in 49 countries received milk or other nutritious beverages in Tetra Pak packages through School Feeding Programmes

READ MORE

Introduced a range of **innovative** postbiotic food solutions for beverages, dairy products, ice cream, and cheese in collaboration with AB

Biotek Human Nutrition and Health

Ambition

Work together with stakeholders to continuously improve food security and reduce food loss and waste, while improving livelihoods and increasing access to food.

Targets

Enable transition towards more sustainable dairy²

- Reduce GHG emissions in our dairy ambient processing equipment by 50% by 2030 (Baseline 2019)
- Reach 100,000 smallholder farmers in our Dairy Hub customer projects by 2030 (Baseline 2011)

Innovating for new food sources

• Triple sales of plant-based and new food processing equipment and technologies by 2030 (Baseline 2023)

Reducing food loss and waste

• Achieve a 50% reduction of product loss in best- practice processing lines by 2030 (Baseline 2019)

Scale access to safe nutrition through sustainable food packaging³

• Increase global access to safe nutritious foods through our ambient packaging solutions by 2 billion litres by 2030 (Baseline 2022)

¹ Food systems' refers to all the elements and activities related to producing and consuming food, and their effects, including economic, health and environmental outcomes. Source: https://www.oecd.org/food-

^{2 &#}x27;Sustainable dairy' is defined as a dairy industry that emits less GHG emissions by introducing technologies, equipment and best practices in production and processing to safeguard nutrition security and sustain a billion livelihoods for tomorrow, while helping secure a future for us all. Read more on the Global Dairy Platform



Highlights



MILLION INVESTED IN

packaging research and development

READ MORE

133 [©]/S

certified renovated pieces of equipment delivered compared with 106 in 2022

READ MORE



of carton packages were collected and sent for recycling – 7% increase¹

READ MORE



MILLION INVESTED IN

recycling programmes worldwide

READ MORE

Ambition

Drive circular solutions by designing recyclable food and beverage packaging, using recycled and renewable materials, and expanding collection and recycling to keep materials in use and out of landfills.

Design equipment that helps customers increase their energy, material and water efficiency, and lifetime of which can be further extended by repair and refurbishment.

Targets

Design our equipment for food processing and packaging to be maintained, leased, reused, repaired and upgraded to extend their lifespan

Design and deploy packaging that is valuable to recyclers by increasing recoverable paper content and by driving the recycling at scale of the nonfibre material

Drive a step-change towards the highest recycling performance in Europe, while securing recycling in practice worldwide and preparing advanced markets for future Extended Producer Responsibility (EPR)²

By 2030, achieve a minimum of 10% recycled polymers across our beverage cartons sold in Europe

Highlights

Climate

20% \ (co₂)

Reduced GHG emissions across the value chain³ by 20% compared to our 2019 baseline. Reduced emissions from our

own operations4 by 47%, upstream emissions by 21% and downstream emissions by 17%⁵.

READ MORE



renewable electricity consumption across our operations

READ MORE



Climate rating A- awarded by the CDP⁶

READ MORE



BILLION

and 12.6 billion plant-based caps (6% growth)8

READ MORE

Ambition

Take action on mitigating climate change by decarbonising⁹ our operations, our products and our value chain.

Targets

By 2030, achieve net-zero GHG emissions in our operations (scopes 1, 2 and business travel) and 46% GHG reduction across our value chain (scope 1, 2 and 3), in line with a 1.5°C Science Based Targets (SBTs) commitment compared to our 2019 baseline

By 2030, source 100% renewable electricity in our operations in line with RE100 commitment

By 2030, reduce the carbon footprint of our best-practice processing lines by 50% compared to 2019

By 2050, work together with our suppliers, customers and other stakeholders to achieve net-zero GHG emissions across our value chain (Scopes 1, 2 and 3) compared to our 2019 baseline

¹ Compared to 2022

² The Organisation for Economic Cooperation and Development (OECD) defines EPR as an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of a product's lifecycle. Source: https://www.oecd.org/environment/extended-producer-responsibility.htm

⁴ Scope 1, 2 and business travel

⁵ Compared to 2022

⁶ CDP is a global disclosure system win which companies report how they measure and manage their impacts and opportunities for the areas of climate, forests and water. Each area is scored by CDP based on

completeness of disclosure and performance. Source: https://www.cdp.net/en

⁷ Volumes exclude Blend in BIO (BiB) sold in Brazil. BiB is a mix of 75% LDPE and 25% plant-based LDPE

⁹ Our decarbonisation efforts focus on avoiding and mitigating GHG emissions correlated to our products and company, and carbon removal to balance unavoidable residual emissions through nature-based solutions and other initiatives



Highlights

to Nature with targets and actions to reduce impacts

READ MORE



Forest rating **A** and water rating **A**- awarded by the CDP **READ MORE**

28.9%

reduction in solvent emissions in our operations through production process improvements¹.

READ MORE



with a potential of 1,300 hectares (ha) for restoration

READ MORE

Ambition

Work with our own operations, suppliers, and customers to reduce the impacts of our value chain on nature. Work to achieve global water resilience and restore landscapes, contributing to halting and reversing nature loss.

Targets

Upstream

By 2025, all of Tetra Pak supply base has been included in assessment of nature impacts and is subject to nature-related procurement requirements

By 2025, 100% of the Tetra Pak's raw materials with the most significant land footprint² to originate from certified or controlled sources

By 2027, 100% of Tetra Pak's high-impact³ suppliers will have assessed their material impacts on nature, implementing actions to reduce negative nature impacts⁴

Operations

All Tetra Pak production sites will have done a nature assessment and have an action plan in place by 2025

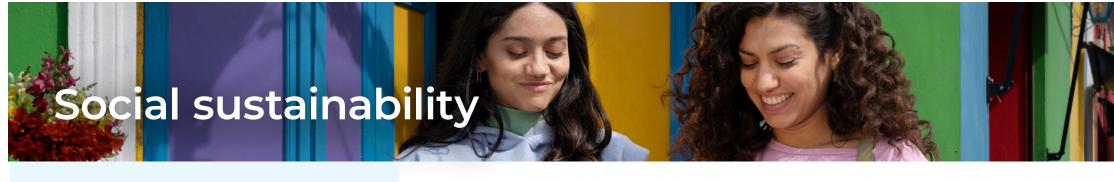
Achieve a 35% water withdrawal reduction across Tetra Pak production sites by 2030 (Baseline 2019)^{5,6}

Eradicate waste to landfill from Tetra Pak production sites by 2030

Downstream

Increase paper content in new packages, setting a minimum of 50%, and increasing overall portfolio paper content to 70% by 2030

Achieve a 50% reduction of water use in bestpractice lines by 2030 compared to 2019



Highlights



Strengthened work to implement our commitment to the UNGPs, including prioritising human

rights risks, initiating action plans and building awareness and capacity

READ MORE

Mapped recycling value chains to identify impacts to people and develop country-specific action plans based on engagement with informal waste collectors

READ MORE



Number of women in senior positions increased **from 14% in 2020 to 23% in 2023**

READ MORE

Ambition

To respect human rights across our operations and value chain, creating positive social impact⁷.

Targets

Continue to deliver wellbeing programmes for employees, support a positive and open safety culture across the company, and work towards reducing accidents and work-related ill-health, with zero as the ultimate goal

Continue to ensure Tetra Pak is an inclusive workplace

Continue focus on increasing the number of women in senior and factory positions

Implement action plans to prevent and mitigate human rights risks in each of our priority categories in our supply chain

Undertake human rights due diligence for workers in post-consumer packaging collection, across markets where we engage with informal waste collection to increase packaging recycling rates

In 2024, develop and establish a measurement framework, metrics and targets for priority human rights risks for workers in the value chain and affected communities

¹ Compared to 2022

² Tetra Pak raw materials with most the significant land-use footprint are defined as paperboard, sugarcane-based polymer and aluminium

^{3 &#}x27;High-impact suppliers' are defined as suppliers having a significant land use and water consumption footprint and high business relevance

⁴ Suppliers are expected to reduce their impacts following the mitigation hierarchy (avoidance, minimisation, restoration and offset)

⁵ Targets are set based on the scientifically grounded water stress scores of sites. Water withdrawal reduction targets are set at different levels depending on the water stress score (risk) of each site as identified through location-based risk and impact-based mapping. Ecological thresholds have not been taken into consideration when setting our water-related targets

⁷ By positive impact we mean driving better outcomes for our workforce, for workers and communities in our supply chain, for workers in collection and recycling, and for people in our value chain in the areas of labour, discrimination, hazardous working conditions and sustainable income, among others



This is a great achievement and a recognition of the efforts that our procurement organisation is

investing in to secure a more agile, resilient and sustainable value chain.

Simone La Giglia,

Director Innovation & Sustainability in Supplier Management, Tetra Pak

Collaborating with suppliers to meet sustainability goals

Suppliers contribute to our sustainability agenda – in climate, circularity, nature and social sustainability. Our goal is to boost collaboration with our suppliers and identify opportunities to improve environmental and social performance in our joint supply chains, together. This requires viewing our actual and potential impacts on the environment and people in our supply chain from a holistic viewpoint, to see the connections across all areas of sustainability. Collaboration helps both parties meet their respective sustainability targets, with the goal of supporting the transition to more secure¹, resilient² and sustainable³ food systems.

Our flagship initiative 'Join us in Protecting the Planet' was launched three years ago. It asks suppliers to identify ways to reduce their GHG emissions, assess and address their impact on nature, maximise the use of recycled content and address human rights impacts, among other requirements.

In 2023, we sharpened the initiative to focus on nine actions, rather than 20 previously, with clear targets to drive impact together with our suppliers.

In 2023, we extended the initiative to a total of 153 suppliers. Since 2020, 45 of our base materials suppliers⁴ (covering 90% of the base materials purchased) have been participating and, in 2023, we onboarded an additional 108 suppliers across our equipment and services segments. These suppliers are a crucial part of our equipment value chain and play an important role in helping decarbonise our own operations, as well as those of our customers. During 2024, our focus is on improving our understanding of our equipment and services suppliers' existing efforts in these areas and working with them to develop further.

NINE FOCUS ACTIONS Leadership Climate Reduce GHG Share GHG Achieve CDP emissions data emissions by A list 50% **Nature** Assess and Enhance Set an SBTi address nature certification and Net-Zero traceability of target impact materials Circularity Maximise Maximise Assess recycled recyclability/ and address content refurbishment human rights

Climate

Our climate target within Join us in Protecting the Planet is to achieve a 50% GHG absolute reduction of scope 3 emissions by 2030 (from a 2019 baseline). Since 2019, we have reduced the absolute climate impact from our base materials by 22% by 2023.. The progress in 2023 was mainly due to the reallocation of more volumes to lower emission suppliers. However, overall progress since 2019 is also driven by reductions made in our suppliers' operations and supply chains.

For the second consecutive year, Tetra Pak is on the CDP Supplier Engagement Rating Leaderboard. In CDP's annual Supplier Engagement Rating, companies are evaluated on how effectively they are engaging their suppliers on climate change. The highest-rated companies are given a place in the Supplier Engagement Rating Leaderboard.

¹ Secure food systems: as defined by the UN, food security means that all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food

² Resilient food systems: as defined by the OECD, resilience in the context of food and agriculture as the ability to prepare and plan for, absorb, recover from, and more successfully adapt and transform in response to adverse events. Source: https://www.oecd-ilibrary.org/agriculture-and-food/strengthening-agricultural-resilience-in-the-face-of-multiple-risks_2250453e-en

³ Sustainable food systems mean growing, producing, processing, packaging, distributing and consuming food without negatively impacting the planet.

Source: https://www.oecd-ilibrary.org/sites/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en/index.html?itemId=/content/c0fd4d2f-en/index.html?itemId=/content

⁴ Base materials are the materials we use to produce the packaging we sell to food and beverage producers, including paperboard, polymers, aluminium foil and inks

Nature

As a part of the initiative, we requested suppliers to assess the impacts and dependencies of their operations and upstream value chain on nature, with the objective of developing an action plan with measurable targets and actions to address their material impacts by 2027. Increased traceability and certified sourcing are also a part of the supplier evaluation. Over half of our base material suppliers (24) started reporting water withdrawal data in 2023.

Circularity

We continue to deploy certified recycled polymers to achieve a minimum of 10% recycled plastics in packages sold in Europe by 2030. Compared with 2022, there was an increase of 144% in certified recycled packaging material and a 95% increase in certified recycled caps sold in 2023.

Social sustainability

The initiative enabled more detailed conversations with suppliers about social sustainability. In 2023, we asked suppliers to

respond to a series of questions on their performance regarding human rights in their operations and supply chain. This information helped to enhance Tetra Pak's identification of priority human rights risks in the supply chain and to prioritise categories and suppliers for further due diligence.

For higher-risk supplier categories, we requested information on suppliers' due diligence on human rights in relation to a just transition to renewable materials and energy. For all base materials suppliers, we evaluated their human rights risk identification process, enabling us to score these suppliers with basic, maturing or advanced processes and prioritise engagements. The integration of respect for human rights within our supply chain involves close collaboration across different business functions in Tetra Pak.

Read more in Social sustainability

Acknowledging the work of our suppliers

Each year, one of our suppliers wins an award for leadership in sustainability to drive the transformation and inspire other suppliers. The winner of the Supplier Sustainability Award 2023 was our Brazilian aluminium foil supplier, Companhia Brasileira de Aluminio (CBA). CBA has

a detailed climate action plan for reducing emissions until 2030 and has set an example for their industry by being the first aluminium company to achieve the CDP Climate A list – in addition to committing to the Business Ambition for 1.5 degrees and setting Science Based Targets initiative (SBTi) targets. They are also making good progress on their human rights due diligence work.



CBA, Brazil

We seek to continuously improve the quality of our products and services. We are looking forward to extending our collaboration with Tetra Pak and to keep supporting initiatives that promote a more sustainable world.





Fernando Varella,
CBA Downstream Products,
Innovation and Digital Transformation VP





The needed transformation of global food systems

The rapid transformation in how food is grown, produced, processed, distributed and consumed has delivered major human development benefits over the last decades. However, these transformations are pushing us beyond the Earth's planetary boundaries¹ and generating considerable health, environmental and socio-economic challenges.

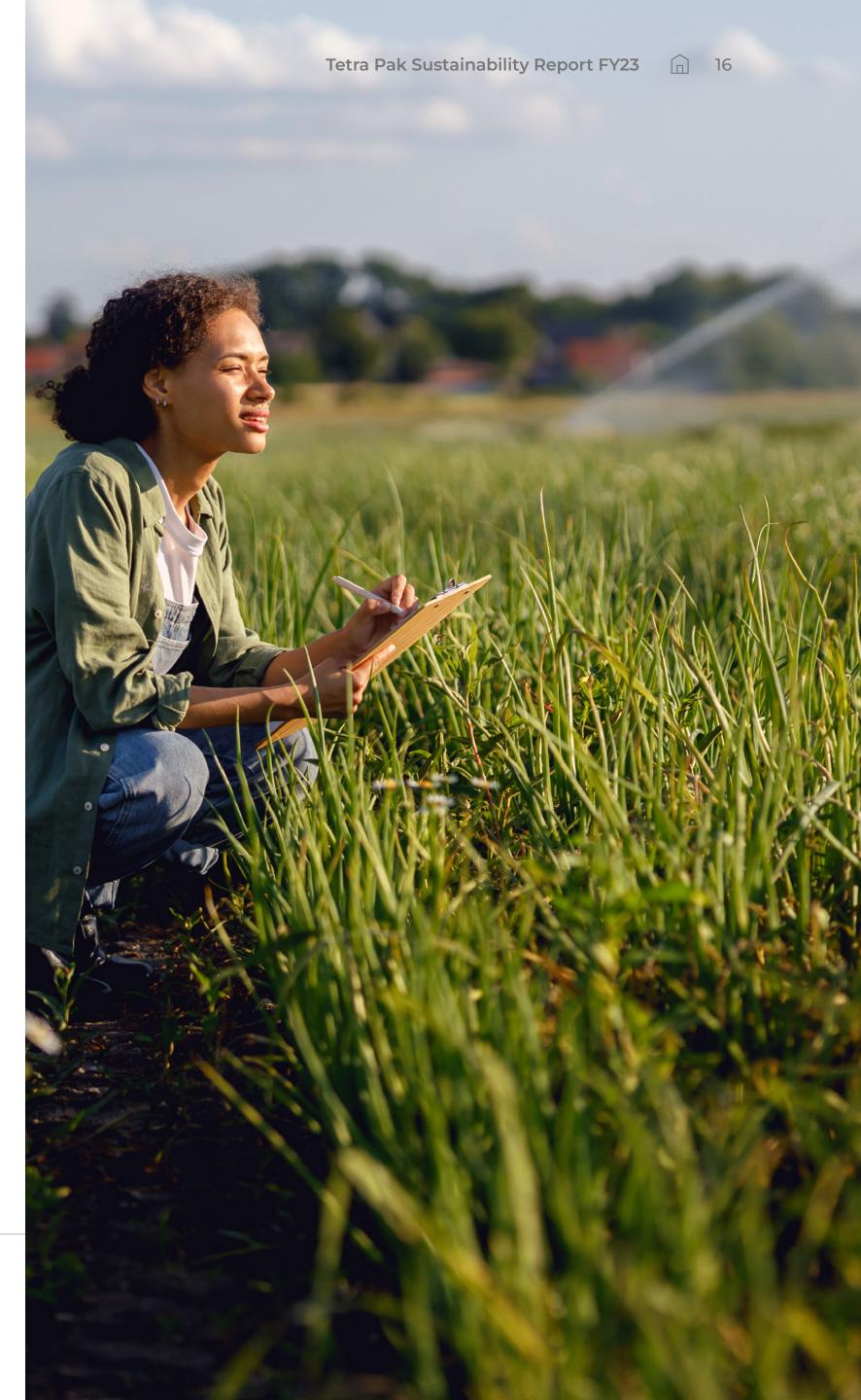
Food systems currently account for more than one-third of global GHG emissions². At the same time, more than a third of food grown and produced is lost or wasted³. while over 2 billion people struggle to get regular access to sufficient food⁴. Extreme climate and environmental conditions, coupled with a turbulent global context of conflict, struggling economies, shifting markets and rising inequity, mean that the world's food systems are both causing and facing a crisis.

To ensure that everyone, everywhere has access to safe food – and to address these complex challenges – all players across the food value chain need to play their part. Collaboration is needed to help create more secure, sustainable and resilient food systems⁵. This requires coordinated interventions that recognise the interconnections between food production, health, and socio-economic and environmental issues.

Global influences in 2023

Throughout 2023, further disruptions left food systems vulnerable. Economic and geopolitical shocks, such as the war in Ukraine, continued to have a significant impact on food supplies. Inflation in many countries has been driving up food costs, contributing to the increase in the overall cost of living for many people.

The interconnectedness of global food systems with climate and nature is increasingly recognised, and in 2023, the UN Climate Change Conference COP28, which took place in the United Arab Emirates (UAE), put food systems firmly on the international climate agenda. Over 150 countries signed up to the UAE Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action, committing to adapting and transforming food systems and including food and land use targets in their Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) by 2025⁶.



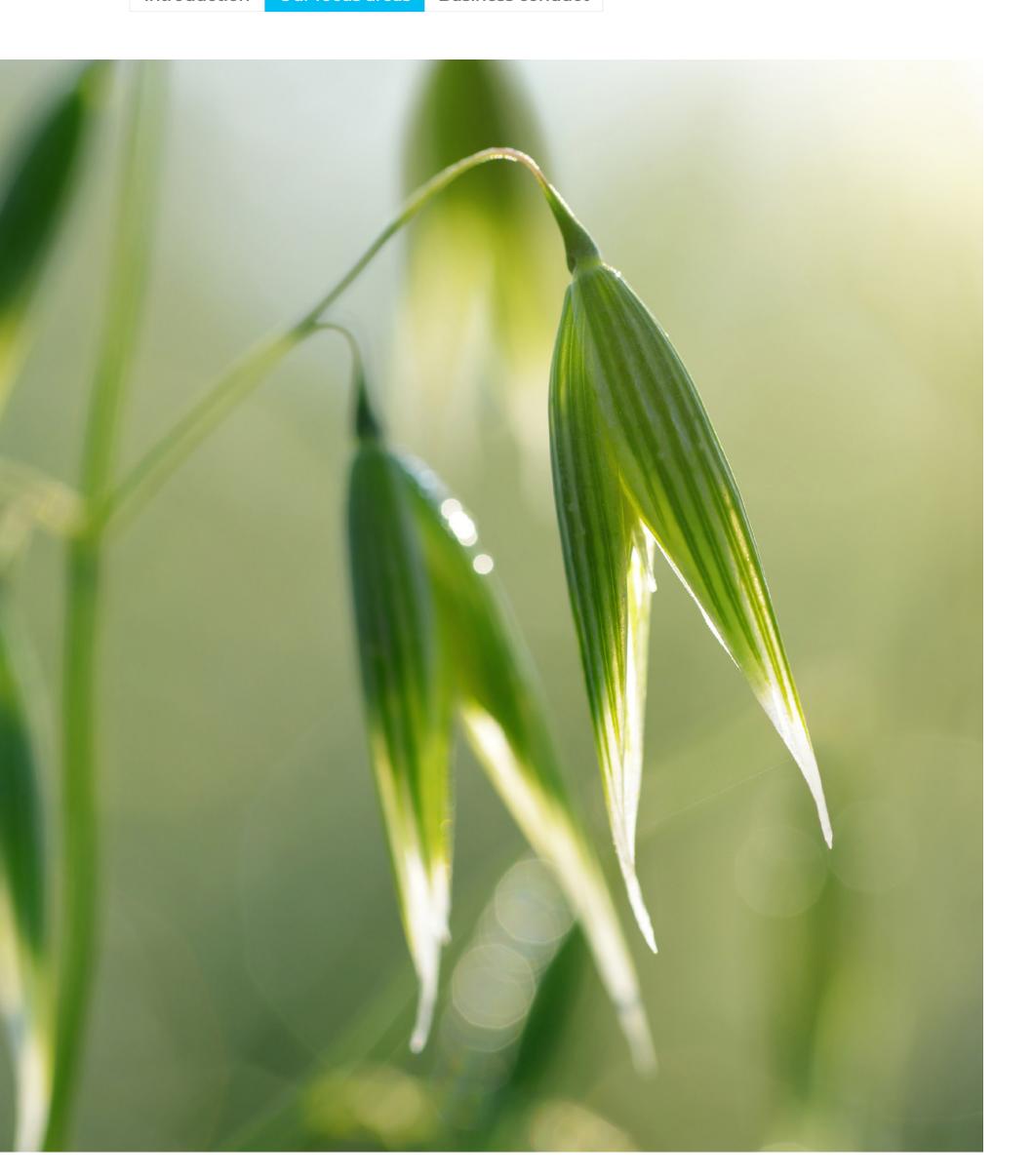
¹ Planetary boundaries' is a framework to describe the limits within which humanity can continue to develop and thrive: Rockström, J.; Steffen, W.; Noone, K.; Persson, Å.; Chapin, F. S.; Lambin, E. F.; Lenton, T. M.; Scheffer, M; Folke, C.; Schellnhuber, H..; Nykvist, B. (2009). "A safe operating space for humanity". Nature. 461 (7263): 472–475

² Global Alliance for the Future of Food, 2023. Source: https://story.futureoffood.org/power-shift/

³ Global Alliance for the Future of Food, 2023. Source: https://story.futureoffood.org/power-shift/

⁴ United Nations, "A wake up call to fight hunger", 2022. Source: https://www.un.org/en/globalissues/food#:~:text=Apart%20from%20hunger%2C%20the%20report,under%20five%20suffer%20from%20malnutrition

⁵ As defined by the OECD, resilience in the context of food and agriculture is the ability to prepare and plan for, absorb, recover from, and more successfully adapt and transform in response to, adverse events 6 Source: https://www.oecd-ilibrary.org/agriculture-and-food/strengthening-agricultural-resilience-in-the-face-of-multiple-risks_2250453e-en



Our role

The food processing technology and packaging industry has an instrumental role in shaping more efficient, sustainable and resilient food systems¹. As a world-leading food processing and packaging solutions company present in 160 countries, we have broad expertise in global food value chains that puts us in a unique position to drive change, together with stakeholders. We have identified three material topics specific to the food system transformation: food access, food production and food waste. How we contribute to these topics is outlined within this chapter alongside the four key pathways of our food systems approach.

The complex nature of our value chain includes a wide range of actors involved in the production, processing, distribution and sale of food and beverages, with everyone affected by the challenges of extreme environmental, social and economic events. Tetra Pak is able to contribute to the improvement and resilience of food supply chains by developing packaging solutions that help enhance shelf-life of perishable foods and improve access to food and food processing technologies that can reduce

emissions, food waste, energy and water consumption.

Our response to accelerate food systems transformation is defined in our four pathways with roadmaps and measurable actions and targets. We have also undertaken a broader assessment of food systems in our white paper in collaboration with EY-Parthenon, "Explore the future of food systems", which examines the key food systems requirements to better sustain both people and the planet by 2040.





READ MORE

At Tetra Pak, we're not just making pledges; we're driving a transformative agenda, based on a robust evidence-base. We are answering the call for private sector engagement by demonstrating both our ambitions and our strategic plan on how we will realise them.

Executive Vice President for Processing Solutions and Equipment, Tetra Pak

Four pathways for food systems transformation

We are committed to driving change and being a positive influence on the way food systems¹ can work in the future. The four key pathways of our food systems approach are designed to translate ambitions into actions that accelerate the food systems transformation and deliver progress against our material topics.

Each pathway has a roadmap and measurable targets aligned with the critical transitions for food and land transformation proposed by the Food and Land Use Coalition².

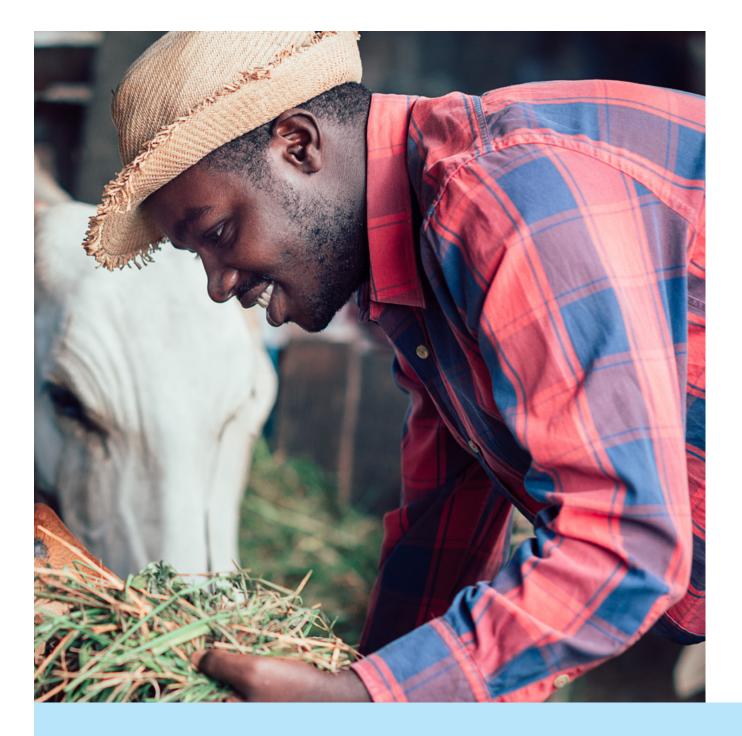




^{1 &#}x27;Food systems' refers to all the elements and activities related to producing and consuming food, and their effects, including economic, health and environmental outcomes. Source: https://www.oecd.org/food-systems/

² World Resources Institute (WRI), "Food and Land Use Coalition", 2019. Source: https://www.wri.org/initiatives/food-and-land-use-coalition

Business conduct



PATHWAY 1

Enable the transition towards more sustainable dairy

The dairy sector is an important contributor to livelihoods, food security and nutrition, playing a crucial role in global food systems. However, it is a significant user of land, water and energy, and generates 2.7% of global GHG emissions². We are working to address the environmental impact of dairy processing while supporting smallholder farmers' productivity, profitability and livelihoods.

Our targets

- · Reduce GHG emissions in our ambient dairy processing equipment by 50% (from a 2019 baseline).
- · Reach 100,000 smallholder farmers in our Dairy Hub customer projects by 2030.

SINCE 2011

projects



77,800

have delivered milk to customers

How we performed in 2023

Our Dairy Hubs

Our Dairy Hubs aim to improve the livelihoods of smallholder farmers by providing training and linking them with dairy processors to help build sustainable local dairy value chains³. The knowledge-transfer and building of these

sustainable local dairy supply chains increases access to safe and nutritious food. It secures the supply of locally produced, quality milk in emerging economies, without raising the collection costs.

Since its inception in 2011, 25 Dairy Hub projects have been established and 77.800 farmers – 99% of whom are smallholder farmers – have delivered milk

to our customers. In 2023, three new Dairy Hub projects were added, in Colombia, Nepal and India. During 2023, 29,300 farmers – 99% of whom are smallholder farmers – delivered milk to our customers through our Dairy Hub projects.

For example, in our customer project with Githunguri Dairy in Kenya, smallholder farmer income increased by 34% from \$142 (US dollars) to \$191 (US dollars) per month on reference farms (over a 12-month period). In our customer project with Akij Dairy in Bangladesh, smallholder farmer income increased by 42% from \$334 (US dollars) to \$475 (US dollars) each month on reference farms (over a 12-month period).



CASE STUDY

Leading the Global Dairy Processing Task Force to accelerate climate action

Tetra Pak has signed up to the Pathways to Dairy Net-Zero climate initiative, which aims to accelerate climate change action and reduce GHG emissions across the dairy sector. Within the initiative, we are leading the Global Dairy Processing Task Force, working with customers and the broader dairy value chain to explore innovative systems and technologies needed to further drive down GHG emissions in dairy processing. These solutions also have the potential to reduce energy, water consumption and food waste in dairy production.

Business conduct

We will lead discussions with pivotal players in the dairy sector to champion more sustainable solutions, including the latest advances in processing technology, and share best practices across the industry.

The Task Force aims to:

- · measure and mitigate GHG emissions in dairy processing;
- · create and share best practices to reduce GHG emissions:
- · identify and implement credible reduction solutions: and
- establish industry standard sustainability guidelines and reporting frameworks to encourage consistency and joint purpose.

READ MORE



Globally, the dairy industry is working to produce highly nutritious foods sustainably and responsibly to meet the demands of a growing world population. However, the impact of climate change leaves the entire value chain at risk, and as an industry, it is critical we act quickly and strategically on environmental issues.

We believe that Tetra Pak is well suited to lead the processing component of the Pathways to Dairy Net-Zero initiative.

Donald Moore,

Executive Director, Global Dairy Platform





PATHWAY 2

Innovate for new food sources

The global population is expected to increase by more than 25% between 2020 and 2050. The world needs to feed this growing population while using fewer natural resources. Providing greater access to food and increasing food production are material topics identified for our business.

New food sources¹ – such as plant-based foods and alternative proteins – and innovative food technologies can help pave the way for alternative approaches to food production. Alternative protein sources have the potential to meet future demands for feeding a growing population while using fewer natural resources.

We are collaborating with an international network of stakeholders from the public, private and academic sectors to advance innovation in alternative protein sources that require a less resource-intensive supply chain and, in turn, can contribute to improving sustainable food systems². Our expertise in food processing and packaging enables us to scale-up new food technologies, such as biomass and precision fermentation, for making new food viable at industrial scale.



Our target

· Triple sales in plant-based and new food processing equipment and technologies by 2030 (from a 2023 baseline).

How we performed in 2023

Tetra Pak and Lund University in Sweden launched Biotech Heights, a new research hub that will explore food and materials production using bioprocessing to create useful products from living cells or cell components. Biotech Heights will establish an open innovation environment, in which all participating organisations will have access to world-leading laboratories and equipment for both commercial and academic purposes.

CASE STUDY

Transforming agricultural side-streams

Kidemis has developed an innovative aquafeed ingredient for fish and animal feed based on mycelium fermentation of agrifood side-streams. The ingredient offers a sustainable alternative³ for fishmeal and soy, with both functional and nutritional properties.

The Swiss start-up uses core technology based on a solid-state fermentation (SSF) platform. Kidemis uses this to transform agrifood side-streams into a high-quality mycoprotein composite. This enables a zero-waste conversion of low-value agricultural side-streams into high-quality ingredients.

READ MORE

Our partnership with Tetra Pak has been a valuable aspect of our journey towards production. Their practical approach and thorough engineering have greatly contributed to our technological capabilities. It's a collaboration that truly complements our commitment to sustainable practices.

Constantin Marakhov,

Co-founder and CEO, Kidemis



² FAO, "Sustainable food systems", 2018. Source: https://www.fao.org/3/ca2079en/CA2079EN.pdf

^{3 &#}x27;Mycoprotein' is a sustainable alternative to fishmeal and fish oil because it is produced from renewable resources. Source: https://kidemis.com/



CASE STUDY

Tetra Pak and 21stBIO develop new food solutions

Danish bio-production start-up 21stBIO has chosen Tetra Pak to help them expand their current lab-scale testing facilities into a pilot plant. They develop and optimise bacterial strains that can be used to produce alternative proteins. The deal is part of work to develop new food categories, which involves using fermentation technologies to create ingredients and end-products with special focus on protein alternatives.

By working with start-ups in this area, we are learning to adapt our approach and understand a great deal about the design and quality that these producers, with smaller lines and capacities, are looking for. Tetra Pak will supply all the upstream equipment, including small-scale aseptic vessels, pilot UHT (ultra-high temperate) heat exchanger and a small high-shear mixer. Discussions are continuing to deliver downstream equipment as well, all while enhancing the partnership in other ways.

READ MORE







We were looking for companies with the experience and know-how to support us and Tetra Pak stood out. You could tell that there was a real, natural understanding of what we do, the importance of this field, and the future potential.

Thorvald Ullum, Chief Technology Officer, 21stBIO



PATHWAY 3

Reduce food loss and waste

Currently, more than one-third of all food produced worldwide is going to waste¹. We are contributing to reducing this by developing food processing technologies that help reduce food loss and waste during production, including new solutions to turn side-streams into value-added products. The need to increase efficient food production and reduce food waste are material topics identified for our business.

Efficient production facilities, food processing technologies and packaging solutions can help improve food supply chains and build resilience into food systems. Our aseptic processing and packaging solutions have long made it possible to protect perishable food, enabling long shelf-life and helping reduce food waste. Developments in new food processing technology are another area where we can increase efficiencies to further prevent food loss during production.

Our target

 Achieve a 50% reduction of product loss in best-practice processing lines by 2030 (from a 2019 baseline).

How we performed in 2023

We continue to work on innovative technologies to reduce food loss and waste. One example is the new Tetra Pak® Direct UHT unit launched in Q4 2023, which has improved performance related to product loss, reduced fouling, cleaning and presterilisation, compared with the previous Tetra Therm[®] Aseptic Vacuum Thermal Instant Sterilizer (VTIS). The unit is designed to maximise product quality for heatsensitive products within dairy, plant-based beverages and liquid foods like soups. The solution is based on direct contact with clean steam via injection or infusion. On average and considering the same production volumes and product, the Tetra Pak® Direct UHT unit can reduce product losses by 48% and water consumption by up to 6% when compared with the Tetra Therm® Aseptic VTIS².

In 2023, we signed a partnership agreement with the European Food Banks Federation (FEBA) to collaborate jointly to reduce food waste and contribute to reducing food insecurity in Europe. FEBA is a network of over 341 Food Banks in 30 European countries. As part of our collaboration,

we share expertise on food processing to ensure surplus food can be preserved and distributed rather than go to waste.

Tetra Pak Site Food and Drink Programme

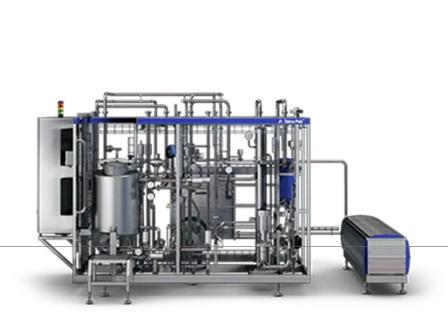
We are changing what food and beverages are served, and how they are served, at our Tetra Pak facilities to provide healthy food, to support the wellbeing of people, and to reduce food waste and our climate impact. This is done in collaboration with our food service providers. The programme includes providing healthy food and drinks across all serviced sites globally, growing more food onsite, while reducing the GHG emissions from food services and minimising food waste across our restaurants. In 2023, we continued our food waste reduction effort at all our sites with on-site catering. Our ambition is to achieve 50% reduction by 2030, and our teams are

 A more accurate way of measuring food waste was introduced with five countries using third-party technology to track their programmes.

following the agreed glide path:

- · All catering teams are reviewing the source of their food waste for creative ways to reduce it and minimise the amount sent to landfill:
 - the Lund site in Sweden converted 15,473kg of organic waste (including food waste and garden waste) at an onsite bio-digester, with the compost used in farms in the Lund area;
 - the Chakan factory in India transformed 3,770kg of organic waste in compost to fertilise the onsite garden;
 - the Izmir factory in Türkiye donated over 40% of food waste to animal shelters with the remainder used for energy recovery; and
 - the Nairobi factory in Kenya composted over 80% of food waste to fertilise the onsite garden. Similar practice is done in the Nairobi office with an almost 50% transformation rate.

Several of our sites have herb gardens. The Lahore factory's food garden had its first full year of harvest in 2023, with 21 different types of herbs and vegetables being grown and an annual total harvest of 1,900kg. All food waste and organic waste have been composted onsite.







1 World Wide Fund for Nature, 2022. Source: https://www.saveonethird.org

2 Same production volume/year of product. Direct UHT has a longer running time than VTIS. VTIS runs 52 hours (h) then Cleaning in Place (CIP); Direct UHT runs 72h. Both Branded Processing Units (BPUs) run with Aseptic Intermediate Cleaning (AIC) every 10 to 12h

by 2030

PATHWAY 4

School feeding programme, Yemen

Scale access to safe nutrition through sustainable food packaging¹

Collaboration is essential when it comes to improving access to nutritious foods. Since 1962, we have been demonstrating value to society and individuals by participating in the development of school feeding and nutrition programmes around the world. Food access is a material topic for Tetra Pak, and we continue to support our customers and collaborate with relevant stakeholders in the development of school feeding and nutrition programmes, providing access to safe nutrition to children and vulnerable communities.

Read more in Business conduct

Food packaging is fundamental to expanding food access to people around the world. And it needs to do so with a reduced climate impact, while also driving circularity. Aseptic processing and packaging keep perishable foods safe for six to 12 months without the need for refrigeration or preservatives, while also retaining their colour, texture, taste and nutrition.

Read more in Climate and Circularity

Our target

· Increase global access to safe nutritious² foods through our ambient packaging solutions by 2 billion litres by 2030 (from a 2022 baseline).

How we performed in 2023

New opportunities for postbiotic food and drinks

In collaboration with AB Biotek Human Nutrition and Health, Tetra Pak introduced a range of innovative post-biotic food solutions in 2023. Post-biotics can be seamlessly integrated in food processing as a powder at the mixing stage of Ultra High Temperature (UHT) products, like beverages, dairy products, ice cream and cheese.

Tetra Pak is currently exploring an array of post-biotic food concepts, including highprotein ambient yoghurt, high-protein tea and reduced-sugar juice. This involves working with food producers throughout their product journey, from ideation to product concept testing, to industrial validation at the company's world-class Product Development Centres.

READ MORE



1 'Sustainable food packaging' is defined as a packaging that achieves its functional requirements with minimal environmental impact, is made from responsibly sourced renewable or recycled materials, is recyclable, and has low carbon footprint in regards to manufacturing, production, shipping and recycling

2 Nutritional profile of packaged food assessed according to Health Star Rating system



School feeding programme, Uganda

CASE STUDY

School Feeding Programmes

School feeding programmes can contribute to improving children's education, health and nutrition¹. Since 1962, we have supported our customers and collaborated with governments, NGOs, the UN and international development aid agencies to provide technical assistance in programme organisation, implementation, evaluation and environmental education. In addition, we also advise on food safety and quality controls in schools by sharing global best practices.

In 2023, 64 million children in 49 countries received milk or other nutritious beverages in Tetra Pak packages through school feeding **programmes.** We also expanded our involvement in school feeding programmes to countries including Bangladesh, Yemen and Uganda.

Bangladesh ranks among the lowest countries in the world in terms of milk consumption per capita, primarily due to lack of availability. The country lacks a self-sufficient dairy industry that currently does not formally collect, process and package enough milk to fulfil demand or nutritional requirement. Tetra Pak is supporting our customers and working with partners in the development of the new school milk programme.

In Yemen, the strain on food security and nutrition is evident. A report by UNICEF states that almost half (45%) of the country's children experience irreversible stunted growth². To address the issues of food safety and access to safe nutrition in schools, a collaborative effort between HSA Group (an international conglomerate of Yemeni origin), its subsidiary NADFOOD, Tetra Pak Arabia Area and Tetra Pak Food for Development has been established to serve fortified milk to 10,000 children in Yemeni schools.

The Uganda School Milk Programme is an initiative primarily funded by parents, supported and directed by local dairy processing firms and the development organisation SNV, and backed by government policy and resources. Tetra Pak is working with stakeholders to support the development of the Uganda dairy industry and a school milk programme.

Milk processed and packaged using Tetra Pak's aseptic technology helps ensure food safety and quality. With aseptic technology, UHT milk can be safely transported to schools without the need of a cold chain, and subsequently stored at room temperature.

READ MORE



¹ World Food Programme, "School meals", 2022. Source: https://www.wfp.org/school-meals

² UNICEF, "As the war in Ukraine continues, millions of children in the Middle East and North Africa at increased risk of malnutrition amid food price hikes", 2022.

Collective action to tackle systemic challenges

It is only through collaborative system-wide efforts across the food value chain that effective change can happen. Our goal is to advocate for secure, resilient and sustainable food systems¹ and to form or join alliances supporting systems-level change. In 2023, we achieved the following:

- Became a signatory to the Call to
 Action Food Systems Call to Action –
 Climate Champions (unfccc.int) which
 aims to mobilise collective efforts around
 a shared vision of food systems and scale
 action to unlock the potential of food
 systems as one of the main solutions for
 people, nature and climate.
- Became a signatory to the EU Code of Conduct on Responsible Food Business and Marketing Practices, a common aspirational path towards sustainable food systems. Along with more than 100 players in the food and beverage industry, it voluntarily commits us to tangibly improve and communicate our sustainability performance.
- Signed a Memorandum of Understanding (MoU) with FEBA.

Read more in Reduce food loss and waste



The global population is projected to grow to

around 10 billion by 2060, and global material use is projected to more than double in the same time frame¹. Since 2015, the global economy has consumed 70% more new

materials than the Earth can safely replenish². The food packaging and processing sector can

work towards a circular economy by moving away from the 'take-make-waste model'3.

use of recycled and renewable materials to

A circular approach can help cut down on food waste and loss, extend equipment life, minimise the use of resources in packaging and increase

reduce pressures on finite resources and ensure

Why it matters

CICUIA

Business conduct

Introduction

Our focus areas





Ambition

- Drive circular solutions by designing recyclable food and beverage packaging, using recycled and renewable materials, and expanding collection and recycling to keep materials in use and out of landfills.
- Design equipment that helps customers increase their energy, material and water efficiency, and lifetime of which can be further extended by repair and refurbishment.

Material topics for our business

- ① Design and materials of packaging
- Collection and recycling of carton packages
- ① Design, materials and lifecycle of equipment

SDGs











1 OECD, "Global Material Resources Outlook to 2060: Economic Drivers and Environmental Consequence

National Geographic, Kenya

2 Circularity Gap Reporting Initiative, "Five Years of the Circularity Gap Report, 2022". Source: https://www.3 Ellen MacArthur Foundation, "The circular economy in detail", 2020. Source: https://www.ellenmacarthu



Driving circular solutions

Today, more than 90% of all materials extracted are wasted, with only 8.6% being repurposed in the economy¹. The statistics show that the world is still operating in a traditional linear economy with a trend of over-consumption².

The global population is failing to preserve limited, and often non-renewable, resources by extracting and disposing rather than reusing. Meanwhile, global waste is projected to increase by 70% by 2050³ according to the World Bank. We believe the current model must move towards a circular economy based on three principles set out by the Ellen MacArthur Foundation (EMF):

- 1. Eliminate waste and pollution.
- 2. Keeping products and materials in use.
- 3. Regenerate natural systems⁴.

Within the food value chain, circularity means tackling waste challenges across the food system – including reducing food waste and loss. Food packaging and processing plays an essential role in feeding a growing

population by protecting and making food available. Aseptic processing and packaging technology solutions can extend the shelf life of perishable liquid foods, such as dairy, plant-based beverages, juices and nectars, without the need for refrigeration or use of preservatives. Reducing food losses, energy and water consumption in food processing. as well as developing technologies for new food sources and transforming side-streams in food ingredients, also contribute to addressing food loss and waste.

Read more in *Food systems*





Packaging is a key environmental concern for the use of virgin materials (40% of plastics and 50% of paper used in the EU is destined for packaging) and accounts for 36% of municipal solid waste⁵. If packaging is not collected and recycled, it can be a source of waste, with potential negative impacts on human health and local ecosystems. Food packages need to be recyclable by design with local recycling infrastructure in place, at scale, to collect, sort and recycle. This involves securing market demand for recycled products to ensure circular material flows.

A circular economy also has the potential to deliver better outcomes for nature, climate and social impacts related to sourcing, processing, use and end-of-life of materials. The world needs to keep resources in play for as long as possible. We are working to design and manufacture our equipment to be repaired, renovated, refurbished and reused.

¹ Circularity Gap Reporting Initiative, "The Circularity Gap Report, 2024". Source: https://www.circularity-gap.world/2024

² Circularity Gap Reporting Initiative, "Five Years of the Circularity Gap Report, 2022". Source: https://www.circularity-gap.world/2022

³ Crippa, M. et al, "Food systems are responsible for a third of global anthropogenic GHG emissions", 8 March 2021. Source: https://www.nature.com/articles/s43016-021-00225-9

⁴ Ellen MacArthur Foundation, "What is a circular economy?". Source: https://ellenmacarthurfoundation.org/topics/circular-economy-introduction/overview

⁵ EU Commission, "Regulation of the European Parliament and of the Council", 2022. Source: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0677





Luhai Pro-environment, China

Global influences in 2023

An increasing amount of regulation concerning the circular economy has been introduced globally during recent years. As part of circular economy strategies, packaging and waste are also being increasingly regulated, and various countries have introduced laws restricting use of certain single-use plastic packaging or items, such as straws. In addition, starting from 2022, a UN treaty for plastics based on legallybinding global rules is under discussion.

At end of 2022, the European Commission (EC) released their proposal for a revision of the Packaging and Packaging Waste Regulation (PPWR), which was debated in European Institutions during 2023 and is expected to apply across the EU from mid-2026. The legislation aims to reduce packaging waste¹. It provides an opportunity for the entire packaging industry to promote the development of innovative solutions to reduce the amount of packaging waste and ensure that all packaging is either recyclable and/or reusable in Europe by 2030.

There is also wider acknowledgement among businesses that circularity is interconnected with restoring nature and working towards net-zero emissions. Circularity practices can benefit businesses that are at risk of supply chain shortages, by keeping materials in circulation². A circular value chain also has the potential to boost social and economic growth and development by opening new markets, stimulating innovation and creating jobs³.





¹ On 22 November 2023, the European Parliament voted on the PPWR proposal developed by the EC, which sets out the rules for packaging in the EU. The PPWR proposal covers four key areas: reuse, recycling, recycled content and reduction of packaging waste



² Ellen MacArthur Foundation, "What is a circular economy?". Source: https://ellenmacarthurfoundation.org/topics/circular-economy-introduction/overview

³ European Commission Circular Economy Action Plan, 2020. Source: https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en

Business conduct



Embedding circularity into our food packaging, processing and services businesses involves action across our operations and value chain. When circular principles are integrated, we can create complementary benefits for decarbonisation, efficiency of customer equipment, and preservation of resources.

The circular economy is a material issue for our three businesses. Four material areas have been identified - these are packaging design and materials used; the collection and recycling of carton packages; design, materials used and lifecycle of our equipment; and waste in our operations.

Across our business, circular models contribute to the decarbonisation of our operations and value chain by increasing the recycling and accelerating the use of recycled and renewable raw materials in our packaging, as well as extending the lifetime of our equipment.

The growing demand for low-carbon packaging drives innovation across our packaging offering, and greater circularity in packaging will, in turn, reduce waste and pollution caused by unrecycled packages. We also look at how the work impacts the lives of people in the recycling chain, particularly in the informal waste management sector. We have projects underway to assess the working conditions of waste collectors in the informal economy and look for ways to support the improvement of their livelihoods.

Read more in Social sustainability

Improving the circularity of our food processing and packaging equipment means designing them to be maintained, reused, repaired and upgraded to extend their lifespan. New and more efficient food processing and packaging technologies help reduce both food loss and emissions from equipment, while operational efficiency reduces costs for our business and among our customers.





Whereas driving increased collection and recycling of our packaging globally will stay in the centre of Tetra Pak circular economy work, we will have a central role in contributing to circularity of the food value chain with our processing technologies, services and packaging.

Director, Corporate Affairs, Circular Economy and Packaging Policy, Tetra Pak



Tetra Pak Sustainability Report FY23

Meeting our circular ambitions

Targets

- · Design our equipment for food processing and packaging to be maintained, leased, reused, repaired and upgraded to extend its lifespan.
- Design and deploy packaging that is valuable to recyclers by increasing recoverable paper content and by driving the recycling at scale of the non-fibre material.
- Drive a step-change towards highest recycling performance in Europe, while securing recycling in practice worldwide and preparing advanced markets for future Extended Producer Responsibility (EPR)1.
- By 2030, a minimum of 10% recycled polymers across our beverage cartons sold in Europe.

Food packaging

Investing in packaging research and development

In 2023, Tetra Pak invested approximately €100 million into packaging research and development. Over the next five to ten years, we will continue to invest up to the same amount annually, focusing on simplifying the material structure, enhancing the use of renewable materials, increasing the use of recycled materials, minimising waste and making sure the package of the future is designed for recycling – without compromising food safety.

READ MORE



Tethered caps to help prevent litter

Tetra Pak started deploying tethered caps in 2022 to meet the requirements of the EU Single Use Plastic (SUP) Directive that will come into effect in July 2024 to help prevent litter. In 2023, we sold 6 billion tethered caps to more than 170 customers. Our ambition is to support the complete conversion of our customers to ensure compliance with the SUP Directive.





Expansion of certified recycled polymer solutions

Our packaging portfolio includes an expanded offering of packaging solutions using certified recycled polymers to support our targets of increased use of recycled materials. This means that the plastics are made of a mix of recycled and non-recycled materials, with the corresponding mass of recycled materials tracked throughout the Tetra Pak supply chain¹. Our product range covers new formats, product categories and geographies. It comes at a pivotal moment taking into account the current regulatory context including upcoming regulations such as PPWR.

Our goal is to continue the deployment of certified recycled polymers to achieve a minimum of 10% recycled plastics in packages sold in Europe by 2030. In 2023, we saw an increase of 144% in certified recycled packaging material and a 95% increase in certified recycled caps sold, compared to 2022.

In 2023, we reached a milestone of 10 of our owned packaging material and additional materials factories achieving certification from the International Sustainability and Carbon

Certification (ISCC) PLUS system, a voluntary scheme that applies to the circular economy. The factories were Rubiera and Sezzadio (Italy), Limburg (Germany), Dijon and Châteaubriant (France), Seville and Arganda (Spain), Budaors (Hungary) and Mexicali and Queretaro (Mexico). This supports our expanded capacity to produce more certified recycled polymer products.

Early last year, Lactalis Group, a world-leading dairy player, revamped its organic ambient liquid cream under its Bridélice and Président brands. It used Tetra Brik® Aseptic carton with certified recycled polymers in the packaging material – a first in France.

READ MORE

Valio, Finland's leading dairy company, has become the first food producer in Northern Europe to use the new resealable, tethered cap C38 Pro[™] with 30% certified recycled polymers specifically for its PROfeel® protein drinks and latte coffee drinks. C38 Pro™ is tethered in line with the Single Use Plastic Directive (SUPD), helping to prevent litter.

We are very proud to be pioneers in circularity. This new solution aligns with our packaging sustainability goal, that by 2030, all single-use product packaging we produce and sell will be made from renewable or recycled materials. We are confident that this will strengthen our position in the dairy product market.

Juhana Pilkama,

Head of Packaging Development, Valio



Valio's PROfeel® protein drinks and Latte coffee drinks using C38 Pro™ with 30% certified recycled polymers

Extending the lifespan of equipment

Our Services business contributes to sustainability by offering repair, refurbishment, upgrading and reselling of used equipment we provide, as well as ensuring that equipment lines run as efficiently and for as long as possible. Extending the lifecycle of equipment is a material topic for Tetra Pak. Our goal, as an end-to-end solutions provider, is to maximise the value and lifespan of equipment while minimising waste.

Refurbishment services

Tetra Pak offers certified renovated equipment – or refurbishment services – for packaging filling machines and distribution equipment and plans to expand the business to include processing equipment. We currently have four refurbishment centres worldwide, where we offer services, such as restoring missing parts, installing upgrade kits to avoid obsolescence, and removing corrosion and rust, to allow the equipment to be kept in use for longer. In 2023, 133 certified renovated pieces of equipment were delivered compared with 106 in 2022.

Maintenance units to increase uptime

In the Services business, maintenance units are a globally established concept that simplifies the handling of parts and maintenance and improves the customers' operations by increasing uptime and reliability. We provide high-quality refurbished units to ensure efficient maintenance events by saving time and reducing complexity.

When a customer buys a refurbished unit, the old one is sent to one of our workshops to be dismantled and cleaned. During the refurbishment process, old and new parts are put into a refurbished maintenance unit which is then sold to another customer. The reuse rate of the parts is, on average, 50%.

AVERAGE Reuse rate of parts



Our ambition is to create the 'world's most sustainable food package'. We invest to improve the recyclability of carton packages, and to use more renewable and recycled materials to contribute to the circularity of the materials used. The collection and recycling of carton packages is a material issue for our business. We play an important role in demonstrating how beverage carton collection and recycling can be scaled-up.

There are increasing legislative and societal demands for packaging to be recycled, where materials are retained and can be turned into new products. This requires investment in the industry to increase the collection and recycling rates so that there is sufficient capacity of materials as well as markets for the secondary raw materials. Investment is needed to support the development and scaling up of the industry.

Our packaging is recyclable where collection, sorting and recycling infrastructure is in place. Our paper-based carton packages on average are made of approximately 70% paper, which if responsibly sourced, is a renewable resource. All paperboard used in

Tetra Pak® packages comes from Forest Stewardship Council™ (FSC™) certified forests and other controlled sources.

Carton packages can be recycled in paper mills, which recover the fibres to be used in multiple applications, such as cardboard boxes, tissue paper and office paper.

The remaining thin protection layer made from polymers and aluminium (polyAl) can be sent to plastic and aluminium recyclers to be recycled into products such as pallets, crates, furniture, panels, and tiles where there is capacity in place.

We are collaborating with stakeholders to increase polyAl recycling capacities in different geographies and to develop new end-markets for recycled polyAl products to increase demand for the material. In places where collection infrastructure is still being built-up, we are investing with recyclers in new equipment and facilities to increase recycling capacity. The growth of the collection, sorting and recycling of all carton packages requires collaboration along the full recycling value chain. We measure carton package collection and monitor how the materials are effectively recycled.



In 2023, around 1.3 million tonnes of carton packages were collected and sent for recycling, an increase of 7% in the collection of the material compared to 2022 – this makes for a global carton package collection rate of 27%. In 2023, the volume of polyAl sent for recycling globally increased by 14% compared to 2022². The goal is to triple the capacity for polyAl recycling in Europe by the end of 2024. Around the world, there were more than 200 recycling facilities that recycle carton packages available in 2023.

READ MORE

Recycling facilities that we collaborate with worldwide

107 fibre

Fibre recycling facilities recycle fibres by hydrapulping

66 polyAl

PolyAl recyclers turn the material into pellets, that are then used by plastic converters in their production

38 integrated

Integrated recyclers recycle both fibre and polyAl (separately or together)

¹ That is, a carton package made of renewable or recycled materials, which are responsibly sourced, therefore helping protect and restore our planet's climate, resources and biodiversity; contributing towards low carbon production and distribution; convenient and safe, therefore helping to enable a resilient food system; fully recyclable.

Our three key collection and recycling goals

In 2023, we accelerated investments to around €40 million¹ to develop the collection and recycling value chain, and support collection and recycling collaborations. We will continue to contribute to the collection and recycling of paper-based carton packages worldwide, investing up to approximately €40 million² annually.

We have defined three different areas of focus for the collection and recycling of carton packaging that are dependent on the country context. Approximately 70 of our recycling experts across the world collaborate every day with recyclers, local authorities and customers to support that materials from our packaging re-enter the economy at the end of their use.



Drive a step-change towards highest recycling performance in Europe Target: By 2030, we will support an increase of the effective recycling rate (ERR)³ of beverage cartons in the EU to at least 70%.

We drive higher effective recycling rates in countries with existing collection infrastructure, such as in EU countries, by focusing on the efficiency of the sorting system and the expansion of the recycling capacity for the non-fibre part of our packaging.

In countries with existing collection infrastructure, we support system-wide action and cooperation, advocate for efficient legislation to guide optimised collection systems, and contribute to the acceleration and scaling of sorting and recycling capacities. We have several projects across Europe that are expanding the recycling capacity for the non-fibre part of our packaging.

■ Stay ahead and transform recycling value chain in major advanced markets
Target: Further increase recycled carton volumes and maximise carton collection through informal sector, and develop mixed waste sorting capabilities to prepare for future Extended Producer Responsibility (EPR)⁴

We advance and transform the recycling chain where the collection infrastructure is under development and still partly informal. This involves expanding recycling capabilities in countries with an already existing waste management sector. Our work supports adequate recycling capacity, building structural advancements in waste collection and sorting capabilities, and helping to prepare for potential future EPR schemes. We are investing in recycling infrastructure projects – from Australia and Vietnam to Saudi Arabia and Türkiye.



Activating collection and recycling in developing markets

Target: Develop carton recycling in practice through supporting
and activating the collection sector and secure recycling capacity
through co-investments

We activate collection and recycling in countries where collection of waste is still challenging also from a regulatory perspective and run by the informal sector. Our work involves creating awareness in developing markets with an informal waste management sector. We invest with recyclers in new equipment and facilities to increase recycling capacity. New collection programmes in these countries are also initiated by Tetra Pak to increase the collection of cartons and build circular economy awareness.



¹ Both Operating Expenditure (OPEX) and Capital Expenditure (CAPEX)

² Both Operating Expenditure (OPEX) and Capital Expenditure (CAPEX)





Business conduct

We have made great progress in fibre-based packaging circularity through our unique forum where all value chain stakeholders – from forest owners to producers, designers, brand owners and recyclers – can share good practices and innovate together to address circularity challenges in the best way possible.





Chair of 4evergreen

Recon Polymers, Netherlands

Collaborations to drive change

We collaborated with the Alliance for Beverage Cartons and the Environment (ACE) on the Beverage Cartons "Design for recyclability Guidelines" for carton producers alongside other industry players. The guidelines provide producers of beverage cartons with technical guidance to identify the materials compatible with existing recycling processes. They also offer insight into how the recyclability of paperbased beverage cartons can be optimised.

We are an active member of 4evergreen, a cross-industry alliance of over 110 members representing the entire lifecycle of fibrebased packaging – from pulp, paper and board manufacturers and recyclers to packaging producers converters, brand owners, retailers, waste management companies, non-fibre material suppliers (e.g., adhesives, inks, coatings), technology providers (e.g., machinery, collection, and

recycling solutions), leading research institutes, and start-ups. Their goal is to reach a 90% recycling rate for fibre-based packaging in Europe by 2030. In 2023, 4evergreen launched an update of its Circularity by Design Guideline to explain how different components of fibre-based packaging impact the paper recycling process. This version focusses on specialised recycling mills for used beverage cartons (UBC mills).



the Ellen MacArthui Foundation; Victoria Crawford, Director, Agriculture and Food, **WBCSD**

Tetra Pak launched a three year Network Partnership with the Ellen MacArthur Foundation in 2023. As part of this collaboration, we are focusing on circular design for food, capacity building and other collaboration projects on circular economy. In March 2024 we hosted a partners day in Lund with colleagues from the Ellen MacArthur Foundation and WBCSD co-creating the action agenda around circular design for food with us.





Our role in the 4evergreen alliance consists of sharing our experience and expertise in the Steering Group, which sets the strategy, and across five workstreams. Four of these are technical with the aim to develop tools and guidance for different aspects of fibre-based packaging sustainability and circularity.

Heike Schiffler,

Director, Industrial Recycling Solutions, Tetra Pak

Our global action on recycling

This map highlights some carton recycling projects from around the world. More examples can be found here.

Drive a step-change towards highest recycling performance in Europe

Netherlands: PolyAl for industrial pallets

We invested with Recon Polymers to support them become a full-size industrial player in polyAl recycling. A new plant will be able to recycle around 8,000 tonnes of polyAl per year. Recon has developed an efficient process to convert poylAl into raw material that will be used to produce plastic transport pallets for industrial use.

READ MORE

Spain: expanding market demand for polyAl

Spain has some of the largest paper mills in Europe, recycling around 135,000 tonnes of beverage cartons every year. We are working closely with the local recycling industry to boost polyAl recycling in the country, by providing technical and investment assistance. For example, Trans Sabater is recycling polyAl that then is used to produce plastic objects such as baskets. We are also working with large recyclers Saica and Alier to boost polyAl recycling. By 2025, Tetra Pak's objective is to recycle nearly 24,000 tonnes of polyAl, contributing significantly to recycling levels.

7 READ MORE

Italy and France: advancing polyAl recycling

We strengthened our collaboration with Lucart to increase the volumes of recycled polyAI, investing in new equipment to improve the production and efficiency of the polyAl recycling line in Italy. The volumes of recycled beverage cartons in Lucart mills in Italy and France increased to 55,000 tonnes in 2023 with a polyAl recycling rate of more than 50%.

READ MORE

Poland: boosting post-consumer beverage carton recycling

We have invested with Stora Enso and Plastigram to develop a complete recycling solution including a new recycling line for carton packages at Stora Enso's Polish site. It is set to triple Poland's annual recycling capacity with the potential to recycle the entire volume of beverage cartons sold in Poland, and additional volumes from Central and Eastern Europe. The facility recovers the fibres and recycles them into new paper-based packaging materials with a yearly potential capacity of 50,000 tonnes.

READ MORE

■ Stay ahead and transform recycling value chain in other major advanced markets

China: first automated sorting plant

We teamed up with Luhai Pro-environment, a waste management company specialising in beverage carton and lightweight packaging, to establish the first automated sorting plant for recyclables in Xiamen, Fujian province. We provide technical expertise and financial support to Luhai Pro-environment.

READ MORE

Australia: construction boards and robot sorting

Our collaboration with saveBOARD led to the opening of Australia's first recycling facility for used beverage cartons in New South Wales. The facility processes post-consumer recycled cartons into lowcarbon construction materials. It processed 335 tonnes and produced 7,856 boards in 2023.

We also collaborated with Australian Paper Recovery (APR) Kerbside to implement a robot that uses artificial intelligence to identify and sort all different types of beverage cartons from other types of recyclable materials. This facility has the capacity to process up to 20,000 tonnes of materials annually, sorting items from the kerbside

READ MORE

Mexico: 40% recycling rate in the next five years

In collaboration with paper manufacturer, Bio Pappel, we aim to achieve a carton package recycling rate of 40% within the next five years. A pulping line has been installed with plans to build capacity to process 24,000 tonnes of carton packages annually, along with the installation of a polyAl compaction and handling system. In 2023, 54,000 tonnes of carton packages were recycled.

READ MORE

Activation and recycling in developing markets

Malaysia: making it easier for consumers to recycle

We have collaborated for over a decade with Nestlé Malaysia, in particular with MILO, and local councils in the CAREton project to collect and recycle used beverage cartons. In 2023, the CAREton Project has expanded to include more local councils (seven total) and collection points (over 500), making it easier for Malaysians to recycle their carton packages. The project has successfully collected 1,409 tonnes of the material in 2023, surpassing the target set of 1,000 tonnes.

7 READ MORE

Colombia: developing local recycling

We collaborated with Proplanet to develop the recycling capability in Colombia and show a viable opportunity in recycling used beverage cartons. Proplanet currently purchases the packages from more than 10,000 collectors in the region and processes 1,350 tonnes annually. With our financial support, Proplanet is doubling its moulded pulp line capacity and ramping up its collection of the material. By 2030, it aims to reach 11,000 tonnes per year. By separating the packaging components, it produces moulded paper pulp products for the food service industry, raw materials for the tissue industry and polyAl pellets for the plastics injection moulding sector.

READ MORE



² Our decarbonisation efforts focus on avoiding and mitigating GHG emissions correlated to our products and company, and carbon removal to balance unavoidable residual emissions through nature-based solutions and other initiatives.

Global climate action

The global climate crisis has yet to show signs of abating¹. While countries have committed to keep global warming within 1.5°C above pre-industrial levels², scientific analysis has determined that 2023 was the planet's warmest year on record³. The impacts of climate change are happening today, with extreme weather events becoming more frequent and severe4.

Rapid GHG emissions reductions are required across all sectors with adaptation measures needed to effectively build resilience to the impacts of climate change⁵. Increasing food production to meet the needs of population growth is putting greater pressure on the world's limited resources, impacting nature and increasing the warming of the planet.

Global influences in 2023

In 2023, the international community committed, for the first time, to transition away from all fossil fuels at the COP28 UN Climate Change conference talks⁶.

Across companies, regional (e.g., EU) and country-based regulation is driving companies towards greater transparency and action on climate disclosure. While more than 40% of the world's largest publicly traded companies have made net-zero commitments (end of 2022), analysis by Net-Zero Tracker states that the transparency and integrity of current net-zero pledges are far from sufficient to achieve the Paris Agreement's long-term temperature goal⁷.

Many companies have also committed to scope 3 disclosure – detailing their climate emissions across their value chain and driving the need for greater collaboration.





Tetra Pak Sustainability Report FY23

¹ IPCC Report. Source: https://archive.ipcc.ch/

² United Nations Climate Action. Source: https://www.un.org/en/climatechange/paris-agreement

³ Climate.gov, "2023 was the warmest year in the modern temperature record", 2024. Source: https://www.climate.gov/news-features/features/features/features/features-was-warmest-year-modern-temperaturerecord#:~:text=The%20year%202023%20was%20the,decade%20(2014%E2%80%932023)

⁴ NOAA's National Centers for Environmental Information (NCEI), "2023 was the warmest year in NOAA's 174-year climate record history", 2024. Source: https://www.noaa.gov/news/2023-was-worlds-warmest-year-

⁵ World Resources Institute, "10 Big Findings from the 2023 IPCC Report on Climate Change", 2023. Source: https://www.wri.org/insights/2023-ipcc-ar6-synthesis-report-climate-change-findings

⁶ UN Climate Change, "COP28 Agreement Signals 'Beginning of the End' of the Fossil Fuel Era", 2023. Source: https://unfccc.int/news/cop28-agreement-signals-beginning-of-the-end-of-the-fossil-fuel-era

⁷ Net-Zero Tracker, "Global net-zero targets at risk due to scarcity of fossil fuel phase-out plans", 2023. Source: https://zerotracker.net/insights/global-net-zero-targets-at-risk-due-to-scarcity-of-fossil-fuel-phase-out-

Business conduct





As a leader in food and packaging innovation, Tetra Pak has the opportunity to drive an integrated sustainability agenda that includes emissions reduction, addresses agriculturerelated impacts on biodiversity and water, and implements scalable solutions for recycling.

Chief Executive, Globe International Secretariat and member of Tetra Pak Sustainability Advisory Panel, 2023

Our role

As a key player in the food industry, we are working to reduce our environmental impact at every step of the value chain. Climate change mitigation and adaptation, along with addressing energy sources and intensity, are material topics for our business.

A critical part of our approach to climate strategy is to work together with our suppliers, customers and other stakeholders to achieve net-zero GHG emissions across the value chain (scopes 1, 2, and 3)¹ by 2050 from a 2019 base year. Our near-term SBTi approved target to reduce value chain emissions 46% by 2030 from a 2019 base year and the target to achieve net-zero GHG emissions in our operations by 2030 support our long-term 2050 net-zero ambition.

We are continuously working to further develop and drive implementation of our Climate Transition Plan, which focuses on our climate targets, performance, decarbonisation levers and climate risks. It also details how climate transition is integrated with our business strategy. Selected items of the plan are included in this section of the report, such as our Net-Zero Roadmap, targets and levers.

The GHG emissions in our value chain arise predominantly from production and transportation of purchased raw materials and from use of sold equipment at our customers' sites (see graphic on page 42). To drive our net-zero trajectory, we focus heavily on emission reduction in these key areas, as well as in our operations. As a final step, we balance any residual emissions

with carbon removals from nature-based solutions.

At Tetra Pak, we commit to addressing climate change and recognise the opportunity we have to improve resource efficiency, reduce emissions across our business and support our customers with food processing and packaging technologies, equipment and services that reduce water, energy and waste. The steps we are taking include developing efficient packaging and processing solutions, making food production more streamlined and helping our customers reduce their GHG emissions.

Our actions to reduce our climate impact are closely interlinked with our approach to nature and targets as well as circularity.



Tetra Pak's net-zero roadmap

We are committed to reaching net-zero GHG emissions across our value chain² by 2050. To get there we have set interim targets and identified key areas for systems wide decarbonisation. Our journey in line with a 1.5°C³ pathway decarbonising energy & materials⁴

Reaching our targets Scaling systems-wide Accelerating and moving faster decarbonisation³ of Reduce absolute value chain Value chain target **Operational targets** Packaging material energy and materials emissions² by 90% Targets and plans developed with Revised SBTi goal to reduce GHG Reduce business travel related GHG through the value chain emissions² by 46% by 2030 (2019 emissions by 50% by 2030 suppliers to reduce the impact of Balance remaining emissions² by purchased raw materials by 50% baseline) removing and storing CO₂ through 100% renewable electricity in all our Reduce fossil-based material use. natural or technical solutions sites by 2030 Driving recyclability and recycling increase share of renewable and recycled material Reduce GHG emissions in our Best practice lines Work together with suppliers, operations¹ by 70% Drive electrification of our Accelerate development and customers and other equipment offering to enable deployment of processing and Balance remaining emissions with land stakeholders to reach customers to utilise decarbonised filling solutions with 50% less restoration in Brazil and thereby electricity grids emissions per unit of production Value chain GHG emissions achieve net-zero GHG emissions in own **Net-zero** operations¹ by 2030 Partner with transport suppliers to increase share of renewable across the 12000 fuels and energy for value chain transportation Net-zero GHG emissions Scale carbon removal solutions 8000 by 2050 in own operations¹ with value chain stakeholders 46% reduction of GHG emissions in value chain² Transport science-based net-zero vs. 2019 End of life target approved by SBTi

1 Scopes 1, 2 & business travel

2 Scopes 1.2 & 3

3 https://sciencebasedtargets.org/business-ambition-for-1-5c

4 Decarbonisation: reducing our CO₂ emissions associated with electricity, industry and transportation (adapted from SBTi Corporate Net-Zero Standard). Used here to encompass also defossilisation: decreasing the share of fossil and increasing share of renewable and/or recycled carbon in materials. Value chain emissions reductions consistent with reaching global net-zero in 1.5° pathways; and neutralizing impact of any emissions by permanently removing an equivalent volume of CO₂ (adapted from SBTi Corporate Net-Zero Standard).

Our GHG emissions reduction

Our targets

- · By 2030, achieve net-zero GHG emissions in our operations (scopes 1 and 2 and business travel) compared with our 2019 baseline.
- By 2030, achieve a 46% reduction in absolute GHG emissions across our value chain (scopes 1, 2 and 3) in line with 1.5°C SBTi commitment compared with our 2019 baseline.
- · By 2050, work together with our suppliers, customers and other stakeholders to achieve net-zero GHG emissions across our value chain (scopes 1, 2 and 3), compared with our 2019 baseline.

Our decarbonisation efforts focus on avoiding and mitigating GHG emissions in relation to our products and company. We look to balance unavoidable residual emissions with carbon removals¹ through nature-based² solutions and other initiatives.

Read more in Nature

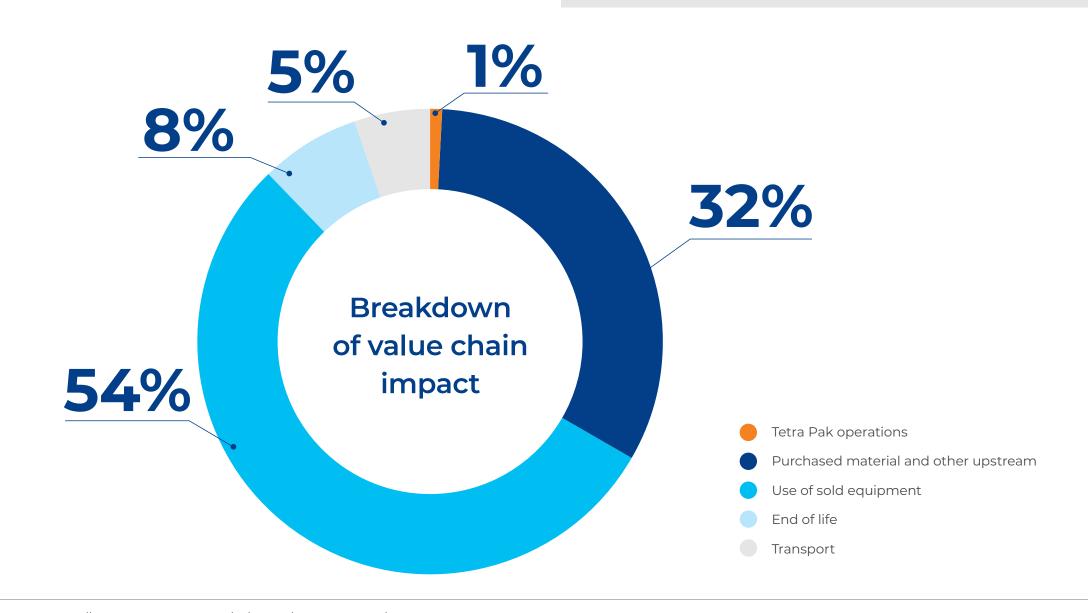
READ MORE

As of 2023, we have reduced the total absolute GHG emissions across our full value chain by 20% compared with our 2019 baseline. Over the same period, we have reduced emissions from our own operations³ by 47%, upstream emissions⁴ by 21%, and downstream emissions⁵ by 17%.

READ MORE



reduction of emissions from our own operations³ since 2019





Financial Times names Tetra Pak as a European **Climate Leader**

In July 2023, Tetra Pak was named as a European Climate Leader 2023 by the Financial Times, in recognition of our company's progress in reducing GHG emissions and our robust commitments to climate action.

We were ranked among the top 20% of the 500 companies listed, achieving a 54.3% absolute reduction of the scope 1 and 2 emissions over a five-year period. The ranking also recognised our efforts across the value chain (scope 3).

We also received an A-score for our climate disclosure from CDP. This has cemented our inclusion in the CDP leadership band once again - we are the only company in the carton packaging sector to do so.



- 1 Carbon removal refers to the process of actively removing carbon dioxide (CO₂) from the atmosphere. Source: https://www.consilium.europa.eu/en/policies/carbon-removals/
- 2 Nature-based Solutions involve working with nature, as part of nature, to address societal challenges, supporting human well-being and biodiversity locally. Source: https://www.naturebasedsolutionsinitiative.org/ what-are-nature-based-solutions
- 3 Scope 1, 2 and business travel
- 4 This includes purchased raw materials and transportation
- 5 This includes use of sold goods and end-of-life treatment of sold goods

Reducing our upstream impacts

Our target

· By 2050, work together with our suppliers, customers and other stakeholders to achieve net-zero GHG emissions across our value chain (scopes 1, 2 and 3) compared to our 2019 baseline.

Our upstream impacts relate to goods and services that Tetra Pak purchases, such as raw materials¹ and transportation, and account for 37% of the total emissions across our value chain. To reduce these emissions. we work with prioritised suppliers² to decarbonise their operations and identify new, innovative solutions, including more renewable, plant-based materials³ in our packages. This includes using paper straws, plant-based caps and paper-based protective layers that help to reduce the amount of carbon dioxide (CO₂) emissions. We also prioritise purchasing materials from suppliers with lower emissions.

Collaborating with our suppliers to reduce climate impact

To reach our 2030 target of 46% absolute emission reduction across the value chain (compared to 2019), we set a target to reduce emissions from our prioritised suppliers by 50% by 2030. We work with our suppliers to identify opportunities to reduce

carbon emissions in their operations and throughout their own supply chains. We encourage our prioritised suppliers to set a target certified against the SBTi's Corporate Net-Zero Standard to limit global temperature rise to 1.5°C.

Among our prioritised suppliers, 27 now have their climate targets approved by the SBTi, from which 19 suppliers have a validated net-zero target, while others are currently in the validation process. Our polymers suppliers are currently unable to set SBTi targets as they wait on SBTi guidance for the chemical, and oil and gas sectors - however, many are involved in the Expert Advisory Group to develop chemical sector guidance for SBTi targets.

Since 2019, we have reduced the absolute climate impact from our base materials⁴ by 22% by 2023. This is mainly driven by improvements made together with our aluminium and liquid packaging board suppliers, as well as allocating a higher share of our volumes to suppliers with low emissions, while removing volumes from some high-emitting suppliers. Our base materials emissions decreased from 3.846 kilotons of carbon dioxide equivalent (ktonCO₂e) in 2022 to 3,327 ktonCO₂e in 2023. We have also managed to reduce the average emission intensity per kg of material by 18% since 2019. In 2024, we are undertaking an analysis to better evaluate emissions related to equipment and services suppliers.

READ MORE

Increasing the use of plant-based plastic

In 2015, Tetra Pak was the first in the carton package industry to introduce a package made fully from plant-based renewable materials, with paperboard and sugarcanebased plastic. The Tetra Rex® Plant-based package is fully renewable and suitable for cold chain distribution. To date, approximately 6.5 billion of these packages have been delivered to customers around the world.

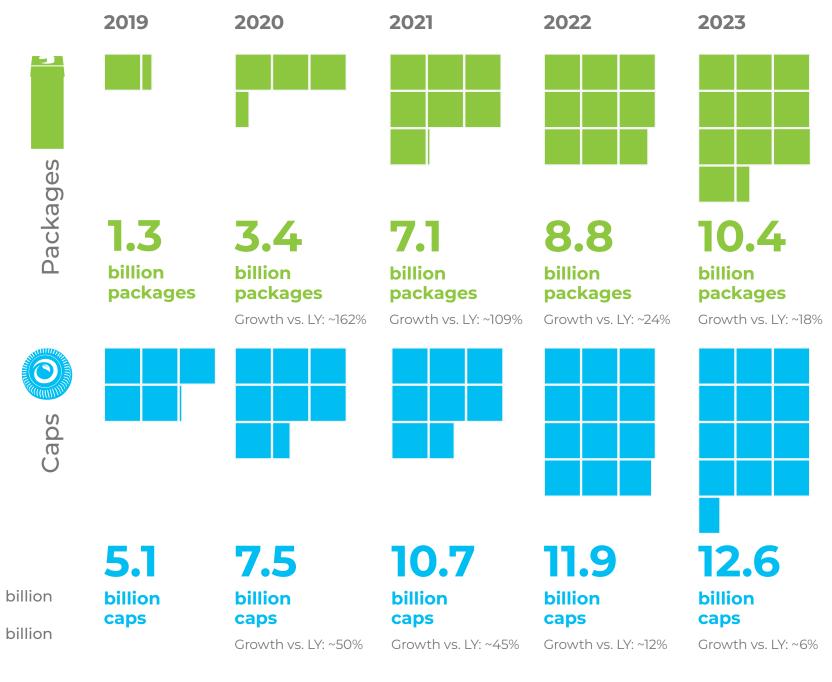
Since then, we have been steadily increasing the use of plant-based plastics instead of fossil-based plastics in our packages and caps. In 2023, we sold 10.4 billion⁵ plantbased packages and 12.6 billion plant-based caps, made from segregated plant-based polymers, traceable to their sugarcane origins, compared with 8.8 billion and 11.9 billion respectively in 2022.

READ MORE

Recent product developments include:

- Tetra Brik® 200/250 Base, Tetra Brik® 200 Slim and Tetra Brik[®] 200 Mid with 99% renewable content⁶:
- Tetra Top® packages with up to 95% plant-based content⁷; and
- · Plant-based caps such as the new version of the C38™ cap and the C38™ tethered cap, reaching up to approximately 93% plant-based composition by weight, and the tethered TwistCap™ OSO 34 Pro, which is a fully renewable cap⁸.

Plant-based packages and caps growth



¹ This includes, for example, emissions from the production and transport of the paperboard, plastic and aluminium used to make carton packages

² Prioritised suppliers include 45 base materials suppliers, responsible for 99% of emissions from our packaging raw materials, and 108 equipment and services suppliers selected on the basis of their strategic importance to Tetra Pak and belonging to industries with notable climate impact, such as logistics and steel. We engage with these suppliers within our Join Us in Protecting the Planet initiative. Read more in the

³ Plant-based materials are renewable when responsibly sourced

^{4 &#}x27;Base materials' are the materials we use to produce the packaging we sell to food and beverage producers, including paperboard, polymers, aluminium foil and inks

⁵ Volumes exclude Blend in BIO (BiB) sold in Brazil. BiB is a mix of 75% LDPE and 25% plant-based LDPE

⁶ The share of plant-based materials is the sum of the weight of the paperboard and the plant-based plastic divided by the total weight of the materials in the package. Plant-based material is used here synonymously with bio-based plastic as defined in EN 16575:2014

⁷ The share of plant-based materials is the sum of the weight of the paperboard and the plant-based plastic divided by the total weight of the materials in the package. Plant-based material is used here synonymously with bio-based plastic as defined in EN 16575:2014

⁸ The share of plant-based materials is the sum of the weight of the paperboard and the plant-based plastic divided by the total weight of the materials in the package. Plant-based material is used here synonymously with bio-based plastic as defined in EN 16575:2014



CASE STUDY

Cutting the carbon footprint of aseptic cartons for milk by one-third

In 2023, following successful commercial consumer testing, Tetra Pak and Lactogal launched an aseptic beverage carton featuring a paper-based barrier, called Tetra Brik® Aseptic 200 Slim Leaf carton. This is part of a large-scale technology validation, involving around 25 million packages and currently ongoing in Portugal. The carton is made of approximately 80% paperboard, and the package increases the renewable content to 90%, reducing its carbon footprint by one-third (33%)1.

GHG emissions, food waste and plastic littering are cited as the top three environmental sustainability concerns facing food and beverage businesses today, and this is expected to remain the case over the next five years². Packaging solutions that expand the amount of paper and lower the carbon footprint, while ensuring food safety, can help the industry overcome these challenges.

Our collaboration with Tetra Pak centres on a shared belief that a more sustainable future is possible. Innovating together is a big part of that. We are both focused on an ambitious sustainability transformation, and this new carton's 33% reduction in

> greenhouse gas emissions is a significant achievement towards this goal.



The launch of the Tetra Brik® Aseptic 200 Slim Leaf carton with paper-based barrier, together with Lactogal, provides a package that can be distributed under ambient conditions. This brings Tetra Pak one step closer to its ambition of a beverage carton made solely from responsibly sourced renewable or recycled materials, fully recyclable and carbon neutral. The company is aiming for industrial scale production of the solution by 2025.









² Tetra Pak B2B research on Planetary Challenges and their impact on food and beverage manufacturers' operations, 2023.

Reducing our operational emissions

Our work to reduce our emissions within our operations relates to all the activities and sites that are within our operational control. Moving to more renewable energy sources and reducing our energy intensity¹ are key material topics for our business within our sustainability agenda.

We have a wide range of programmes and initiatives to decarbonise our own operations and improve energy efficiency, such as the electrification of heating, removing fossil fuel-based cooking from many sites, increasing solar photovoltaic (PV) capacity and switching to electric fleets. We are also investing to electrify laminators that are used to efficiently produce packaging materials. During 2023, we reduced our scope 1 and 2 emissions by 49% compared to our 2019 baseline.

Targets

- By 2030, source 100% renewable electricity in our operations in line with the RE100 commitment.
- · By 2030, reduce business travel-related GHG emissions by 50% compared to 2019

Direct emissions (scope 1)

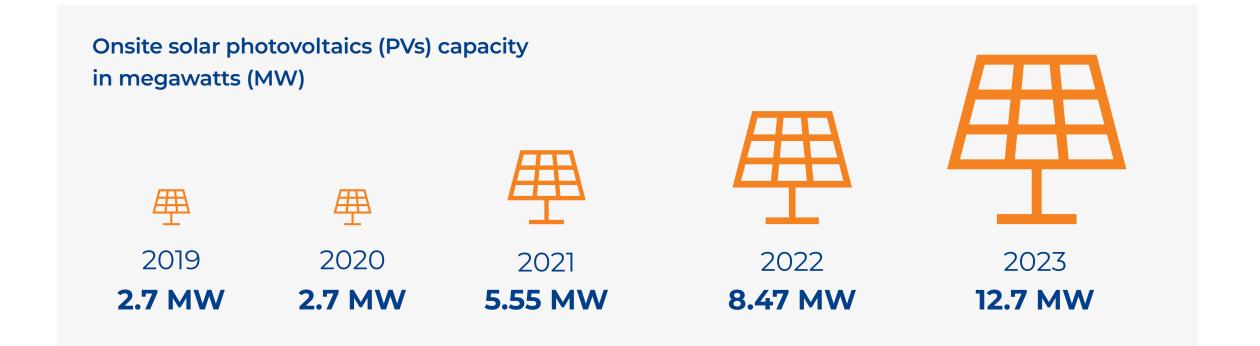
Our decarbonisation programme on sites

In 2023, we continued an onsite decarbonisation programme with a focus on phasing out fossil fuel from various areas, including electricity-generation onsite, heating and other facility operations. This is currently implemented at 10 sites and will be extended to all regions.

One of the largest rollouts in 2023 was the electrification of our Budaörs site in Hungary, where the heating fossil-use was phased out completely. In Chakan, India, a switch to electricity across the site drove a 90% reduction in scope 1 emissions by 2023.

Global fleet transformation

We are transforming our car fleet, aiming to reduce CO₂ emissions. We do that by replacing cars with the safest², low-emission and electric ones, where available. In 2023, 16 countries were involved in the pilot, and CO₂ emissions were reduced by 8% in the Americas, 7% in Asia-Pacific, and 11% in Europe, the Middle East and Africa³.



Phasing-out liquid petroleum gas (LPG) forklifts

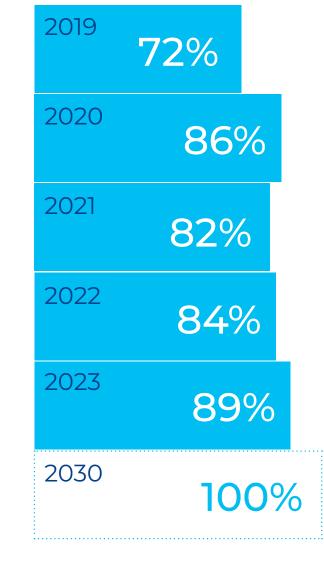
In 2023, we also accelerated the phase-out of LPG used for our forklift fleet. We have completed this phase-out at our Denton site in the United States. At other operations and sites, we implemented route optimisation activities to reduce fossil fuel consumption while we continue our LPG phase-out efforts.

Indirect emissions (scope 2)

Renewable energy

In 2023, we accelerated towards our goal of sourcing 100% renewable electricity across our operations, reaching 89%. We increased investment in countries that face challenges in sourcing renewable energy, and have high CO₂ emissions in their power grids, such as in Japan, Kenya, Saudi Arabia and Taiwan.

Renewable electricity consumption in **Tetra Pak operations**



We also increased our on-site solar photovoltaics (PV) capacity from 8.47 megawatts (MW) in 2022 to 12.7 MW in 2023. This included the installation of new solar PVs in Spain, Kenya, Vietnam and China. We were able to procure energy certificates⁴ in additional countries. including Pakistan and UAE.

Selecting low-emission office sites

Where leases on office sites are renewed. we are changing to newer buildings with lower energy consumption, requesting Level A, where possible. When selecting new office sites, we aim to move from offices in the suburbs to central locations. close to public transport and easy to access by bike. The new locations in Utrecht, Netherlands, and Paris, France, led to an estimated carbon reduction of 15%⁵.

^{1 &#}x27;Energy intensity' is the total energy consumption from activities in high climate-impact sectors, calculated as megawatt hour (MWh)/Net revenue from activities in high climate-impact sectors (monetary unit) 2 Our ambition is to have European New Car Assessment Programme (Euro NCAP) 5 equivalent cars in our fleet. Euro NCAP level 5 is the highest level of safety. In countries with a different or no NCAP rating system, we will select vehicles with the highest possible safety levels. We will also use technology to track the evolution towards our strategy

³ Reductions are only related to the fleet of the 16 countries involved in the pilot, not the total fleet of Tetra Pak. They have been calculated using the baseline provided by the local fleet team and the Worldwide harmonised Light vehicles Test Procedure (WLTP), which is provided by the car manufacturer for each model. The WLTP is a global standard for determining the levels of pollutants, CO, emissions and fuel

consumption of traditional and hybrid cars, as well as the range of fully electric vehicles

⁴ These are Energy Attribute Certificates (EACs)

⁵ Reductions have been calculated considering employee commute, work-from-home emissions, fitout carbon (includes carbon emitted during the fitout process), development carbon (includes emissions from construction materials and processes) and the overall building energy consumption

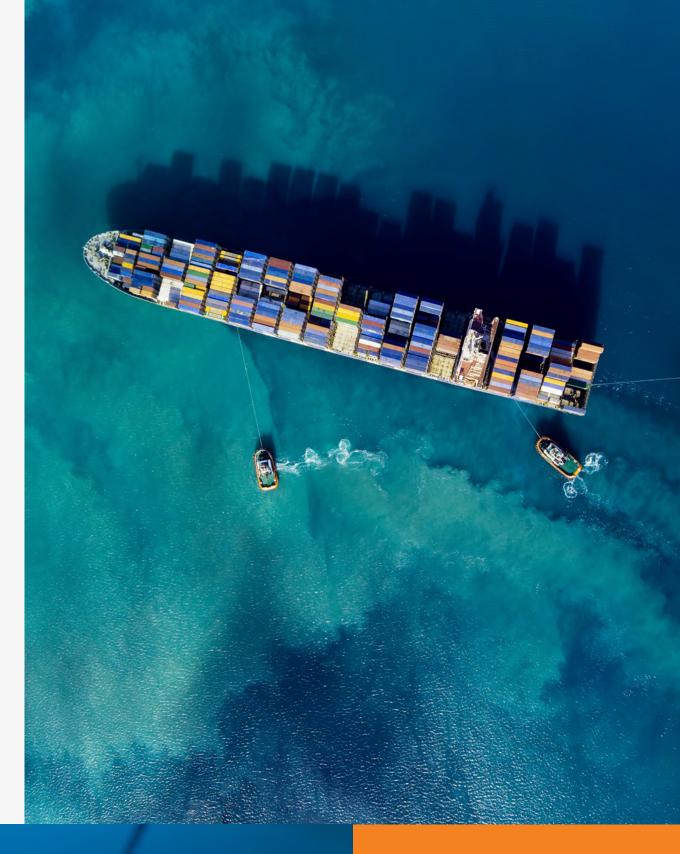
Visualising energy data across all sites

One of the important measures we have taken to reduce energy consumption while increasing efficiency is focused on the rollout of a platform, the Common Energy Monitoring Platform (CEMP), that enables transparency of overall energy usage, cost and production, as well as indoor and outdoor climate and weather data in real-time across all our sites.

Most of our sites can visualise data on energy use across all the sites, which encourages them to reduce emissions. In 2023, more than 80% of Tetra Pak operations were monitored with a system and could provide measurement and verification of completed projects to show energy efficiency. Our goal is to have consolidated, standardised and consistent energy management across all Tetra Pak sites.

With the data from CEMP, we are developing a new framework, Facilities Energy Management Partnership (FEMP), and piloting it in three countries: China, Italy and the United States. This involves external partners accessing energy data continuously and using data analytics to find opportunities to reduce energy consumption and emissions. This is led by a team of energy experts with a support team of specialists who can engage where needed.

In 2024, we are scaling-up our energy management partnership programme to all sites around the world.





CASE STUDY

Reducing transportation distances

Our Services Supply Network (SSN) is moving from a traditional centralised supply chain to a combined central-regional setup, decentralising shipping and focusing on reducing overall transportation distances, number of shipments and logistics, as well as handling activities.

2023 was the first full year of the new structure for the United States and Canada, as well as India, with CO₂ reductions of 816 tonnes in the United States and Canada combined, and 331 tonnes in India – for a total of 1,147 tonnes¹.

We will continue to streamline logistics for spare parts, reviewing opportunities to reduce air freight, optimise road freight, adopt regional sourcing and consider direct delivery from China to distribution centres.





Lower CO₂ emission of crates

We have been working to reduce the emissions of liquid food equipment in our processing business. A new global packaging solutions standard is now being used by some of our production sites. It works by calculating the full environmental impact (a cradle-to-grave lifecycle assessment) of the crates we use in logistics to transport our equipment, using the GreenCalc™ tool (owned by NEFAB and co-developed with PRé Sustainability – SimaPro).

The tool was implemented in 2023 with our packaging solutions supplier, NEFAB, across Tetra Pak sites in China, Italy, India and Sweden. Four further sites will use the tool in 2024. In 2023, the total CO₂ emissions savings was 731 tonnes. The GreenCalc results have been verified by PRé Sustainability.

Adapting travels to meet target

Our target is to reduce business travelrelated GHG emissions by 50% by 2023 from a 2019 baseline. Our 2023 figures show a reduction of 40.6% compared to 2019 and while growing in comparison to COVID years, we continue to adapt our travels to meet the target.









 CO_2





Reducing downstream impact

Our downstream emissions are those activities associated with the sale and use of all our products and services. These emissions predominately come from the use of the equipment we sell that is used in food and beverage manufacturers' operations.

Target

• By 2030, reduce the carbon footprint of our best-practice processing lines by 50% compared to 2019.

Supporting our customers to decarbonise

There are numerous ways in which we can help our own customers reduce their emissions. These include delivering more efficient equipment and solutions for our customers' operations by developing and deploying energy-efficient processing and filling equipment and upgrading their existing equipment.

To drive the sales of our sustainable portfolio, particularly processing and packaging lines, we introduced an internal Sustainability Sales Index. This has been tracking sales of processing equipment included in the sustainable portfolio for the past three years and will include services and factory-wide solutions sales in 2024, with the aim of doubling the sales of our sustainable portfolio by 2030.

Our best-practice line for yoghurt milk, which uses the OneStep technology, for example, combines the steps of making yoghurt (separation, standardisation, blending, heat treatment) into one, making the production energy-efficient, with low consumption of electricity and steam. It reduces emissions and saves resources compared with earlier Tetra Pak lines¹.





What set Tetra Pak apart from other suppliers was that you gave us the full package, including support and advice on how to adapt the recipe for the new homogeniser and how we could save energy by reducing the pressure. By decreasing the pressure we have reduced our energy consumption by 24%. On average the pressure was decreased by 20-30 bars per recipe.

Martin Engberg Christiansen, Production Manager, Premier Is



Homogeniser reduces energy consumption at ice cream plant

Danish ice cream producer Premier Is produces over 17 million litres of ice cream each year. A high level of delivery assurance is crucial to their production, especially during the summer months when sales increase.

The company's previous homogeniser dated back to the 1970s, and last year the company felt it was time to replace it. They had three main criteria: quality, price and expert support.





Module for renewable thermal supply to power **UHT** equipment line

In collaboration with Absolicon, a Swedish solar thermal company, Tetra Pak offers a standardised solution for industrial equipment powered by renewable thermal energy (heat)¹. This collaboration can have an impactful role to play in Tetra Pak's ongoing drive towards net-zero in our scope 3 emissions by 2050.

Absolicon has designed a scalable solar thermal module that can be integrated with current and new UHT lines and enable a range of decarbonisation options, including a reduction of GHG emissions and potential to reduce fossil fuel usage by up to 40%², based on the customer requirement and location.

By implementing clean thermal supply to their equipment, Tetra Pak are once again proving they are pioneers. They have global access to the world's food and beverage companies and can become a change driver for the sector's transition from fossil fuels to renewable heat. We are delighted to be part of this collaboration with Tetra Pak and to launch the first equipment line powered by Absolicon solar thermal, as part of our mission to reduce the world's carbon emissions.

Joakim Byström, Chief Executive Officer, Absolicon





¹ International Renewable Energy Agency, Solar thermal energy is recognised as a renewable heat and energy source by the International Renewable Energy Agency. Source: https://www.irena.org/Energy-

² Based on tests performed by Absolicon with Tetra Pak equipment in Southern Europe, replacing a fossil fuel-powered boiler with Absolicon solar thermal power modules



Customer-focused approach

The food sector is increasingly adopting a service-oriented approach to explore new circular, innovative design and business models. To respond to these demands, our Services business has shifted focus to the Services Sustainability Portfolio. The portfolio offers an overview of our Services products and solutions from a sustainability perspective, organised by category and by area of environmental impact: climate and energy; water; and waste. This has involved creating a Sustainability Excellence Journey to better support customers in achieving their sustainability goals in all areas of their operations. It is a consultancy service divided into three main steps: assessment, quick wins, and long-term plan to stabilise the sustainability performance, from end-to-end, for the customer. This renewed and enhanced approach was piloted in 2023, providing actionable recommendations and implementing improvement solutions with very good feedback from the pilot customer.

A new organisation within Tetra Pak's Processing Solutions & Equipment (PS&E), called Factory Sustainable Solutions (FSS), was also set up to help customers reduce their environmental impact within their factories. The FSS team is focused on finding opportunities in the areas of energy optimisation, water recovery and Clean in Place (CIP) optimisation.

The Services Sustainability Portfolio will help our customers reduce energy and water consumption as well as decrease waste with customised solutions as well as a portfolio of products that incorporate the latest processing and packaging technologies.





Julia Ehrnberg, Portfolio Manager Sustainability, Tetra Pak





 J. Bélanger & D. Pilling (eds), The State of the World's Biodiversity for Food and Agriculture, FAO, 2019
 E. S. Brondízio, J. Settele, S. Diaz, & H. T. Ngo (eds), Global Assessment Report on Biodiversity and Ecosystem Services, Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (I J. A. Johnson, et al. The Economic Case for Nature: A Global Earth-Economy Model to Assess Development Policy Pathways, World Bank, 2021 Nature is deteriorating at rates unprecedented in human history due to human activity¹. The impacts of nature loss are wide-reaching and threaten the foundations of our global economies, livelihoods and food systems. Around one million species are facing extinction, with current extinction rates leading to scientists declaring that a 'sixth mass extinction' is underway.

Today, it is estimated that more than half of the world's total GDP – \$44 trillion (US dollars) of economic value generation – is moderately or highly dependent on nature and its services². Many of the essential services nature provides are now at risk, with significant impacts on ecosystems and human wellbeing³. One of the services at risk is the regulation of freshwater quantity and quality, which is decreasing access to clean water around the world⁴. Consequently, the world is facing a pervasive and worsening water crisis that is undermining human and planetary health⁵.

The most significant driver of nature loss is the change in the use of land and seas, including conversion of forests and other ecosystems to agriculture and urban areas. Approximately 420 million ha of forests were lost between 1990 and 2020⁶. The halting of deforestation and forest degradation is essential to halting nature loss and meeting global climate targets.

The urgency to address nature loss, along with the water crisis, is recognised by countries around the world. The Kunming-Montreal Global Biodiversity Framework (GBF) was adopted in December 2022, at COP15, calling for urgent action to halt and reverse biodiversity loss to put nature on a path to recovery by 2030. The SDG 15 (Life on land) and SDG 14 (Life below water) call for protecting, restoring and sustainable use of terrestrial and marine ecosystems, while SDG 6 sets a global ambition for access to clean water and sanitation.

Global influences in 2023

In 2023, the UN Water Conference sought to address the world's ongoing water and sanitation crisis. Its Water Action Agenda captured over 800 water-related voluntary commitments to accelerate progress towards achieving SDG 6 on access to clean water and sanitation by 2030. In mid-2023, the EU Deforestation Regulation (EUDR) entered into force, which companies must implement within 18 months. Seven commodity products that are major drivers of deforestation – soy, beef, palm oil, wood, cocoa, coffee and rubber – can only be sold in the EU if legally produced and sourced from deforestation-free areas.

The Taskforce on Nature-related Financial Disclosures (TNFD) also launched its final recommendations in 2023, which enable organisations to assess, report and act on nature-related dependencies.





Its recommendations are consistent with the global baseline for corporate sustainability reporting and aligned with the global policy goals in the GBF. Meanwhile, the Science-Based Targets for Network (SBTN) launched the first science-based targets for nature, which provide guidance for companies to assess and prioritise their environmental impacts, and to set targets, initially for freshwater and land. The methods entered a pilot-testing phase and will be rolled-out to all interested companies in 2024.

¹ E. S. Brondízio, J. Settele, S. Díaz, & H. T. Ngo (eds), Global Assessment Report on Biodiversity and Ecosystem Services, Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), 2019

² World Economic Forum (WEF), Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy, 2020

³ E. S. Brondízio, J. Settele, S. Díaz, & H. T. Ngo (eds), Global Assessment Report on Biodiversity and Ecosystem Services, IPBES, 2019

⁴ E. S. Brondízio, J. Settele, S. Díaz, & H. T. Ngo (eds), Global Assessment Report on Biodiversity and Ecosystem Services, IPBES, 2019

⁶ FAO. 2019. "The State of the World's Biodiversity for Food and Agriculture, J. Bélanger & D. Pilling (eds.). FAO Commission on Genetic Resources for Food and Agriculture Assessments. Rome. 572 pp



Our role

In recognition of the urgency of action to halt and reverse nature loss and achieve a water-secure world, Tetra Pak is committed to taking action for nature¹. We support achieving the targets of the GDF and the nature-related SDGs.

Our own value chain is highly dependent on nature and the resources and services it provides. We depend on functioning ecosystems for the sourcing of key materials, such as the wood fibre in our carton packages. In addition, the interlinked crises of climate change and nature loss can bring about direct physical risks to our operations, including water scarcity, flooding and increased intensity of natural disasters. Biodiversity and ecosystems, water management, and pollution to air and water are material topics for our business.

Tetra Pak signed the Business for Nature coalition COP15 business statement calling for governments to adopt the Target 15 of the GBF, which calls for large companies to disclose their nature-related impacts, dependencies and risks, to progressively reduce negative impacts and increase positive impacts on biodiversity.

Aligned with this target, we assessed the impacts and dependencies of our value chain on nature. The sourcing of our raw materials, particularly paperboard, polymers and other packaging materials, was found to have had a high impact on biodiversity, while our own operations had lower impacts. The main impacts related to water quantity and quality are in our raw material sourcing and among customers who use our food processing equipment.

¹ See page 53 for details on our Approach to Nature

Our Approach

Upstream

Implement nature-related sourcing requirements



Engage with suppliers for nature actions

Increase traceability and transparency of the supply chain to mitigate negative nature impacts

Operations



Reduce the negative impacts of Tetra Pak production and look for opportunities for positive impact on nature

to Nature

Based on these assessments, in 2023, we introduced the Tetra Pak Approach to Nature, which includes quantitative targets and actions to manage our value chain impacts on nature. Key functions to act and deliver on these targets have been identified, and actions are already ongoing in many areas.

Data management, reporting and disclosure

A key part of successful implementation of our nature approach is putting in place a framework for monitoring the progress against our targets. This will support decision-making and public disclosure against our targets. Tetra Pak aims to achieve the following:

- By 2024: achieve an A score in CDP's Climate, Forests and Water Security questionnaires.
- · By 2025: have a nature-related data monitoring framework in place.

- By 2026: publicly disclose against all ESRS¹ environmental standards.
- In 2023, we reported to CDP Forests and Climate Change and, for the first time, submitted our response for CDP Water Security. Tetra Pak was awarded an A score for transparency and performance on forests for the eighth year running, being among the 2% of companies that achieved an A score out of over 21.000 companies assessed. CDP also awarded us an A- score for Climate and Water Security.

The benefits of disclosing to the global environmental non-profit, CDP, include uncovering risks and opportunities, an ability to track and benchmark our performance against industry peers, and the protection and improvement of our company's reputation. It also supports us to align our approach to frameworks such as TNFD and Science Based Targets for Nature (SBTN).

Tetra Pak's approach to nature

Realising our ambition through specific targets and actions

Downstream

Product design, research and development to reduce negative impact on nature

Reduce nature impacts of customer operations

Improve collection and recycling to reduce pressures on nature and increase circularity of materials



Transform

Advocate for policies, regulations and tools to halt and reverse nature loss

Contribute to improvement of voluntary standards

Invest in nature restoration





Our upstream impact on nature

Upstream impacts relate to the goods and services purchased by Tetra Pak. This is the area with the largest impacts and dependencies on nature across our value chain and a priority area for action on all three of our nature-related material topics (biodiversity and ecosystems, water management, and pollution to air and water). We can better manage the impacts of our value chain by responsibly sourcing our raw materials, taking into account the environment, communities and workers across our value chain.

Read more in Business conduct





Our upstream targets

Procurement requirements

- By 2025, all of Tetra Pak's supply base has been included in assessment of nature impacts and is subject to nature-related procurement requirements.
- By 2025, 100% of Tetra Pak's raw materials with the most significant land footprint¹ to originate from certified or controlled sources.
- By 2025, Tetra Pak will use geographic information to verify the deforestation-free status of 100% of the paperboard and plant-based polymer in Tetra Pak products².

Supplier initiatives

- By 2027, 100% of Tetra Pak's high-impact³ suppliers will have assessed their material impacts on nature and implementing actions to reduce negative nature impacts⁴.
- By 2030, 80% of high-impact suppliers⁵ will have reduced their negative impact drivers on nature as quantified with an external, science-based initiative⁶.
- By 2025, 100% of Tetra Pak high water-impact suppliers⁷ will report on water use and quality.

Traceability and transparency

· By 2025, reach full traceability to the point of production⁸ for 100% of Tetra Pak suppliers of the raw materials with the most significant land footprint9.

¹ Tetra Pak raw materials with the most significant land-use footprint are defined as paperboard, sugarcane-based polymer and aluminium

² Tetra Pak has already reached the target of sourcing paperboard and plant-based polymer only from areas that have not been subject to deforestation after December 31, 2020, as verified through the application of third-party certification, Forest Stewardship CouncilTM (FSC) controlled wood and independently audited supplier sourcing programmes. This target will consist of additional deforestation due diligence conducted for areas where traceability to sourcing area, region or production unit of origin is available

^{3 &#}x27;High-impact suppliers' are defined as suppliers having a significant land-use and water-consumption footprint and high business relevance

⁴ Suppliers are expected to reduce their impacts following the mitigation hierarchy (avoidance, minimisation, restoration and offset)

^{5 &#}x27;High-impact suppliers' are defined as suppliers having a significant land-use and water-consumption footprint and high business relevance

⁶ Nature-related frameworks are currently under development, but possible initiatives include the SBTN or TNFD

⁷ Nature-related frameworks are currently under development. 'High water-impact suppliers' are defined as having high business relevance, water impact and exposure to water risks

^{8 &#}x27;Full traceability' is defined as being able to trace materials back to the point of production, such as a farm, mine or forest management unit

⁹ Tetra Pak raw materials with the most significant land-use footprint are defined as paperboard, sugarcane-based polymer and aluminium

How we performed in 2023

Nature-related sourcing requirements

In 2023, we initiated an assessment of nature-related impacts and dependencies covering our entire supply base, building on our previous assessments on nature impacts. This assessment will be finalised in 2024 to provide us with more granular information on the impacts of our value chain on nature, leading to targeted action to manage those impacts.

In 2023, our certified sourcing covered:

- Paperboard: deforestation is a key driver of nature loss and a risk to our business, and we are committed to sourcing only from sustainably managed and deforestation-free areas. In 2023, we sourced around 2 million tonnes of paperboard, 100% of which came from FSC™ certified forests and other controlled sources and has therefore been assessed deforestation-free.
- Aluminium: 99.6% of our aluminium volumes were delivered by suppliers certified according to the Aluminium Stewardship Initiative (ASI) Performance

Standard¹ with 32% of our aluminium volume ASI Chain of Custody (CoC) standard certified. The ASI standard addresses GHG emissions, water use, biodiversity, human and labour rights and occupational health and safety (OHS).

• Plant-based polymers: 100% of the plantbased plastics used in our products are Bonsucro certified, supporting sustainable sugarcane production.

READ MORE

Engagement with suppliers

In 2023, nature-related targets were included in our flagship supplier initiative, Join Us in Protecting the Planet, allowing us to engage with our suppliers and track their progress towards meeting these targets.

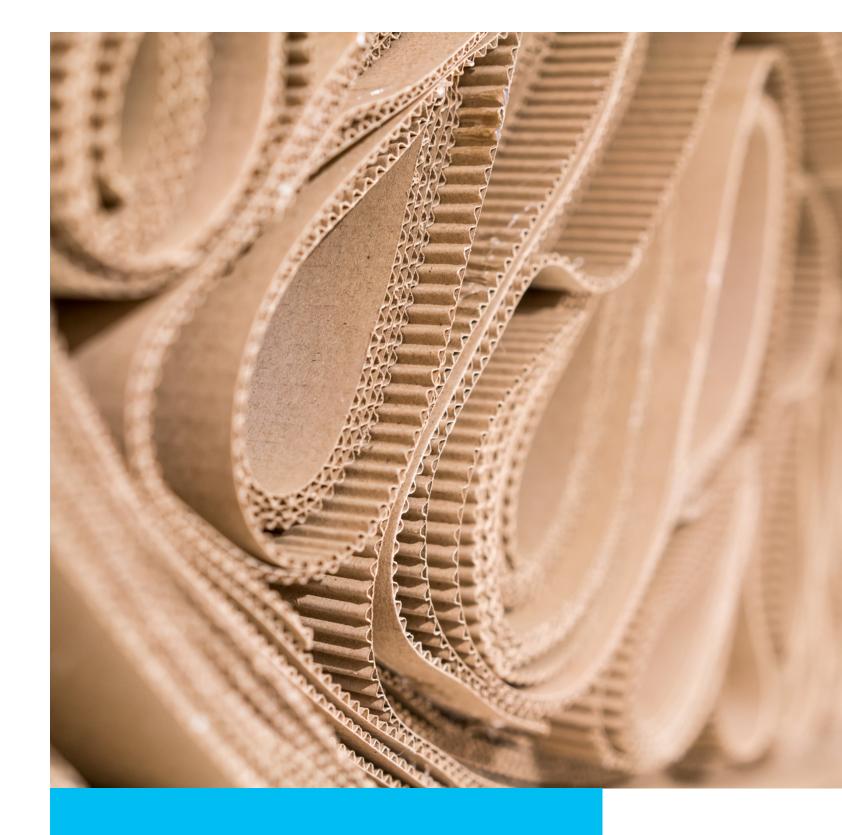
Read more in Introduction

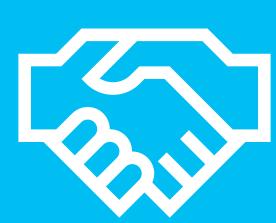
Traceability and transparency of raw materials

We continue to ensure the traceability of 100% of the wood fibre contained in our packages at a minimum to the level of processing facilities that produce the paperboard, verified through an information system where we can track the flow of paperboard from paper mills to our converting factories. To verify that all the paperboard in our packages comes from FSC™ certified forests and other controlled sources, all of our suppliers and our own facilities are third-party certified with FSC™ CoC certification.

Our suppliers are required to report annually on the paper mills, tree species, certification status and the country and region of origin of the wood fibre used in the paperboard supplied to us. We continuously engaged with our suppliers to improve the traceability of our products even further, as reflected by our target of reaching traceability to the area of production for 100% of our paperboard suppliers by 2025.

We are planning to use the geographic information to conduct further verification of the deforestation-free status of the paperboard we purchase. A deforestationrisk analysis has already been conducted for a part of our wood sourcing area using the LandGriffon tool.





Our operational impact on nature

Our operational impact relates to activities and sites that are under our own control. The impacts of our own operations on nature are lower than those of the upstream of our value chain. However, it is an area where we can directly control the impacts of our sites.

Targets for our operations¹

Site initiatives

To manage the impacts of Tetra Pak production sites on nature, we have set the following targets:

- · All Tetra Pak production sites will have done a nature assessment and have an action plan in place by 2025.
- Achieve a 35% water withdrawal reduction across Tetra Pak production sites by 2030 (2019 baseline)^{2,3}.
- · All Tetra Pak production sites to have established a water balance, where withdrawals and discharges are identified for quantity and quality, by 2025.
- Eradicate waste to landfill from Tetra Pak production sites by 2030.
- By 2030, Tetra Pak production sites to have achieved a 50% reduction of absolute volatile organic compound (VOC) emissions (2019 baseline).



How we performed in 2023

Site nature assessments

In 2023, we conducted a global scale assessment of nature-related impacts, dependencies, risks and opportunities related to the geographic locations of our production sites. Building on this work, the next step is to carry out site-specific nature assessments and develop nature action plans for our global sites.

Water management at our sites

In 2023, we introduced site-based water withdrawal reduction targets that are now embedded into the budget planning and operations of our own production sites. This sets us on a focus and trajectory to lead to positive progress. The collection of water data across our own operations is also a focus for our business. For example, more data points on water quality are now included in site reporting. Sites have also been trained on water reporting which ensures more accurate water data. particularly relating to a site's water discharge.





The need to accurately determine the volume and quality of water discharge is crucial for gaining insights into the precise nature of water emissions and their associated loads. At some sites, these assessments are already mandated by law. Our objective is to comprehensively evaluate all discharged water within Tetra Pak facilities and to develop a robust action plan aimed at reducing water pollution for the future.



² Targets are set based on the scientifically grounded water stress scores of sites. Water withdrawal reduction targets are set at different levels depending on the water stress score (risk) of each site as identified through location-based risk and impact-based mapping. Ecological thresholds have not been taken into consideration when setting our water-related targets





Kunshan, China

Reducing fresh water use across Tetra Pak

Water preservation is key to protecting and restoring biodiversity. We have been working to understand our water impact and manage risks and opportunities across our company. Our assessment has given us the information to closely monitor both value chain and geographical hotspots.

We have identified that the highest waterrelated risks in our value chain lie predominantly with our raw material suppliers and customers. The work with suppliers, and innovation across our filling equipment, processing lines and services, enables us to reduce water-related impacts.

Within our own operations, we are applying some innovative techniques to reduce our use of fresh water. For example, our Kunshan site in China is using harvested rainwater to irrigate more than 6,000 square meters (m²) of green plants, instead of using tap water. An automated irrigation system is in place to monitor and control the rainwater usage in real-time. The capture of the rainwater also reduces related flood risk.

To date, around 40 tonnes of rainwater have been collected. The annual water reduction was of more the 120 tonnes. No tap water consumption was used for irrigation during the year.

> **TONNES** of rainwater collected

Annual water reduction of more than





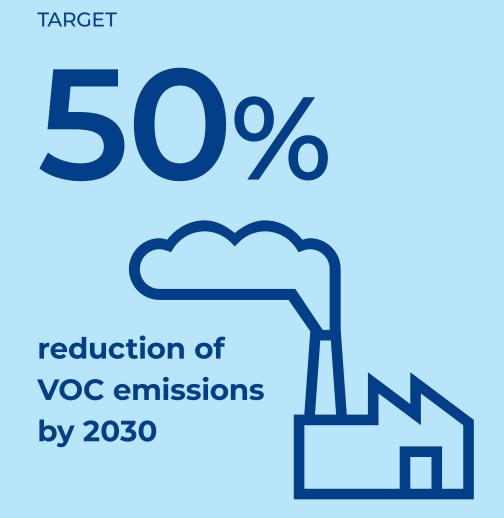


Reducing air pollution

Tetra Pak is committed to reducing our environmental footprint by effectively managing and mitigating emissions of harmful substances into the atmosphere. Since 2019, all manufacturing sites must adhere to the Air Emissions Management Procedure¹, to reduce the negative impact of VOCs. Sites must actively mitigate their impact through various significant initiatives which are contributing to a reduction in direct VOC emissions and a phase-out of chemicals on site – for example, by using our solvent-free prepress solution.

To contribute to further reductions in direct VOC emissions, we use Regenerative Thermal Oxidisers (RTO) designed to destroy the pollutants from the process gas through thermal oxidation at high temperature – at 10 of our sites around the world. This has resulted in 151 tonnes of VOC having been treated. Our production sites are on track to meet the target of a 50% reduction of VOC emissions by 2030 (from a 2019 baseline).

READ MORE



CASE STUDY

Our solvent-free solution that reduces emissions

The packaging converting process in our converting factories historically made use of solvents – that produce VOC emissions – to wash polymers off the design plates. Our goal was to make the process solvent-free by using a thermal process.

The new solvent-free thermal processing technology cleans the polymers off the plates in prepress. A cloth is pressed against the plates with heat, 'squeezing out' the polymers. The new technology reduces the VOCs by an estimated 99% – equating to around 850,000 litres of solvents removed a year, once rolled-out to all factories. For those working in the factories, the new process is a simpler and safer production process and removes the handling of hazardous liquids. Lead times for the platemaking are shortened as drying is no longer needed.

To date, eight Tetra Pak plants are using the solvent-free process, saving around 450,000 litres annually. In 2023, this process resulted in a reduction of VOC emissions (for implemented sites) by 28.9% compared with 2022 data. The purchase of chemicals with solvent content reduced by 67.7% in 2023 compared to 2022. Our goal is to implement the technology across all our converting factories by 2025.





Our downstream impacts relate to the sale, use and end-of-life of Tetra Pak products and services. Our goals include improving Tetra Pak's products through design, research and development to reduce negative impacts on nature.

Our downstream targets

Development and technology

- · All new packaging solutions to be designed according to relevant Design for Recycling Guidelines¹.
- · Increase paper content in new packages, setting a minimum of 50%, and increasing overall portfolio paper content to 70% by 2030.
- · Secure availability of recycled and renewable content in all the packaging solution portfolio.

Read more in Circularity

Customer initiatives

- More than double the sales of sustainable portfolio (equipment and services solutions) by 2030 compared to 2022.
- · Achieve a 50% reduction of water use in bestpractice lines by 2030 compared to 2019.
- Achieve a 50% reduction of product losses in best-practice lines by 2030 compared to 2019.²

Collection and recycling

- By 2030, we will support an increase of the effective recycling rate (ERR)³ of beverage cartons in the FU to at least 70%.
- Ensure relevant national and international recyclability criteria for beverage cartons are met globally.

Read more in Circularity



How we performed in 2023

Reducing nature impacts at customers' operations

We continue to engage with customers to manage the nature impacts of their operations. This includes offering packaging, processing and services solutions with reduced water and energy use, air pollution and food waste. We help our customers optimise resource use in their production and minimise waste, to benefit the environment and to save on costs.

For example, we offer our customers innovative food processing equipment that can reduce water consumption and water pollution using membrane filtration technology. Food processing applications often generate wastewater that is drained. By treating excess water, using membrane filtration, water can be reused in production instead of going to waste. Water can be treated to make it a quality level that allows it to be used to clean processing equipment or even in food processes where it has direct contact with the product itself.

¹ J. Bélanger & D. Pilling (eds), The State of the World's Biodiversity for Food and Agriculture, FAO, 2019

² Based on a relative reduction in percentage of m³

³ Effective Recycling Rate (ERR) means the weight of recovered material targeted for recycling divided by the weight of carton packaging put on the market. ERR is the result after deductions of contaminants, impurities and excess moisture



CASE STUDY

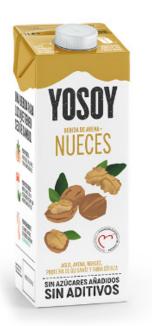
Helping Liquats Vegetals reduce water use

Catalonia's Liquats Vegetals is a plant-based beverage producer in Spain. The Catalonia region has been in severe drought, and water restrictions were put in place in March 2022. Liquats Vegetals wanted to reduce water use in their production process. We worked with them to introduce an innovative water-saving solution that maintained production efficiency, particularly during peak demand periods.

The solution was to install water filtering stations for filling machines to collect and treat the water used by a sterile air compressor and a cooling media compressor. This technology effectively eliminates residues of hydrogen peroxide so the water can be recirculated to the filling machines, which resulted in an increase of water recycling rate of up to 95%.

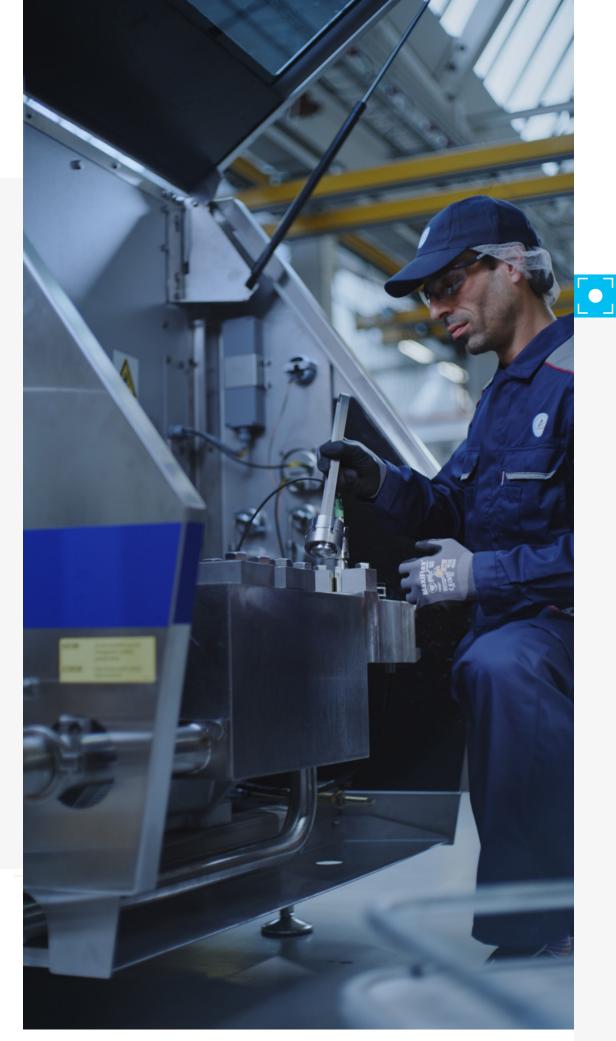
The average volume of water filtered daily is 50 m³, resulting in a yearly savings of 12.9 million litres of water based on the company's production activities in 2023.











CASE STUDY

Helping AMC GLOBAL increase production capacity without increasing wastewater

We worked with AMC GLOBAL, a leader in production of chilled drinks, to increase their production capacity without increasing wastewater. This was achieved by installing the ECO cooling homogeniser, at their main bottling site in Vlissingen, Netherlands. It reuses water to cool the homogeniser, saving AMC Vlissingen 10,000 litres of water each day – equivalent to 3 million litres per year¹.

The team involved employees from engineering, sustainability and production and has enabled AMC GLOBAL to serve more European shoppers with high-quality oat drinks, while contributing to delivering the company's sustainability plan.

Contributing to transformative change

This area of our business focuses on action that goes beyond the immediate Tetra Pak value chain. Our goal is to contribute to transformative change that tackles the fundamental drivers of nature loss, crucial for the world to meet the goals of the GBF.

Our transform targets

Nature advocacy

· By 2025, Tetra Pak is implementing an external engagement plan to support policies, regulations and tools to halt and reverse nature loss.

Voluntary standards and initiatives

• By 2030, key voluntary standards and initiatives that Tetra Pak utilises¹ demonstrate nature benefits.

Landscape and jurisdictional approaches

· Restore 7,000 ha by 2030.

How we performed in 2023

Nature advocacy and contributing to improved voluntary standards

Tetra Pak is working to advocate for global, national and regional policies, regulations and tools to halt and reverse the loss of nature.

Read more in Sustainability Advocacy

In 2023, Tetra Pak continued to contribute to an initiative to fast-track Biodiversity Assessments of FSC™ certified forests. This project aims to evaluate the biodiversity value associated with FSCTM forest management verification and strengthen the monitoring of forest biodiversity in certified forests.









Our nature-based¹ land restoration initiative

The Araucaria Conservation Programme in Brazil is restoring approximately 7,000 ha of land in the Atlantic Forest by 2030. It includes potential certification of up to 13.7 million ha under international voluntary carbon and biodiversity standards² for carbon sequestration measurement³.

In 2023, five new properties were identified for restoration, located in Santa Catarina state. These properties have the potential of 1,300 ha for restoration and can play an important role in conserving water resources, biodiversity and the possibility of ecological corridors. This work was an important period for the structuring of the Araucaria Conservation Programme. It involved defining the carbon certification methodology and the financial compensation model for partner rural owners. Baseline studies also commenced for carbon measurement in the project's pilot area. A total of 272 ha was restored in 2023. A further 1,115 ha of restoration will be added in 2024, while maintaining and monitoring 272 ha.

READ MORE







Why it matters

Global value chains depend on people, and people depend on global value chains for their income, livelihoods and wellbeing. Businesses, through their operations and value chains, can enhance the lives of people by proactively respecting human rights. For Tetra Pak, this can take many forms: across our workplaces, supply chains and in local communities.

To respect human rights across our operations and value chain, creating positive social impact¹.

Material topics for our business

- Employee workplace and wellbeing
- Employee health and safety
- Employee diversity, equity and inclusion
- Working conditions in our supply chain
- Forced labour in our supply chain
- ① Indigenous peoples and local communities
- ① Informal waste-collection workers
- Consumer health and safety (covered in the Business Conduct chapter)







Social sustainability

Today, the rights of workers, communities and other people affected by business activity are at risk. According to the Global Rights Index 2023, in 65% of countries workers were denied access to justice and experienced violence in 30%¹. There are also increasing rates of forced labour, child labour and extreme poverty².

A report from the International Labour Organization (ILO) on forced labour in the private sector states that the total amount of illegal profits from forced labour has risen by 37% since 2014³. Additionally, the UN estimates that 7,500 people, on average, die every day from unsafe and unhealthy working conditions. By respecting human rights in business activity, across the value chain, businesses can help create better outcomes for people.

Global influences in 2023

Social sustainability continued to gain traction among businesses, consumers, regulators and civil society.

Two examples are:

- The physical effects of climate change are affecting people's health and livelihoods already, while the rapid shift away from carbon-intensive practices is putting many workers' jobs at risk, with the burden falling disproportionately on those already disadvantaged. A just transition⁴ needs to be integral in the shift towards a low-carbon economy, with decent work for all in an inclusive society.
- The increasing focus on diversity, equity and inclusion (DEI) in the workplace. While progress has been made in increasing the proportion of women in leadership roles in industry, the WEF's Gender Gap overall score changed from 68.1% to 68.4%, an improvement of just 0.3% across a sample of 145 countries covered in both the 2022 and 2023 editions⁵. Coping with stress and mental health at work is also a growing topic within business: the WHO estimated that 12 billion working days are lost every year to depression and anxiety at a cost of 1 (US dollar) trillion per year in lost productivity⁶.



¹ International Labour Organisation: 50 million people worldwide in modern slavery. (2022). Source: https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_855019/lang--en/index.html

² UN Global Compact: Labour and Decent Work. Source: https://unglobalcompact.org/what-is-gc/our-work/labour#:~:text=The%20UN%20Global%20Compact%20provides,decent%20work%20for%20all%20workers

³ ILO states that annual profits from forced labour amount to 236 (US dollar) billion, 2024. Source: https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_920143/lang--en/index.htm

⁴ ILO states that "a Just Transition means greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind". Source: https://www.globalrightsindex.org/en/2023

Our role

Tetra Pak's promise to protect food, people and the planet is ever more relevant. By driving respect for people's fundamental dignity and equality throughout our global value chain, we can affect transformative change in people's lives - from communities affected by the extraction of raw materials for our products to the informal wastecollection workers helping to increase recycling rates of packaging. Social sustainability in practice means putting people first and implementing business practices that contribute to the human dimensions of sustainable development. It also includes building a culture of respect and inclusion within our own workforce.

Material topics in focus

Our human rights due diligence (HRDD) process and double materiality assessment enabled us to identify impacts, risks and opportunities within the area of social sustainability. Material topics in this area fall into two main categories: those relevant to our own workforce, and those relevant to



In 2023, we have focused our work on implementing the framework of the UNGPs for our supply chain and in the collection of post-consumer packaging, and we aim to expand this work. Engaging with workers in the value chain puts people at the centre of our due diligence process. We paid particular attention throughout the year to establish projects to

further understand the perspectives of these affected stakeholders.

chain. Our work on each of these topics is described within this section. A further identified material topic – how we ensure the safety of consumers – is covered in the Business Conduct section.

Read more in Business conduct

workers and communities in our value

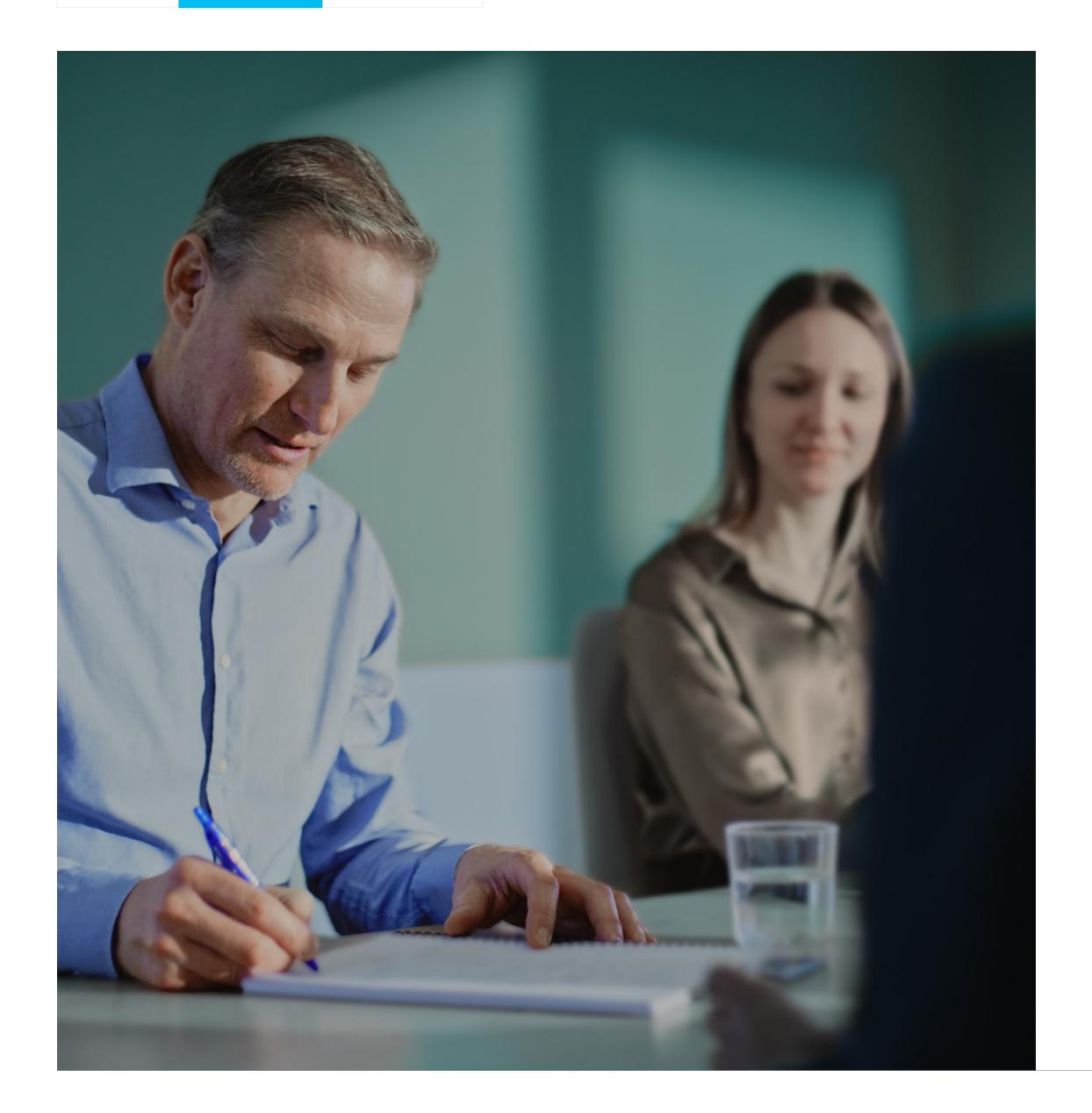


Francis West,
Social Sustainability Director, Tetra Pak

Human rights due diligence

The UNGPs are the authoritative global standard for business conduct in relation to human rights. In our 2023 Sustainability Report, we committed to respecting human rights across our own operations and value chain, in line with the UNGPs.

The process of continuously conducting HRDD is a core businesses requirement under the UNGPs. Our HRDD framework helps to identify the priority human rights risks where we focus our energy and resources to prevent and mitigate harm. We also work to ensure that adequate remedies are available and accessible if harm occurs. The engagement with affected stakeholders – those at risk of negative impacts – is a critical element of our due diligence process. It helps us to identify risks and evaluate the effectiveness of our actions.



Strengthening UNGP implementation

In 2023, we strengthened our work to implement our commitment to the UNGPs by identifying and prioritising human rights risks, developing and initiating action plans to prevent and mitigate these risks, and building awareness and capacity across our business of our responsibility to respect human rights.

Read more in Workers in our value chain

We are working across our own business functions as well as within our value chain to raise awareness of social sustainability challenges and build capability through training and in our day-to-day work. As part of this, a key focus has also been to put in place processes to listen to and understand the perspectives of those who are most vulnerable to impacts, but who are seldom heard.

We actively engage in human rights-related initiatives such as AIM Progress, Shift's Business Learning Program, the Nordic Network on Business and Human Rights, and the Business Network on Civic Freedoms and Human Rights Defenders to advise and develop our work.

Our targets

The current targets for social sustainability are:

- Continue to deliver wellbeing programmes for employees, support a positive and open safety culture across the company, and work towards reducing accidents and work-related ill-health, with zero as the ultimate goal.
- Continue to focus on increasing the number of women in senior and factory positions.
- Implement action plans to prevent and mitigate human rights risks in each of our priority categories in our supply chain.
- Undertake human rights due diligence for workers in post-consumer packaging collection, across markets where we engage with informal waste collection to increase packaging recycling rates.
- In 2024, develop and establish a measurement framework, metrics and targets for priority human rights risks for workers in the value chain and affected communities.

Our employees

Three material topics were identified that relate to our employees: employee workplace and wellbeing; employee health and safety; and employee diversity, equity and inclusion.

Employee workplace and wellbeing

A focus on wellbeing is an important way to ensure that everyone is supported at work. This means prioritising our employees' physical and mental wellbeing in the workplace in the following ways:

- · We have a mental wellbeing programme with tools, training and support services to raise awareness and de-stigmatise mental health issues, along with information for employees on a portal.
- Support is offered via an external Employee Assistance Programme (EAP), 24/7, and is open to all employees and their families for emotional support or counselling.

· In 2023, over 5,200 employees received training in our new resilience learning programme, giving employees and leaders the tools and training to help build resilience.

Our global employee engagement survey in 2023 indicated a positive trend in number of employees who say they feel comfortable to talk about mental wellbeing at Tetra Pak.

EMPLOYEE ASSISTANCE PROGRAMME 24/7 open for emotional support or counselling



Business conduct



Employee health and safety

At Tetra Pak, we are committed to ensure the occupational health and safety (OHS) of our employees, contractors, visitors and anyone who may be affected by our operations, both at our own sites and any other site at which we operate. Our goal is to maintain a safe and healthy environment, with zero accidents and work-related illness. Tetra Pak's OHS policy outlines the approach to achieve this ambition.

We implement OHS initiatives to ensure safe working conditions everywhere for our employees. In 2023, we continued to engage leaders on OHS and how they can be more involved to support their teams on improving safety. During the year, we achieved a reduction in our Total Recordable Accident Rate (TRAR), from 2.12 to 1.82. This shows a year-on-year reduction of 45% in TRAR since the beginning of 2020. In 2023, we had zero fatalities across our sites globally.

An increased focus on improving reporting and investigating incidents through a global software platform, MyOHS, has delivered further engagement. All incidents with high potential severity now have greater scrutiny from senior management to drive awareness and ensure learnings are shared, globally.

Manufacturing and customer sites

We have a strong network of local and regional OHS officers supported by a corporate OHS team, to ensure that all companies within our business have access to competent corporate OHS support. This enables them to work towards our zero-accident ambition.

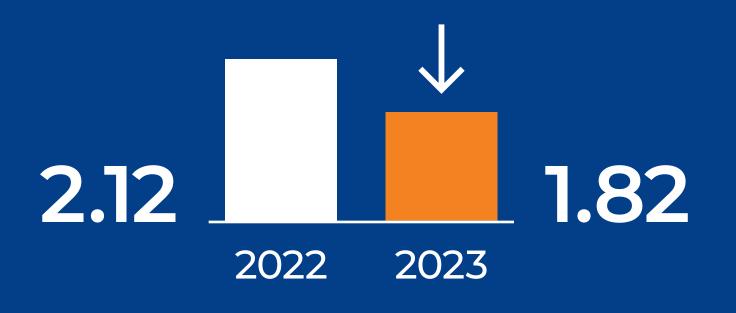
In 2023, key projects included:

- · The release of new forklift truck and pedestrian impact risks guidelines within our owned manufacturing sites.
- · Revision of our controls on management of contractor work within our owned or leased property, with increased safety controls and support for the contractors that we welcome to work at our sites.

This includes clear requirements to those working on our sites before work commences, allowing contractors to ask questions and clarifications from the OHS officer.

- An ongoing zero access programme¹ for our machinery to continuously assess the equipment we use in our factories and to upgrade the guarding to eliminate risk of injury.
- · Conducting dynamic risk assessments to improve safety at the point of work, which continues in 2024.

TOTAL RECORDABLE ACCIDENT RATE (TRAR)



¹ The zero access programme is about identifying, prioritising and eliminating gaps in machinery guarding, where access to hazardous moving parts could cause serious injury

Diversity, equity and inclusion

Our ambition is to ensure Tetra Pak is a workplace where everyone matters, everyone feels they belong, and all of our employees can reach their full potential regardless of their backgrounds or identities. These can include, but are not limited to. characteristics such as age, disability, ethnicity, gender, marital status, nationality, race, religion or beliefs, sexual orientation, or social origin.

This means:

- · Our work environment makes everybody feel comfortable to bring their whole self to work and talented people from all backgrounds feel they belong, are supported, and free to be themselves.
- · All colleagues each have equal access to opportunities to develop and grow and feel empowered to thrive and reach their full potential.
- · Our workforce reflects the diversity of the communities we operate in to ensure we really understand our customers, other stakeholders and the markets we operate in worldwide.

Our approach to DEI

- · Global responsibility sits with our Human Resources & Transformation unit
- Our workplace conduct policy supports our DFI ambition
- · Our global and regional DEI panels advise us
 - Our global DEI panel is sponsored by Executive Leadership Team (ELT) members and helps provide strategic directions and define a global roadmap for DEI activities. Across the organisation, we have regional and local DEI panels to better drive actions and address issues at the local level. and drive accountability.
- Our individual contributions matter:
- As employees
- As people leaders

Our global focus areas

In support of our DEI ambition, we have three global areas of focus:

Inclusion for all: We are committed to taking action to ensure that our company is diverse and inclusive.

Ongoing initiatives:

- · Learning about DEI
- · Leadership and mentoring programmes
- Equal opportunity for job applicants
- Assuring equal pay
- Providing flexible working options

In 2023, our internal global mentoring programme, which aims to strengthen the leadership capability of emerging leaders regardless of background or identity, expanded from 20 to 78 pairs in 2023. We also launched three new dedicated DEI channels on our learning experience platform, myLearning:

- Introducing DEI (beginner-level content)
- Understanding DEI (for more advanced theory)
- · Advancing DEI (action-oriented to equip colleagues with skills and tools to act inclusively)

A dedicated track on DEI topics was also included in our annual Learning Conference, featuring external and internal speakers sharing insights on a range of DEI topics. We are in the process of reviewing our inclusive leadership training, which aims to create awareness of the skills needed to lead diverse teams, and we aim to launch the updated programme in 2024.

Wellbeing for all: Focusing on wellbeing is an important way to ensure that everyone is supported to be their best selves at work. To us that means prioritising our employees' physical and mental wellbeing in the workplace.





Diverse and inclusive teams, where different perspectives are welcome and heard, are more innovative, make better decisions

and solve problems faster. By creating a culture of belonging we enable employees to contribute to the best of their ability. We know this takes ongoing commitment to build and maintain.

Elena Girardo.

Global Director, Talent, and DEI, Tetra Pak

Gender diversity:

Although our approach to DEI extends beyond gender, we've had underrepresentation of women in certain roles globally. We are working to change this and have committed to increase the number of women in our workforce at all levels.

Ongoing initiatives:

- · Women in senior positions
- Gender diversity in factories
- Gender equity mentoring programme

We continue to see progress in the representation of women among Tetra Pak employees, with the number of women in senior positions increasing from 13% in 2020, to 23% in 2023.



^{1 &#}x27;Base materials' are the materials we use to produce the packaging we sell to food and beverage producers, including paperboard, polymers, aluminium foil and inks.

² The UN Guiding Principles on Business & Human Rights and Indigenous Peoples: Progress Achieved, the Implementation Gap and Challenges for the Next Decade, The International Work Group for Indigenous Affairs (IWGIA), 2021. Source: https://www.iwgia.org/en/resources/publications/305-books/4419-the-un-guiding-principles-on-business-human-rights-and-indigenous-peoples---progress-achieved, theimplementation-gap-and-challenges-for-the-next-decade.html



Workers in our value chain

Four material topics were identified that relate to workers in our value chain. These topics are: working conditions in our supply chain; forced labour in our supply chain; indigenous peoples and local communities; and informal waste-collection workers. The work we are conducting on each of the topics is addressed in this section.

We know that conditions in supply chains are a potential source of human rights risks, such as forced labour, child labour, or inadequate working and living conditions. We seek to understand our impacts on workers and communities across our value chain, prioritise the most severe for action and use our influence to raise practice and standards and ensure that workers have safe and decent working conditions to improve their prospects and livelihoods. We also work to raise awareness within Tetra Pak about the need for a just transition.

Read more in Climate and Business conduct

Workers in our supply chain – working conditions and forced labour

We conduct regular assessments of the human rights context related to the countries and industries in which our suppliers operate. Our base material suppliers¹ must provide information on their Human rights due diligence (HRDD) process and the management of human rights in their own supply chains. We aim to expand it to other supplier categories in 2024.

In 2023, after carrying out work to identify risks to people throughout our supply chain to the raw material level, we prioritised these risks and co-created material-specific action plans among the Social Sustainability team, Sustainable Procurement team and category managers. These plans aim to change the most impactful practices and behaviours of suppliers. After assessing the maturity of our suppliers' human rights impact identification

process, we mapped risks against geographical factors to determine higher-risk suppliers. For polymer suppliers, we layered these risks to the geographical risk of recruitment fees and other indicators of forced labour, to identify higher-risk suppliers.

Indigenous peoples' rights and local communities

Indigenous peoples' rights must be respected, including the right to free, prior and informed consent. Yet, indigenous peoples continue to face human rights violations related to business activities in their traditional lands and territories² with land rights being a central tenet of indigenous peoples rights. Our Responsible Sourcing of Liquid Packaging Board Procedure includes explicit references to the protection of indigenous peoples. Nearly 100% of our aluminium foil is delivered by suppliers certified against the ASI, which includes indigenous peoples rights.



In 2023, while assessing our base material suppliers' human rights risk identification and prioritisation processes, we requested specific information relating to their approach to indigenous peoples. We have mapped certain supply chain activities that represent a higher risk to indigenous peoples, such as bauxite mining, forestry operations and kaolin mining. We then assessed the maturity of their human rights impact identification process. In 2024, we are taking further action based on this assessment.



We are working to improve the working and living conditions of informal waste-collection workers who play a vital role in our value chain to collect and recycle carton packages in countries that lack formal collection infrastructure. These workers are some of the most marginalised people in global value chains. By respecting their rights, we can help increase incomes and livelihoods, provide protection in risky work environments and give them a voice.

We are mapping collection and recycling value chains for our packaging to identify potential impacts on people. Country-specific action plans will be developed based on engagement with informal waste collectors.

Collaborating to support informal wastecollection workers

In Brazil, Colombia and Vietnam, we have partnered with expert NGOs to engage with informal waste-collection workers to better understand the most severe impacts they face. This will inform our actions to support them.

During 2023, we commissioned local NGOs to interview hundreds of waste collectors in Brazil and Vietnam. The studies, to date, highlight important distinctions in the local contexts and the data will be used to develop collective action plans at country level. In India, we have relied on our expert local partners to provide insight into the perspectives of informal waste-collection workers. In each market, we plan to undertake actions to address the priority risks. We are also participating with actors across the food and beverage industry to develop collective actions to address the systemic issues identified.

In 2023, we became a corporate member of the Fair Circularity Initiative, an organisation that includes Coca-Cola, Nestlé, PepsiCo and Unilever, that focuses on the rights of informal waste collectors. Together, we have an opportunity to improve the working and living conditions of these people on whom we depend. Our work in Brazil, Colombia, India and Vietnam, will contribute to the implementation of the Fair Circularity Principles.



Understanding the challenges of informal waste pickers in Brazil

In Brazil, Tetra Pak has been supporting the Cataki+ Longa Vida project for several years. The initiative connects autonomous waste pickers with cooperatives, to provide a subsidy that increases the value of recyclable materials, including used beverage cartons. The autonomous waste pickers also receive other types of incentives, such as wellbeing and legal assistance services. Since 2021, more than 600 food cards and 4,500 protective items have been delivered to individual waste pickers.

In 2023, we engaged directly with 300 workers in Sao Paulo, Porto Alegre and Fortaleza to further understand the working and living conditions of autonomous waste pickers. A significant challenge for workers is the lack of identification documents as this obstructs access to social security. Identification documents are particularly important for workers who have insecure employment and undertake work that could potentially lead to injury, health concerns or homelessness. There are systemic issues to be addressed, at scale, requiring collaboration among companies, governments, workers' organisations and other stakeholders.

Tetra Pak took some immediate steps in collaboration with Pimp My Carroça – which is

part of Movimento de Pimpadores together with Cataki, Pimp Lab e Incidência Política – through an initiative called "Coletando com Cidadania". In 2023, the initiative supported 50 homeless autonomous waste pickers to obtain identity documents, access government benefit programmes and register in the health system. This work is continuing throughout 2024.

READ MORE

Cataki+ Longa Vida project, Brazil







CASE STUDY

Supporting marginalised women and children waste workers in India

Tetra Pak partners with Bal Vikas Dhara (BVD), an NGO that works in the South-West areas of Delhi and Haryana to empower the informal sector, such as waste workers, in the areas of child development, women empowerment and youth employability. The focus is on empowering marginalised women and children by increasing awareness of these important social issues, along with environmental conservation.

Waste-collecting communities are given access to non-formal education centres, health clinics and health camps, and a centre for women that teaches them sewing skills to generate an income in a safe working environment. Six education centres have been established in the communities and, in 2023, provided direct education to 300 children from the ages of five to 12. Children also receive nutritional meals and enjoy games and play – a key part of early childhood development. BVD has also supported 128 children to enroll in formal government-run and private schools.

BVD's health clinic in a prominent slum area in New Delhi, offers maternal health services at subsidised rates for women in the waste-

collection communities – such as antenatal check-ups, essential child immunisation and counselling on reproductive health. In 2023, more than 2,000 community members benefitted from this service.

Health and nutrition camps are also held year-round as the nature of work for waste workers makes them vulnerable to numerous diseases. These health camps provide curative healthcare and counselling to the waste-worker communities. In 2023, more than 600+ waste workers attended across four health camps.



I'm 16 years old. My father works as a waste picker and works hard to make the city clean. I studied in a non-formal education centre called Asha ki Kiran, which translates as Ray of Hope set up by BVD.

Former Asha ki Kiran student, India

With their help I was admitted to a government school. I am now top of my class. I also love to participate in extra-curricular activities, especially dance and music. I aspire to become a doctor one day and cure people.



Bal Vikas Dhara project, India

Humanitarian assistance

We are working to further enhance our impact with a greater focus on the speed and type of response to humanitarian crises, providing assistance when required.

Türkiye and Syria

In early 2023, Tetra Pak offered support for people affected by the earthquake in Türkiye and Syria, to help affected communities who suffered from a lack of electricity. We supplied generators, particularly for the rescue teams in night shifts at hospitals and permanent shelters. Tetra Pak local employee activities supported communities with blood donation campaigns and an employee voluntary donation campaign for urgently needed items. These activities were conducted in partnership with local non-profit organisations.

Italy

In May 2023, Tetra Laval, the group which comprises Tetra Pak, Sidel and DeLaval, contributed €500,000 to relief efforts in Italy's flood-affected Emilia-Romagna region. This donation supported Italy's Regional Agency for Territorial Security and Civil Protection, with the provision of essential products and restoration of the basic infrastructure in the region. Local employees also supported efforts with volunteer activities in the area.

READ MORE

Morocco

In September 2023, to support earthquake relief efforts in Morocco, Tetra Pak teamed up with our dairy customers to donate long shelf-life packaged UHT milk to the disasterstricken population of the Al Haouz region. We also worked with the Moroccan Red Crescent, a non-profit humanitarian organisation, to provide prefabricated houses to nearly 200 people in the Taroudant region, whose homes were destroyed by the earthquake.









Business conduct

Our business conduct approach

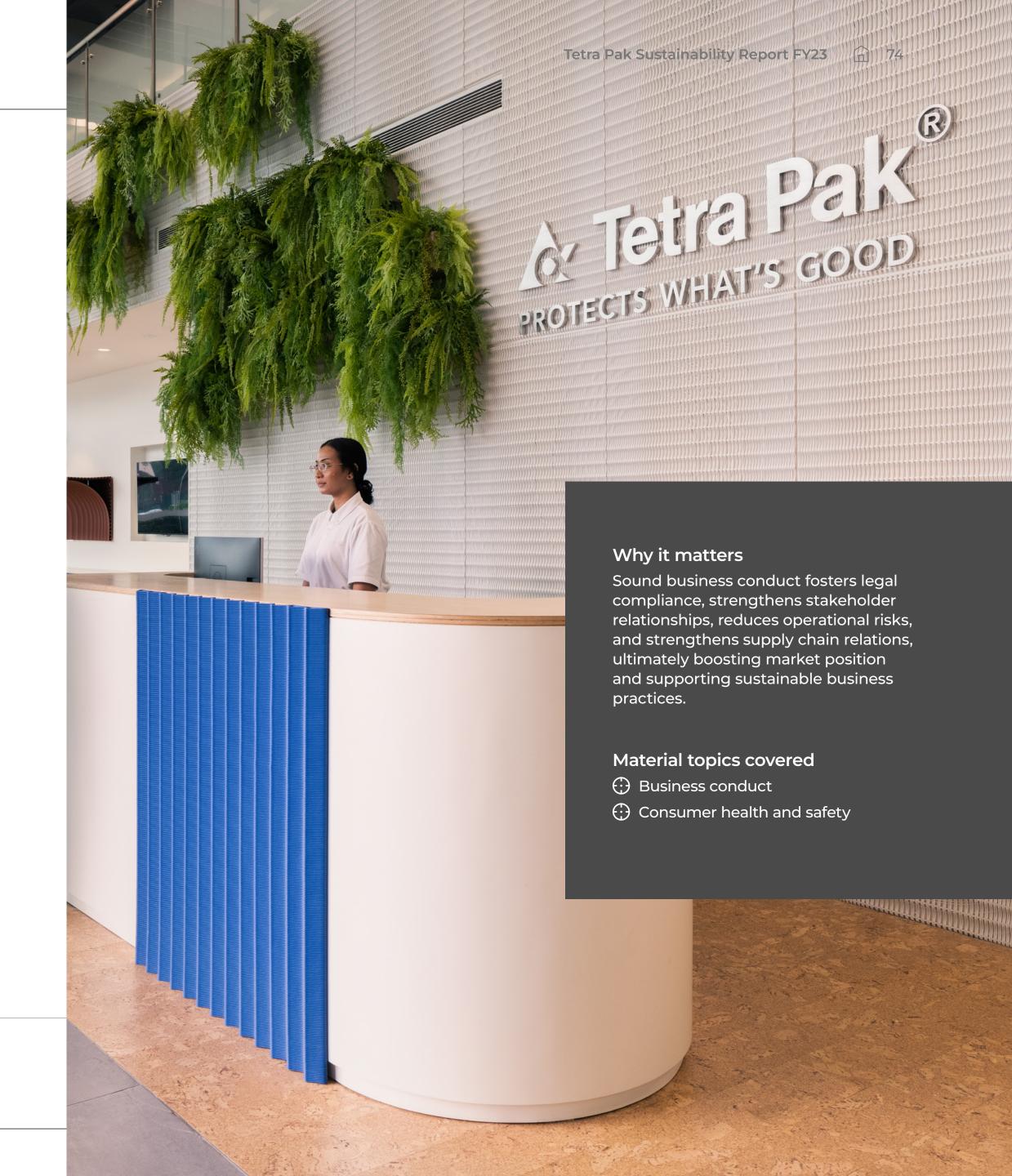
Tetra Pak is committed to conducting business with integrity, complying with the rule of law, and respecting human rights across our value chain. To us, responsible business practices, including good governance, are fundamental to delivering on our purpose: "We commit to making food safe and available, everywhere and we promise to protect what's good: food, people and the planet". We expect the same level of ethical business conduct within our own operations and among our suppliers and have policies and processes in place to ensure that business is conducted in a responsible and ethical way.

As signatories to the UN Global Compact since 2004, we commit to upholding its Ten Principles on human rights, labour,

environment and anti-corruption across our value chain. By embedding these principles in our policy framework and governance, we aim to build and enable a culture that supports the realisation of these commitments.

Across Tetra Pak, we promote policies that aim to drive sustainable development¹, such as our Supplier Code of Conduct which promotes respect for human rights and the protection of the environment.

We have an established Corporate Governance Framework² guiding how we conduct business. Everything that we do as a company – developing strategy, taking decisions, and defining how we operate and act – is guided by this framework.



¹ Sustainable development has been defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Source: https://www.un.org/sustainabledevelopment/development-agenda/

² Good corporate governance not only fosters an environment of trust, transparency and accountability, it also helps align an organisation's purpose with the interests of society, building strong stakeholder relationships while effectively managing and maintaining its resources. Source: https://www.thecorporategovernanceinstitute.com/insights/lexicon/a-simple-definition-of-corporate-governance/

Our Corporate Governance Framework

Tetra Pak's Corporate Governance

Framework encompasses the behaviours, activities and responsibilities that provide a foundation for our strategy and approach to leadership, ultimately helping us to fulfil our purpose: "We commit to making food safe and available, everywhere and we promise to protect what's good: food, people and the planet". The Framework's section on Mandates and Values includes a Charter of Responsibility, which outlines the roles of top governing bodies and individuals.

Tetra Pak is part of the Tetra Laval Group, which includes Sidel and DeLaval. The Tetra Laval Group Board has the overall responsibility for strategy of the Tetra Laval Group, and for controlling and supervising its business operations. It appoints the President & CEO of Tetra Pak and approves and monitors the overall Corporate Governance Framework. The Group Board has four regular meetings each year; when required, additional meetings are held. Sustainability reporting and ESG topics are a regular part of the Tetra Laval Group Board's agenda and are integrated into strategy and risk reviews, and as stand-alone topics.

Tetra Pak's President & CEO is responsible for the overall Corporate Governance Framework and the implementation and enforcement of Tetra Laval and Tetra Pak Policies and Procedures.

The framework also describes the decisionmaking structure in Tetra Pak: the Executive Leadership Team (ELT) takes top-level decisions for the company, or delegates responsibility to identified and relevant people within Tetra Pak. Each legal entity also has a Board of Directors who are responsible for oversight of that legal entity's activities and operations.

The framework includes our Enterprise Risk Management approach, where each corporate risk, together with the policies and procedures to mitigate these risks, are owned by a member of the ELT. The governance, risks and compliance process is embedded across the organisation's operations to enable effective risk mitigation. In 2022, Tetra Laval issued the ESG Reporting Policy and Procedure to establish a framework to manage appropriate ESG reporting across industry groups.

READ MORE

Policies, standards and supporting initiatives

We have policies and procedures in place to mitigate identified risks and safeguard responsible business practices, all available on the Tetra Pak intranet. This includes the Tetra Laval Code of Business Conduct. Tetra Pak Anti-Corruption Policies and related procedures. We also implement policies and procedures across a variety of topics, including food safety, supplier management, and environment. The implementation, cascading and monitoring of global policies and processes takes place within each department, and policies and procedures are reviewed on a continuous basis.

Training on corporate governance, called Good Governance, Good Business, covers business ethics and the Code of Conduct and is mandatory for all new employees, with in-person training also provided to new middle and senior managers joining the company. Competition law training is provided to the sales force on a biannual basis, with an emphasis on anti-corruption. In 2023, 33 training sessions on competition law were held.



Code of Business Conduct

The Tetra Laval Group Code of Business Conduct establishes a set of rules and non-negotiable standards in key areas, which must be followed by all companies and employees. It details our commitment to ensure a working environment that promotes diversity, inclusion, equal opportunity, and respect for human rights and recognises the rights of freedom of association. Employees will not be penalised for any loss of business resulting from adherence to this code, or for reporting any actual or suspected breaches of the code.

Business conduct

Labour standards and Workplace Conduct Policy

We have stringent labour standards that apply to our own employees and across our supply chain. The Tetra Pak Workplace Conduct Policy sets out mandatory rules of workplace conduct. It forms the foundation to protect our employees from discrimination, harassment and bullying, and outlines the procedures to be followed in the event of a grievance.

The Tetra Pak Recruitment Policy and Procedure states that there shall be no discrimination in the recruitment. employment and promotion of employees on the grounds of religion, social standing, ethnical origin, gender, age, physical abilities or sexual orientation, and equal opportunity shall exist for all candidates. It also details the provision of learning and development opportunities as well as benefits to our employees.

Remuneration

Remuneration is governed by the Tetra Laval Group remuneration policy which outlines three key remuneration principles. These are that remuneration will be:

- relevant to attract and retain talent and appropriate for the respective labour
- · predictable, transparent, equitable, balanced between fixed and variable elements and understandable; and

sustainable to serve business strategy, affordable and set in a responsible way so it aligns to different stakeholder interests.

A short-term incentive plan is in place and our company measures contain sustainability targets which then directly impact the incentive payout of each variable pay eligible employee.

Whistleblowing and grievance mechanisms

Employees and external stakeholders can, and are encouraged to, report concerns related to business ethics, possible discrimination, harassment and bullying, and other unacceptable behavior. If desired, such reports can be made anonymously. Employees may raise concerns to their line manager, or another senior manager. External parties can raise concerns with their business contact or any senior manager. The recipient of any such raised concern must report the issue further to the Corporate Governance Officer and Head of Audit, to decide if an investigation should be initiated.

Reports can also be made through the webbased whistleblowing tool "Convercent". Such reports are reviewed and investigated accordingly. Employees and external parties may also directly contact the Corporate Governance Officer, Head of Audit or send an email to ethics@tetrapak.com.

All reports are handled strictly confidentially, with information shared on a need-to-know basis for the purpose of investigation, and in line with privacy rules. All breaches of the Code of Conduct or related allegations are reported annually to the Tetra Laval Group Board. Additionally, after each concluded whistleblowing investigation, in cases where actions were taken, checks are made three, six and 12 months later to see whether there has been any (negative) impact or change to the whistleblowers' position in the company.

Employees are trained on grievance mechanisms and how to raise a concern in our mandatory Workplace Conduct programme, which is rolled-out and repeated every four years, to become every three years from 2024. Several aspects of grievance handling are also covered by other trainings, such as our 'Good Governance, Good Business' course.

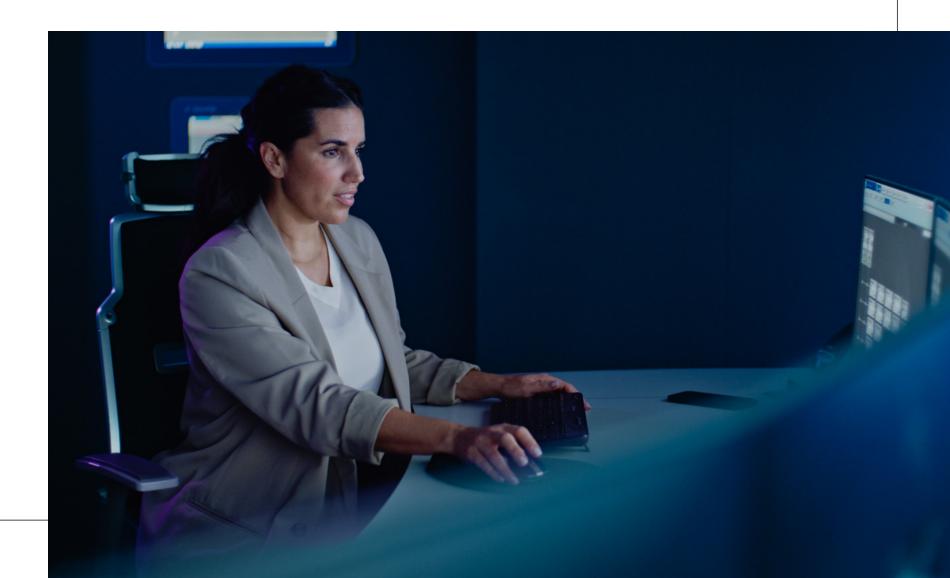
Anti-corruption and bribery

We take a zero-tolerance approach to corruption, bribery and fraud. Our Anti-Corruption Policy applies to all Tetra Pak group companies and processes worldwide.

READ MORE

We have a Gifts and Hospitality procedure and a Third Party Representatives procedure to prevent corruption and bribery. Internal controls and audits are in place to detect any corruption, bribery and fraud, and incidents are addressed through the investigation and whistleblowing mechanisms. Breaches result in disciplinary action, which may include termination.

Trainings are held in local markets and provided to people in sales and sourcing as well as those interacting with other business collaborators (such as recyclers). The central Corporate Governance team also takes part in instructor-led virtual training for business functions. Training covers the key principles and governance framework, rules and approval mechanisms, case studies, conflicts of interest, whistleblowing, and the tools used to request and report any policy deviations. In 2023, training was provided for the procurement function with over 400 employees.



Risk management and internal controls

The relationship between risk management, policies, control and assurance activities is seen in our Governance, Risk and Compliance (GRC) process. This is implemented through a well-defined yearly cycle leading to clear deliverables and approval steps by leadership teams in central and local organisations. Risks are assessed bottom-up across the organisation, with corresponding internal controls selfassessed on an annual basis. In addition, internal audits are conducted within Tetra Laval Audit. A Management Declaration report is provided to the Tetra Laval Group Board to provide assurance on our Corporate Governance activities throughout the year.

In 2024, an updated Tetra Laval Group Risk Management Procedure is becoming effective and is being progressively implemented across Tetra Pak. The new procedure is based on the COSO¹ framework and defines different approaches for managing operational and strategic risks. The purpose of the procedure is to drive process simplification and leverage the use of data analytics, while focusing on critical risks and reinforcing 'second line of defence' control assurance activities.

Consumer health and safety

As pioneers in food safety technologies, we enable our customers to deliver safe, highquality products and continue to raise their own quality standards. Our aim is to guarantee the safety of all products and services across our processing and packaging systems and comply with the most widely recognised international food safety regulations². Our food safety ambitions are specified in our Food Safety Policy which defines the requirements and ways of working in food safety for everyone at Tetra Pak. Our implementation guidelines and procedures break down the policy to concrete processes and defined roles and responsibilities for each function.

READ MORE

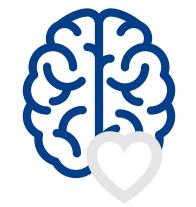
Packaging safety: This relates to mechanical and physical consumer safety of our packages. It ensures that all parts of the package are designed and manufactured to fulfil necessary legal/regulatory demands and Tetra Pak requirements. The execution of the Package Safety Risk Assessment is integrated across our processes, to ensure that we deliver safe packages.

Equipment safety: This includes ensuring that equipment we design, manufacture and sell to customers is safe to use and compliant with equipment legislation and standards. We continuously monitor external safety best practices and translate these into technical corporate standards, which are applied during the design of equipment and throughout the lifecycle. The necessary equipment safety tasks and decisions have been integrated across our processes, to ensure that we deliver safe and compliant equipment.

Responsible marketing and labelling

Tetra Pak has an internal procedure in place to guide on, assess and approve environmental communication and claims. In 2023, we updated the Tetra Pak **Environmental Communication and Claims** Procedure and Annexes to reflect the latest changes in regulation³ as well as clarify claims related to recyclability, certified recycled polymers, carbon, biodiversity and the use of lifecycle assessments. The procedure is aligned with leading standards, in the international arena, to implement consistent best practice and is regularly updated.







Procurement and managing supplier behaviours

Greater risks to business conduct often lie within our supply chain, such as noncompliance among suppliers with local laws or with our Code of Business Conduct for Suppliers (Supplier Code). Our Supplier Code is an integral part of our supplier onboarding process and purchasing agreements, setting mandatory requirements for our suppliers and their sub-suppliers.

The Supplier Code defines our requirements in the areas of human rights and labour practices, occupational health and safety, environmental management, and business integrity. It includes information on monitoring and audits, remediation, training and engagement. In case of noncompliance, we collaborate with suppliers that acknowledge their impacts and seek to reasonably address them. We reserve the right to end a supplier relationship where a supplier shows a consistent or significant lack of commitment to complying with our requirements. In 2023, work began to update to our Supplier Code to enhance our sustainability-related requirements.

¹ COSO stands for the Committee of Sponsoring Organizations of the Treadway Commission, which is a joint initiative of five private sector organisations and is dedicated to providing thought leadership through the development of frameworks and guidance on internal control, enterprise risk management and fraud deterrence

² The specifications for our packaging, additional material and food contact consumables products that are sold worldwide must comply with the standards for food contact materials defined by Europe (EU), US (Food and Drug Administration) and China (GB). We undertake proactive monitoring and compliance to local legislation within all food safety areas to secure customer food safety production

Responsible sourcing

Business conduct

Our responsible sourcing procedures apply across every pillar of sustainability and are fundamental to conducting business with integrity.

The Tetra Pak Responsible Sourcing Procedure sets out the requirements for all purchasing categories to manage risks in relation to human rights, labour practices, OHS, environment, biodiversity and business integrity.

READ MORE

We require suppliers to adhere to our Supplier Code, and we undertake deskbased evaluations to assess suppliers' compliance and sustainability maturity. Regular risk mapping is carried out using EcoVadis IO with online indices of ESG risks related to the countries and industries in which our suppliers operate. This helps determine the scope of supplier desk-based evaluations and ethical audits. Based on the risk assessment, we ask our suppliers to conduct either a site-specific Sedex Members Ethical Trade Audits (SMETA) for

critical sites or an EcoVadis assessment. We have also developed an OHS Handbook for Contractors, which sets out the minimum OHS requirements to be understood and followed by all our contractors. Our ambition is to continuously improve supplier performance and secure a sustainable and resilient supplier base.

When dealing with commodities that can have a significant impact on people and the environment, we prioritise the use of credible voluntary sustainability standards¹. Tetra Pak is an active member in the major certification systems we use, including FSC, ASI and Bonsucro, to ensure we can influence and help drive development in the right direction. Our specific sourcing procedures², outlined in supplier contracts, further detail our sourcing requirements, which we push upstream towards our suppliers and apply downstream on the products we sell to our customers.

Read more in Nature





Assessing supplier impacts on people and environment

We regularly assess our suppliers on their environmental and human rights impacts and conduct regular mapping of human rights risks related to the countries and industries in which our suppliers operate. Any suppliers identified with actual or potential negative impacts on people or the environment are contacted to request improvement or, in the case of SMETA audits, to put a corrective action plan in place.

During 2023, we engaged with prioritised logistics suppliers to communicate our expectations on human rights. This included assessing the strength of their due diligence processes and guiding them on where they can enhance their systems. Suppliers within our Join Us in Protecting the Planet initiative³ also provide information on

their HRDD process and how they manage human rights in their own supply chains.

Read more in Introduction

We joined the Sustainable Procurement Pledge in 2022, to increase knowledge on sustainable procurement practices and work with other companies to engage and empower procurement professionals. During 2023, we participated in a number of sessions with the Sustainable Procurement Pledge, as part of its Champions Programme, to support the development of common tools and resources and increase the organisation's reach.

- 1 Voluntary Sustainability Standards (VSS) are market-based tools designed to tackle the most pressing social and environmental challenges
- 2 This includes our Responsible Sourcing of Liquid Packaging Board Procedure and Responsible Sourcing of Renewable Polymers Procedure
- 3 This includes our base material suppliers that supply the materials we use to produce the packaging we sell to food and beverage producers, including paperboard, polymers, aluminium foil and inks

Sustainability advocacy

Tetra Pak plays an essential role within food systems by providing food processing and packaging solutions in more than 160 countries worldwide. To accelerate food systems transformation, Tetra Pak strategically collaborates with organisations around the world to shape the global sustainability agenda, promote good practices and support specific projects.

We encourage knowledge sharing, innovation, and advocate for evidencebased solutions alongside sustainability leaders in the private sector, civil society, academia and policy. Our work has three main goals:

- · to learn and further develop our sustainability agenda;
- · to collaborate with sustainability-leading organisations on evidence-based advocacy to achieve the most sustainable outcomes; and
- to share our expertise and engage in action towards transforming food systems and advancing the global sustainability agenda.

We collaborate with many types of organisations – from those in the food sector to NGOs, multi-stakeholder organisations, academia, policy makers and civil society. Our collaborations and partnerships are selected by evaluating their potential to drive transformation. We view food systems as a whole and consider the interconnections between food systems and other areas of sustainable development and seek to avoid unintended consequences from siloed approaches by collaborating across different sustainability areas and setting closely aligned goals.

Moreover, we engage in global policy events, to bring forward our vision for this transformation. For example, in 2023, we engaged at COP28, to advocate for greater inclusion of food systems in national climate plans.

READ MORE



Business conduct

Regulation to enable the food systems transformation

We also support enabling regulation that delivers on secure, sustainable and resilient food systems and aligns with the goals of the Paris Agreement. We believe effective regulation must follow certain principles. It should be evidence- and science-based, with policymakers considering the existing available evidence and research, backed by data, when needed. An evidence-based approach is designed to ensure that the best available evidence from research is at the heart of policy development and implementation.

Regulation should also be proportionate to the perceived problem or risk and justify the compliance costs imposed; it should be consistent and give stability and certainty to those being regulated and it should be targeted – by focusing on the problem and minimising side effects.

We believe that lifecycle thinking should inform policy development and regulation, to consider the links between the economic,

We believe that, in the transition towards sustainable, safe food, Tetra Pak can and should do even more in the area of sustainable food packaging¹ and processing. Tetra Pak has both an opportunity and a responsibility to lead the way. Instead of reacting to policies and shifts in markets and demands, Tetra Pak should shape the markets and the future of sustainable food, from the farmer's field to the consumer.





Director of the Potsdam Institute for Climate Impact Research and Chair of the Tetra Pak Sustainability Advisory Panel, 2023

social and environmental dimensions across the entire value chain. We also support the use of impact assessments as part of the policy development process to provide objective analysis to support decisionmaking. The food systems transformation is central to achieving the goals of the Paris Agreement.

READ MORE

Tetra Pak Sustainability **Advisory Panel**

Tetra Pak's Sustainability Advisory Panel was formed in 2020 to provide independent strategic insight, guidance and assistance focused on sustainability and innovation in pursuit of our purpose. The panel currently has five independent external advisers who inform the management and business on

ways to develop and operationalise an integrated sustainability agenda.

In 2023, the panel presented an assessment letter to the Tetra Pak ELT. It acknowledged the significant challenges faced by Tetra Pak as a leading food processing and packaging company - with global turbulence and pressures from multiple fronts simultaneously – from war to dwindling economies, shifting markets, deteriorating environments and rising inequity.

The Sustainability Advisory Panel acknowledged that Tetra Pak has the opportunity to shape, accelerate and scale the transition towards sustainable global food systems² by engaging widely with stakeholders and forging scalable solutions with partners and suppliers.

Tetra Pak recognises and appreciates the depth of the discussions with the Sustainability Advisory Panel and continues to take action within the areas addressed in the assessment letter. Broader discussions will continue between the sustainability advisory panel and Tetra Pak's leadership teams.



^{1 &#}x27;Sustainable food packaging' is defined as a packaging that achieves its functional requirements with minimal environmental impact, that is made from responsibly sourced renewable or recycled materials, is recyclable, and has low-carbon footprint in regards to manufacturing, production, shipping and recycling.

² FAO, Sustainable food systems, 2018. Source: https://www.fao.org/3/ca2079en/CA2079EN.pdf

