

ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

ALUFLEXPACK NOVI D.O.O. (DRNIŠ) AND PROCESS POINT SERVICE AG (EINSIEDELN)

CERTIFICATE
NUMBER

132

ASI
STANDARD

PERFORMANCE
STANDARD
(V2 2017)

CERTIFICATION
LEVEL

PROVISIONAL
CERTIFICATION

ASI ACCREDITED
AUDITOR

TÜV
RHEINLAND
CERT GmbH

DATE OF ISSUE

28 JUNE 2022

DATE OF EXPIRY

27 JUNE 2023

CERTIFIED SINCE

27 APRIL 2021

AUTHORISED BY

Aluminium Stewardship Initiative Ltd
ACN 606 661 125, Australia
info@aluminium-stewardship.org

*Validity of this Certificate is subject to continued
conformance with the applicable ASI Standard
and can be verified at
www.aluminium-stewardship.org*

CERTIFICATION SCOPE

Aluflexpack core business activity is production of flexible packaging and conversion of aluminium foil, paper and flexible films, including the printing, coating and extrusion of aluminium at the production site Aluflexpack Novi d.o.o. plant Drniš (Croatia) and production of aluminium capsules and aluminium containers and lids for petfood at the production site Process Point Service AG Einsiedeln (Switzerland).

SUMMARY AUDIT REPORT

PERFORMANCE

STANDARD

OVERVIEW

MEMBER NAME	Aluflexpack
ENTITY NAME	Aluflexpack Novi d.o.o. (Drniš) and Process Point Service AG (Einsiedeln)
CERTIFICATION SCOPE	Aluflexpack core business activity is production of flexible packaging and conversion of aluminium foil, paper and flexible films, including the printing, coating and extrusion of aluminium at the production site Aluflexpack Novi d.o.o. plant Drniš (Croatia) and production of aluminium capsules and aluminium containers and lids for petfood at the production site Process Point Service AG Einsiedeln (Switzerland).
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none">• Material Conversion (Production and Transformation)
ASI STANDARD	<ul style="list-style-type: none">• Performance Standard V2
AUDIT TYPE	<ul style="list-style-type: none">• Initial Certification Audit (9 – 10 February 2021)• Surveillance Audit (19 July 2021)• Scope Change Audit (23 – 25 March 2022)
AUDIT FIRM	TÜV Rheinland Cert GmbH
AUDIT DATE	<ul style="list-style-type: none">• 9 – 10 February 2021 (Initial Certification Audit)• 19 July 2021 (Surveillance Audit)• 23 – 25 March 2022 (Scope Change Audit)
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none">• 7 April 2021 (Initial Certification Audit)• 10 September 2021 (Surveillance Audit)• 31 May 2022 (Surveillance Audit)
AUDIT SCOPE	<p><u>Initial Certification Audit (9 – 10 February 2021)</u></p> <p>The audit scope includes the activities of coating and extrusion of aluminium at the Aluflexpack Novi Drniš plant.</p> <p>Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none">• Material Conversion (Production and Transformation) <p>All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.</p>

At the time of the Audit (February 2021), access to the site was not possible, due to COVID-19 related travel restrictions. The Audit has been undertaken as a 'desktop' exercise, in accordance with ASI Interim Policy regarding Audits, Audit-Related Travel and Coronavirus (v4), and included a remote review of relevant documentation.

Surveillance Audit (19 July 2021)

The audit scope includes the activities of coating and extrusion of aluminium at the Aluflexpack Novi Drniš plant (Croatia).

Supply chain activities included in the Audit Scope:

- Material Conversion (Production and Transformation)

All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.

Scope Change Audit (23 - 25 March 2022)

The audit scope includes the activities of the factory Process Point Service AG facility in Einsiedeln, Switzerland.

Supply chain activities included in the Audit Scope:

- Material Conversion (Production and Transformation)

All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.

AUDIT
OUTCOME

- Provisional Certification

AUDIT
METHODOLOGY
DECLARATION

The Auditors confirm that:

- ☒ The information provided by the Entity is true and accurate to the best knowledge of the Auditor(s) preparing this report.
- ☒ The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous.
- ☒ The Audit Scope and audit methodology are sufficient to establish confidence that the findings are indicative of the performance of the Entity's defined Certification Scope.
- ☒ The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.

CERTIFICATION
PERIOD

28 June 2022 – 27 June 2023

NEXT AUDIT
TYPE

Surveillance Audit

NEXT AUDIT
DUE DATE

27 December 2022

CERTIFICATE
NUMBER

132

SUMMARY OF FINDINGS

CRITERION	RATING	COMMENT
PRINCIPLE 1 BUSINESS INTEGRITY		
1.1 Legal Compliance	Conformance	The Entity has developed and implemented policies, systems, procedures and processes that conform to ASI Performance Standard's legal compliance requirements. There are systems in place (e.g. legal database) to maintain awareness of and to ensure compliance with Applicable Law. The Entity holds both ISO 9001 and BRC Pillars certifications from an accredited certification body. The Aluflexpack Group supports the site with legal counsel.
1.2 Anti-Corruption	Conformance	The Entity has implemented systems to avoid Corruption in all its forms. The Entity subscribes to ETI (Ethical Trading Initiative) base code. Risk of corruption has been evaluated. Business software is used to register all business transactions. All relevant financial transactions are cashless. Employees received mandatory and periodic anti-corruption training. As the Entity is a manufacturing organisation, raw material purchasing and sales activities are undertaken by the Aluflexpack Group, not by the audited sites.
1.3 Code of Conduct	Conformance	Aluflexpack Group's Code of Conduct has been made publicly available on the Aluflexpack website: https://www.aluflexpack.com/wp-content/uploads/2021/07/Aluflexpack-Group-Code-of-Conduct.pdf It is clearly stated that the Entity has a zero tolerance policy towards bribery, fraud, theft and other forms of corruption. Additionally, the Entity has established and communicated their local Code of Conduct in English and local (Croatian) language. Process Point Service (PPS) AG has issued an 'Ethical Principles' document in local language (German) for internal use.
PRINCIPLE 2 POLICY & MANAGEMENT		
2.1a Environmental, Social, and Governance Policy (implement and maintain)	Conformance	The Entity has implemented and maintains Policies consistent with the environmental, social and governance practices included in the ASI Performance Standard. The Policies are subject to periodic employee training. The Drniš facility holds an ISO 14001 certification from an accredited certification body which is current for the organisation's certification scope.

CRITERION	RATING	COMMENT
2.1b Environmental, Social, and Governance Policy (senior management)	Conformance	In accordance with the ASI Performance Standard, the Entity has senior management endorsement and support through provision of resources and annual review of the Policies. At the Drniš facility, the Quality Assurance Manager has overall responsibility and authority for ensuring conformance with the ASI Performance Standard. At the Process Point Service (PPS) Einsiedeln facility, the responsibility lies with the CEO.
2.1c Environmental, Social, and Governance Policy (communication)	Conformance	The code and policies addressing environment, social and governance are communicated internally (both sites) and externally (for Drniš), refer to the Aluflexpack publicly available corporate manual: https://www.aluflexpack.com/wp-content/uploads/2021/06/Quality-Manual-AFP-Novi.pdf Employees have received initial and periodic training accordingly.
2.2 Leadership	Conformance	For the Drniš facility, the Quality Manager has the overall responsibility and authority for ensuring conformance with the ASI Performance Standard and to ensure sufficient resources to support the implementation of the ASI Performance Standard. This role is supported by the local team as well as by the staff from Aluflexpack Group. For PPS Einsiedeln the Chief Operating Officer (COO) takes this responsibility and is supported by the staff from Aluflexpack Group.
2.3a Environmental and Social Management Systems (environmental)	Conformance	The Drniš facility has implemented an Environmental Management System, certified to ISO 14001:2015 by an accredited certification body and being consistent with their ASI Performance Standard Certification Scope. PPS Einsiedeln has implemented an Environmental Management System which is appropriate for the size and nature of the business. Due to low environmental impact, the PPS management decided to not certify the environmental management system according ISO 14001.
2.3b Environmental and Social Management Systems (social)	Conformance	The Entity has documented and implemented a Social Management System (Aluflexpack Drniš: SMETA, ECOVADIS Silver, PPS Einsiedeln: SMETA). There were no non-conformities open from the latest audit in 2019. PPS Einsiedeln joined the 'Great Place to Work' initiative and seeks an according certification. PPS Einsiedeln does not hold ISO 45001 certification.

CRITERION	RATING	COMMENT
		The Drniš facility has a H&S Manager and a full-time H&S Specialist on-site.
2.4 Responsible Sourcing	Conformance	<p>The Aluflexpack Group has issued its Responsible Sourcing Policy. However, this policy is not yet publicly available. Suppliers are asked to acknowledge the Group's Code of Conduct in writing.</p> <p>Note: The Entity is not sourcing raw materials themselves. Instead, raw material purchasing is a central function within the Aluflexpack Group.</p>
2.5 Impact Assessments	Not Applicable	A procedure specifying how to manage large projects is established. Since the Entity's parent company joined ASI, there were no ongoing projects which required the Entity to assess cultural and human rights impacts.
2.6 Emergency Response Plan	Conformance	The Entity has site specific Emergency Response Plans developed and implemented in collaboration with relevant stakeholders (e.g. fire brigade in Drniš, landlord in Einsiedeln). The Drniš facility also holds an ISO 14001 certification which is current to the site's certification scope under the ASI Performance Standard.
2.7 Mergers and Acquisitions	Conformance	<p>The Entity did not undergo or plan a merger or acquisition (M&A) since Aluflexpack joined ASI. However, a process has been defined to manage M&A's, should it become relevant.</p> <p>Note: M&A are managed on Group level, not by the Entity.</p>
2.8 Closure, Decommissioning and Divestment	Conformance	<p>The Entity did not undergo or plan a closure, decommissioning or divestment since joining ASI. However, a process has been defined to manage closure, decommissioning or divestment, should it become relevant. It is defined that environmental, social and governance issues shall be reviewed in such a case.</p> <p>Note: Closure, decommissioning and divestment are managed on Group level, not by the Entity.</p>
PRINCIPLE 3 TRANSPARENCY		
3.1 Sustainability Reporting	Conformance	At the time of the audit, the Aluflexpack Group had issued its Sustainability Report 2020 to report its governance approach and material environmental, social and economic (ESG) impacts on Group level. The report is based on GRI G4 criteria:

CRITERION	RATING	COMMENT
		https://www.aluflexpack.com/downloads/ The Group's 2021 Sustainability & ESG Report is foreseen for publication in late 2022.
3.2 Non-compliance and liabilities	Conformance	Information on fines and lawsuits is included in the Sustainability Report 2020, page 45, accessible via: https://www.aluflexpack.com/de/downloads There were no significant fines, judgments, penalties and non-monetary sanctions enforced in 2019 and 2020.
3.3a Payments to governments (legal and contractual)	Conformance	The Entity has developed and implemented policies, systems, procedures and processes that conform to anti-corruption requirements related to payments to governments and facilitation of payments. Internal audits are undertaken by the Aluflexpack Group and external tax auditors periodically check the legitimacy of payments. The Entity has no commercial business with governments, state organisations or authorities.
3.3b Payments to governments (disclosure - bauxite mining)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
3.4 Stakeholder complaints, grievances and requests for information	Conformance	The Entity has established accessible Complaints Resolution Mechanisms, adequate to address stakeholder complaints, grievances and requests for information relating to its operations. A dedicated email address has been established and is accessible for all stakeholders: https://www.aluflexpack.com/de/kontakt and https://aluflexpack.integrityline.com/frontpage Two physical letterboxes installed in the Drniš plant provide for anonymous worker complaints. Due to the size and nature of the business, stakeholders can also easily reach top management directly. The grievance mechanism for the employees is part of a collective agreement with Drniš plant worker representation.
PRINCIPLE 4 MATERIAL STEWARDSHIP		
4.1a Environmental Life Cycle Assessment (life cycle impacts)	Conformance	The Entity has evaluated the life cycle impacts of its major product line (coffee pods) in a Life Cycle Assessment. The study comprises both the processing step carried out by the Drniš facility and the activities of PPS Einsiedeln.
4.1b Environmental Life Cycle Assessment (cradle to gate)	Not Applicable	This Criterion is not applicable at present, as witnessed by the Entity's management, there have

CRITERION	RATING	COMMENT
		been no customer requests for a cradle-to-gate Life Cycle Assessment on its products yet.
4.1c Environmental Life Cycle Assessment (public communication)	Conformance	At present, the Entity does not intend to publish the Life Cycle Assessment (LCA).
4.2 Product design	Conformance	<p>The Entity is not in charge of product design, as R&D is a central function within the Aluflexpack Group. The Group is working on three relevant projects to enhance sustainability including the development of materials with lower environmental footprint; fewer resources used in manufacturing and single portion packaging to prevent (food) waste.</p> <p>Refer to Aluflexpack's Sustainability Report, page 57, for the position regarding sustainable product development and design:</p> <p>https://www.aluflexpack.com/wp-content/uploads/2021/12/Aluflexpack-Group_Sustainability-report-2020.pdf</p>
4.3a Aluminium Process Scrap (targets)	Conformance	<p>The Drniš facility has established a detailed plan to minimize the generation of Aluminium Process Scrap within its own operations. The Einsiedeln plant has already achieved a production process with low generation of avoidable scrap (approximately 0,05% by mass, excluding punching scraps).</p> <p>Both facilities have systems in place to collect 100% of its Aluminium Process Scrap.</p>
4.3b Aluminium Process Scrap (alloy separation)	Conformance	The Entity uses alloyed aluminium which scrap is not collected separately, because of only slightly different alloy content, which is recycled in the same way.
4.4a Collection and recycling of products at end-of-life (strategy)	Conformance	<p>The Entity has joined CEFLEX, an organisation striving to establish a collection, sorting and reprocessing infrastructure and economy for post-consumer flexible packaging across Europe, refer to the website:</p> <p>https://ceflex.eu/who-we-are/</p> <p>Note: As the Entity has solely B2B business, they don't directly interact with consumers.</p>
4.4b Collection and recycling of products at end-of-life (engagement)	Minor Non-Conformance	The Entity has provided evidence that they engage with recycling systems to support efforts to increase recycling rates for their products. One measure is the membership with the 'HolyGrail 2.0' initiative which provides a goal to assess whether a pioneering digital technology can enable better sorting and

CRITERION	RATING	COMMENT
		higher-quality recycling rates for packaging in the EU. For further information refer to: https://www.digitalwatermarks.eu
PRINCIPLE 5 GREENHOUSE GAS EMISSIONS		
5.1 Disclosure of GHG emissions and energy use	Minor Non-Conformance	The Aluflexpack Group has disclosed its material Greenhouse Gas (GHG) emissions and energy use by source in its Sustainability Report 2020, page 64: https://www.aluflexpack.com/de/downloads However, the data is aggregated on Group level and is not specific to the Entity.
5.2 GHG emissions reductions	Minor Non-Conformance	In the Aluflexpack Group Sustainability Report 2020, the Entity made public its commitment to manage and decrease GHG emissions and contribute to the UN Sustainable Development Goals, Paris Agreement goals and EU's Green Deal: https://www.aluflexpack.com/wp-content/uploads/2021/02/Aluflexpack-Gruppe_Nachhaltigkeitsbericht_2019.pdf However, these objectives were not specific and not time-bound.
5.3a Aluminium Smelting (management system)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.3b Aluminium Smelting (up to and including 2020)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.3c Aluminium Smelting (after 2020)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
PRINCIPLE 6 EMISSIONS, EFFLUENTS AND WASTE		
6.1 Emissions to Air	Minor Non-Conformance	Emissions to Air are reported in the Aluflexpack Group Sustainability Report 2020 on page 64: https://www.aluflexpack.com/de/downloads In this report, data is reported on Group level and is not specific to the Entity. CO ₂ is the only relevant type of GHG emission reported. Other parameters of relevance (such as NO _x , SO _x , CO, PM ₁₀) are not yet included.
6.2 Discharges to Water	Conformance	The Einsiedeln facility is located in a rented building and the production process does not require any water, only sanitary waste water is discharged into the publicly owned treatment works. The Drniš facility manages two types of waste water (sanitary and storm water) and both are

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		collected separately. Sanitary water is biologically treated and then seeped into the ground. The quality of this effluent is being checked annually by an external laboratory (state owned). Reviewed lab results confirm the proper functioning of the biological treatment. At present, the site has no connection to the publicly owned treatment works. The quantity of fresh water is measured on a monthly basis.
6.3a Assessment and Management of Spills and Leakage (assessment)	Conformance	Within the scope of its environmental management system, the Entity periodically identifies and evaluates major risk areas of operations where Spills and Leakage may contaminate air, water or soil.
6.3b Assessment and Management of Spills and Leakage (management)	Conformance	The Entity has a management programme in place to prevent and detect Spills and Leakage. External communication is specified in the Entity's alarm and action plan. Emergency preparedness at the Drniš facility is addressed by the ISO 14001 certification.
6.4a Reporting of Spills (immediate disclosure)	Conformance	The Einsiedeln facility is located within the owners' production building and the owner also provides the emergency organisation. There have been no reportable Spills. Management is aware of the requirement to inform authorities should a major spill occur. At the Drniš facility, the requirement to disclose to affected parties the volume, type and (potential) impact of significant Spills is addressed via the ISO 14001 certification.
6.4b Reporting of Spills (regular reporting)	Not Applicable	As confirmed by the management at both facilities, there were no relevant Spills or uncontrolled release of hazardous material at the sites since the parent company, Aluflexpack, joined ASI.
6.5a Waste management and reporting (strategy)	Conformance	The Entity has adopted a formal waste strategy, designed in accordance with the Waste Mitigation Hierarchy. It is documented in the management manual.
6.5b Waste management and reporting (disclosure)	Minor Non-Conformance	The Drniš facility reports on waste an annual basis to the relevant authority. Data is accessible (Croatian language only) via: http://roo.azo.hr/ However, data on the quantity of Hazardous and Non-Hazardous Waste generated by the Einsiedeln

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		facility and the associated waste disposal methods are not publicly available.
6.6a Bauxite Residue (storage construction)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6b Bauxite Residue (integrity checks and controls)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6c Bauxite Residue (water discharge)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6d Bauxite Residue (marine and aquatic environments)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6e Bauxite Residue (start of the art technologies)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6f Bauxite Residue (remediation)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7a Spent Pot Lining (SPL) (storage and management)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7b Spent Pot Lining (SPL) (recovery and recycling)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7c Spent Pot Lining (SPL) (Untreated SPL)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7d Spent Pot Lining (SPL) (review of alternatives)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7e Spent Pot Lining (SPL) (marine and aquatic environments)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8a Dross (recovery)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8b Dross (recycling)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8c Dross (review of alternatives)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
PRINCIPLE 7 WATER STEWARDSHIP		
7.1a Water assessment (mapping)	Conformance	The Drniš facility has identified and mapped its water withdrawal and use. Municipal water for kitchen, sanitary purposes and landscaping is used. The quantity used is not relevant for the environment or the community (less than 7000 m ³ /year).

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		This Criterion is not applicable to the Einsiedeln facility as the site only uses water for kitchen and sanitary purposes. All water is supplied by the municipality and discharged into the public sewer system.
7.1b Water assessment (risk assessment)	Not Applicable	The Criterion is not applicable as the Entity does not extract water from watersheds and uses only a small amount of municipal water (less than 1000 m ³ /year for Einsiedeln and 7000 m ³ /year for Drniš).
7.2a Water management (management plans)	Not Applicable	The Criterion is not applicable as the Entity's evaluation did not identify a significant risk, as the annual usage of spring water is low and the production site is not located in a water scarce area.
7.2b Water management (monitoring)	Not Applicable	The Criterion is not applicable as the Entity's evaluation did not identify a significant risk, as the annual usage of spring water is low and the production site is not located in a water scarce area.
7.3 Disclosure of water usage and risks	Minor Non-Conformance	On an annual basis, the Drniš facility reports data on their water usage to the environmental authority. Data is accessible from the authority's website (Croatian language only) via: http://roo.azo.hr/ For the Einsiedeln facility, there are no data reported for water withdrawal and use and information on water-related risks are not made publicly available.
PRINCIPLE 8 BIODIVERSITY		
8.1 Biodiversity assessment	Conformance	This Criterion is not applicable to the Einsiedeln facility, as the site operates in a rented space (approximately 2500 m ²) within the building. There are no risks identified and materiality is considered as low. The site has no relevant outdoor area. For the Drniš facility, the Entity has commissioned a biodiversity assessment by a specialized consultant. The only relevant risk identified are Alien Species.
8.2a Biodiversity management (biodiversity action plans)	Conformance	Based on the biodiversity assessment (conducted by a specialized consultant), the Entity has implemented a Biodiversity Action Plan for the Drniš site. Implementation is monitored periodically and the only relevant risk identified are Alien Species'. This Criterion is not applicable to the Einsiedeln

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		facility as the site operates in a rented space. There are no risks identified and materiality is considered as low. The site has no relevant outdoor area.
8.2b Biodiversity management (consultation and mitigation hierarchy)	Conformance	<p>The Entity has established its Biodiversity Action Plan for the Drniš facility. There is ongoing consultation with external stakeholders (e.g. biodiversity consultant) on the management plans and controls.</p> <p>This Criterion is not applicable to the Einsiedeln facility, as the site operates in a rented space. There are no risks identified and materiality is considered as low. The site has no relevant outdoor area.</p>
8.2c Biodiversity management (reporting)	Conformance	<p>Due to the nature of the business, the effects of operation with regard to Biodiversity are limited. The Entity has established a (monthly) reporting mechanism on Alien Species.</p> <p>It is planned to include biodiversity aspects in the Group's sustainability reporting as soon as results of the implementation of the Entity's recently established Biodiversity Action Plan are available.</p> <p>This Criterion is not applicable to the Einsiedeln facility, as the site is operating in a rented space. There are no risks identified and materiality is considered as low. The site has no relevant outdoor area.</p>
8.3 Alien Species	Conformance	The Entity has assessed the risk of Alien Species and established a procedure for management. The relevant persons have been trained accordingly.
8.4a Commitment to "No Go" in World Heritage properties (exploration and new mines)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.4b Commitment to "No Go" in World Heritage properties (existing operations)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.5a Mine rehabilitation (best available techniques)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.5b Mine rehabilitation (financial provisions)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
PRINCIPLE 9 HUMAN RIGHTS		
9.1a Human Rights Due Diligence (policy)	Conformance	Aluflexpack Group has issued its Code of Conduct, which refers the International Bill of Human Rights as binding principles for the Group.

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9.1b Human Rights Due Diligence (process)	Major Non-Conformance	The Entity has conducted a documented Human Rights Due Diligence Assessment with consultation of internal stakeholders. It did not identify material Human Rights issues. However, the assessment did not address the business of the Einsiedeln facility.
9.1c Human Rights Due Diligence (remediation)	Minor Non-Conformance	According to the Human Rights Due Diligence assessment, there are no material or 'high' human rights issues identified which are related to the Entity. Risks that had been rated as 'medium' have been addressed. However, the assessment did not address the business of the Einsiedeln facility.
9.2 Women's Rights	Conformance	The Entity has developed and implemented policies, systems, procedures and processes that conform to the women's rights requirements. During the audit, no indication for deliberate discrimination of women was identified.
9.3 Indigenous Peoples	Not Applicable	This Criterion does not apply to the Entity, located in middle and south-eastern Europe, as Indigenous Peoples or their lands, territories and resources are not directly affected by the Entity's operations.
9.4 Free, Prior, and Informed Consent (FPIC)	Not Applicable	This Criterion does not apply to the Entity, located in middle and south-eastern Europe, as Indigenous Peoples or their lands, territories and resources are not directly affected by the Entity's operations.
9.5 Cultural and sacred heritage	Not Applicable	This Criterion does not apply to the Entity, located in middle and south-eastern Europe, as Indigenous Peoples or their lands, territories and resources or sacred or cultural heritage sites and values within the Entity's area of influence are not directly affected by the Entity's operations.
9.6a Resettlements (avoid or minimise)	Not Applicable	This Criterion does not apply to the Entity as no Resettlements are being considered or have taken place during the period since joining ASI, or expected to occur during the certification period. Indigenous Peoples are not directly affected by the Entity's operations.
9.6b Resettlements (where unavoidable)	Not Applicable	This Criterion does not apply to the Entity as no Resettlements being considered or have taken place during the period since joining ASI, or expected to occur during the certification period. Indigenous Peoples are not directly affected by the Entity's operations.

CRITERION	RATING	COMMENT
9.7a Local Communities (rights and interests)	Not Applicable	The Entity respects the legal and customary rights and interests of Local Communities. All relevant activities are subject to a permitting process and the Entity maintains adequate contact to community officials. However, this Criterion of the ASI Performance Standard does not apply to the Entity as the outcome of the Human Rights Due Diligence conducted has confirmed that there are no issues with Local Communities and therefore no need for action.
9.7b Local Communities (impacts)	Not Applicable	The Entity respects the legal and customary rights and interests of Local Communities. All relevant activities are subject to a permitting process and the Entity maintains adequate contact to community officials. However, this Criterion of the ASI Performance Standard does not apply to the Entity as the outcome of the Human Rights Due Diligence conducted has confirmed that there are no issues with Local Communities and therefore no need for action.
9.7c Local Communities (livelihoods)	Not Applicable	This Criterion does not apply to the Entity as the outcome of the Human Rights Due Diligence conducted confirmed there are no material issues with the Local Community and therefore no need for action.
9.8 Conflict-Affected and High-Risk Areas	Conformance	The Entity's two sites are not located in or near a Conflict-Affected or High-Risk Area. During the assessment, there were no indications observed that the Entity would contribute to armed conflict or Human Rights abuses in Conflict-Affected and High-Risk Areas. The Entity does not purchase metals, obtaining all raw materials from the parent company.
9.9 Security practice	Conformance	The Entity does not employ armed security forces. During the Entity's human rights risk assessment, no specific risks related to security practices were identified, which was also confirmed by worker interviews.
PRINCIPLE 10 LABOUR RIGHTS		
10.1a Freedom of Association and Right to Collective Bargaining (freedom of association)	Conformance	The Entity respects the rights of Workers to unite freely in the Unions, seek representation and join the Workers' Council without interference. At the Drniš site, a freely elected worker representation is in place and a collective bargaining agreement with the syndicates has been negotiated. At the smaller

CRITERION	RATING	COMMENT
		Einsiedeln facility, there is no worker representation established.
10.1b Freedom of Association and Right to Collective Bargaining (collective bargaining)	Conformance	As verified by document review and interviews, the Entity does respect the right of Collective Bargaining. There is a recent binding collective bargaining agreement on site level in place for the Drniš facility but not for the Einsiedeln facility.
10.1c Freedom of Association and Right to Collective Bargaining (alternative means)	Not Applicable	This Criterion is not applicable to the Entity as in Croatia and Switzerland, the countries in which the Entity operates, Applicable Law does neither restrict the right to Freedom of Association nor Collective Bargaining.
10.2a Child Labour (minimum age)	Conformance	The Entity does neither use nor support the use of Child Labour. The minimum working age of 15 years is respected and both sites only hire adults (due to shift work). At the Drniš facility, the youngest worker was 18 years old and at the Einsiedeln facility, 25 years old at the time of the audit.
10.2b Child Labour (hazardous)	Conformance	The Entity does neither use nor support the use of Child Labour. The minimum working age of 15 years is respected. All workers are adult (i.e. 18 years old or older). Interviews and document review confirmed the absence of minors and hence, there is no Hazardous Child Labour.
10.2c Child Labour (worst forms)	Conformance	The Entity does neither use nor support the use of Child Labour. The minimum working age of 15 years is respected. All workers are adult (i.e. 18 years old or older). Interviews and document review confirmed the absence of minors and hence, the Entity is not engaging in any Child Labour.
10.3a Forced Labour (human trafficking)	Conformance	As confirmed by the Entity's Human Rights Due Diligence assessment and further document review, the report of a recent third party social audit (SMETA) at the Drniš facility, site tours as well as worker and management interviews, the Entity does neither engage in nor support the use of Forced Labour.
10.3b Forced Labour (deposits, fees, advances)	Conformance	The Entity does neither engage in nor support the use of Forced Labour. The Entity does not require any form of deposit, recruitment fee or equipment advance from Workers either directly or through employment or recruitment agencies, as confirmed by interviews and document review.

CRITERION	RATING	COMMENT
10.3c Forced Labour (migrant workers)	Conformance	The Entity does neither engage in nor support the use of Forced Labour. The Entity currently does not employ Migrant Workers at the Drniš facility, as confirmed by interviews and document review. At the Einsiedeln facility, Migrant Workers are present. Interviews confirmed they did not lodge any deposits or security payments at any time.
10.3d Forced Labour (debt bondage)	Conformance	The Entity does neither engage in nor support the use of Forced Labour. The Entity does not hold Workers in debt bondage or force them to work in order to pay off a debt, as confirmed by interviews and document review.
10.3e Forced Labour (freedom of movement)	Conformance	The Entity does neither engage in nor support the use of Forced Labour. The Entity does not unreasonably restrict the freedom of movement of Workers in the workplace, as confirmed by interviews and document review. The site does not employ any armed security staff.
10.3f Forced Labour (retention of identity papers, permits, certificates)	Conformance	Interviews with workers and management as well as document review confirmed that the Entity does neither engage in nor support the use of Forced Labour.
10.3g Forced Labour (freedom to terminate employment)	Conformance	The Entity does neither engage in nor support the use of Forced Labour. The Entity does not deny Workers the freedom to terminate their employment at any time without penalty, given notice of reasonable length, as confirmed by interviews and document review.
10.4 Non-Discrimination	Conformance	The Entity is committed to Non-Discrimination and communicates this commitment in its ethical code. Interviews and document review did not indicate that the Entity would engage in or support Discrimination for the grounds mentioned in this Criterion.
10.5 Communication and engagement	Conformance	As confirmed by interviews and document review, the Entity does ensure open communication and direct engagement with Workers. At the Drniš site, a joint health and safety committee is established and an anonymous letterbox for raising suggestions or concerns is available. Workers meet daily with their superiors to discuss work related issues. The Entity practices an 'open door' policy. At the Drniš facility, Workers can address their concern also via the Worker representation and their Union. Complaint resolution is specified in the 'work rules'.

CRITERION	RATING	COMMENT
		Note: the right of a worker representation exists in Switzerland only for sites with 50 employees or more. Members of the worker representatives must not be "disadvantaged" by the employer during and after the exercise of their mandate. There is no special protection against dismissal. Only the general provisions of the law in the event of abusive termination apply.
10.6 Disciplinary practices	Conformance	As confirmed by interviews and document review, the Entity does neither engage in nor tolerate the use of inadequate and unacceptable treatment of Workers as mentioned in the requirements of this Criterion.
10.7a Remuneration (living wage)	Conformance	For their Drniš facility, the Entity has a collective bargaining agreement. Interviews and document review confirmed that at both sites, the Entity pays Workers according to the industry standard, which is well above minimum wage.
10.7b Remuneration (method of payment)	Conformance	As confirmed by Worker and management interviews as well as document review, payments are made timely (end of month), in legal tender (bank transfer) and fully documented (pay slip).
10.8 Working Time	Conformance	Working Time is part of each employment contract. Standard hours per week at the Drniš facility is 40 hours, whilst at Einsiedeln it is 37.5 hours for shift Workers, and 42 hours for other Workers. A clocking-in system is in place and records are available. Overtime is voluntary and due to the existing shift system in place, is very limited.
PRINCIPLE 11 OCCUPATIONAL HEALTH AND SAFETY		
11.1a Occupational Health and Safety (OH&S) Policy (policy)	Conformance	The Entity has issued and internally communicated its Occupational Health and Safety (OH&S) Policy. However, it is not publicly available. The Entity is continually working to implement the Policy. Part of these efforts is the preparation for ISO 45001 certification of the Drniš facility.
11.1b Occupational Health and Safety (OH&S) Policy (workers and visitors)	Conformance	As confirmed by interviews, the Entity applies its Occupational Health and Safety Policy to all Workers and Visitors present at the site.
11.1c Occupational Health and Safety (OH&S) Policy (applicable law and standards)	Conformance	A commitment to meet legal requirements is included in the Entity's Occupational Health and Safety Policy Statement.

CRITERION	RATING	COMMENT
11.1d Occupational Health and Safety (OH&S) Policy (right to stop unsafe work)	Conformance	The Entity has issued its Occupational Health and Safety Policy. This Policy includes the Workers' right to stop unsafe work. It is contained in the Entity's corporate manual (June 2021). The Policy has been communicated to the Workers.
11.2 OH&S Management System	Minor Non-Conformance	The Entity has a Management System for Occupational Health and Safety (OH&S) in place, as confirmed by interviews and document review. The Drniš facility has successfully undergone external assessments (SMETA and ECOVADIS) of its Management System. The Entity is not yet certified according to ISO 45001. However, at the time of the audit, the Entity's OH&S Management System was not fully effective, as the current construction site in Drniš was not monitored as appropriate. During the site visit, Workers were observed on the construction site working without required personal protective equipment, although an external safety co-ordinator had been engaged.
11.3 Employee engagement on health and safety	Conformance	The Entity has mechanisms in place to discuss Occupational Health and Safety issues with management and Workers (e.g. joint health and safety committee at the Drniš facility and regular shift meetings at the Einsiedeln facility).
11.4 OH&S performance	Minor Non-Conformance	As confirmed by documented evidence, the Entity has developed and monitors various lagging indicators (such as accident and illness rates) on a monthly basis. Data for leading indicators are on hand but at the Drniš site, they are not yet fully employed to systematically monitor and evaluate the site's Occupational Health and Safety (OH&S) performance. Currently there is no specific OH&S action plan in place.

Document Control and Version History

Revision	Date	Notes
0	27 April 2021	Initial Certification Audit – Provisional Certification
1	13 October 2021	Surveillance Audit – Full Certification
2	4 July 2022	Scope Change Audit to include the Einsiedeln facility (Switzerland). Certification Status changed to Provisional.