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# OUR PLANET IS NOT RECYCLABLE. BUT OUR PACKAGING IS.

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**THE UNABRIDGED VERSION OF THIS REPORT  
CAN BE FOUND AT:**

[sustainability-report18.alpla.com](https://sustainability-report18.alpla.com)

— ALPLA HEADQUARTERS IN HARD

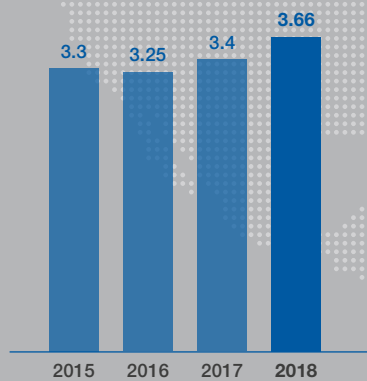




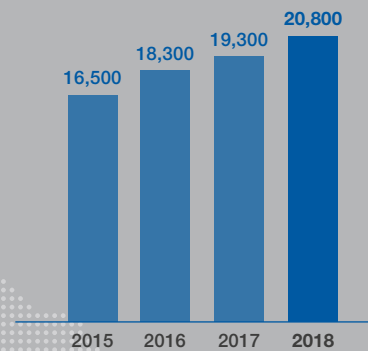
ALPLA

# — ALPLA AT A GLANCE

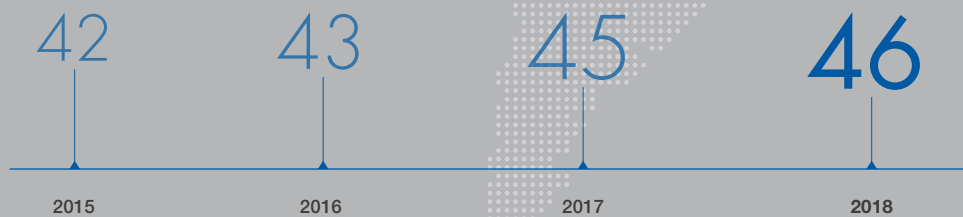
REVENUE IN BILLIONS OF EUROS



EMPLOYEES WORLDWIDE IN NUMBER OF PEOPLE

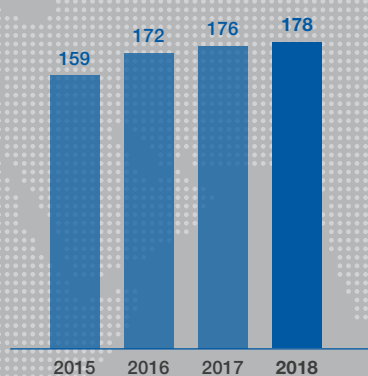


COUNTRIES

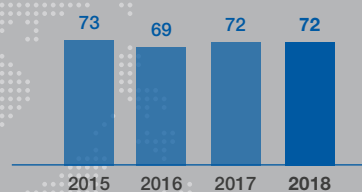


ALPLA is one of the world's leading manufacturers of innovative plastic packaging. We produce packaging systems, bottles, caps and injection-moulded parts of the highest quality.

PRODUCTION PLANTS (INCL. IN-HOUSE)



IN-HOUSE



Our customers include both global companies and regional businesses. Our products are used in many different areas. We develop customised packaging solutions for food and drinks, cosmetics and care products, household cleaning agents, detergents, engine oils and lubricants, and pharmaceutical products.

As a modern family-owned enterprise, ALPLA has strong links to its roots and also adopts a future-oriented approach. Profitable growth offers peace of mind both to our employees and to our customers and partners. Sustainability and in particular the environmentally conscious use of resources are the basis of our business activities, ensuring that future generations can live in a healthy environment too.



**Dear Employees,  
Esteemed Business Partners and Customers,**

Public interest in plastics has rarely been as pronounced in ALPLA's 60 years as a company as it has been in recent months. The image of this material has suffered due to ever greater pollution of the environment, with plastic packaging being the focus of public attention here in particular. Media reports have played a part in making issues such as marine littering and microplastics highly emotive topics of debate. Nonetheless, plastic has become part and parcel of everyday life. Without it, there would be no aeroplanes, no life-saving operations and no hygienically packaged food.

What does this mean for ALPLA? What effect does the current situation have on a global enterprise that produces packaging solutions made of plastic? Our response is that the responsible use of resources is now more important than ever before. But we must also see to it that everyone within the value chain appreciates the value of resources and contributes to a functioning circular economy.

**“WE FIRMLY BELIEVE THAT PLASTIC IS A MATERIAL WITH A FUTURE. AND WE ARE SHAPING THIS FUTURE WITH RESPONSIBILITY, PRUDENCE AND FORESIGHT.”**

*Günther Lehner, CEO*

**Design for recycling – the key to sustainable packaging solutions**

For ALPLA, this means we are already considering the entire life cycle while designing our packaging solutions. How can we design packaging in such a way that it can be recycled after use? Where can we reduce the use of materials and additives while continuing to offer impressive functions? Our global presence allows us to set industry benchmarks: these high standards apply at 178 plants in 46 countries around the world, with our tailored product development and our in-house toolmaking and special-purpose engineering serving to guarantee these high quality standards.

**Expansion of recycling activities**

A major advantage of plastics is their good recyclability. ALPLA has decades of experience in particular with regard to PET, which is used a great deal.

We operate our own recycling plants in Austria and Poland, one in the form of a joint venture in Mexico and another as a partnership in Germany. These activities are to be further expanded, including in the area of HDPE. In October 2018, ALPLA signed the Global Commitment of the New Plastics Economy, an initiative of the renowned Ellen MacArthur Foundation, thereby committing to achieving ambitious targets by 2025. ALPLA is also looking into alternative, bio-based materials.

Plastic must be seen as a valuable material. It is too good to throw away and should be collected, sorted and reused instead. The right infrastructure and a functioning collection and waste management system are needed if the success of past endeavours is to be continued. Then each and every individual really could play their part.



Günther Lehner  
Chief Executive Officer

— THIS THIRD SUSTAINABILITY REPORT TELLS YOU ALL ABOUT OUR ACHIEVEMENTS AND OUR TARGETS FOR SUSTAINABLE DEVELOPMENT.

## ABOUT THIS REPORT

This abridged version of the third ALPLA sustainability report provides information about the relevant economic, environmental, societal and social developments in the financial years 2016, 2017 and 2018.

The information presented here relates to all the ALPLA locations around the world, including in-house plants and joint ventures. We prepared this report in accordance with the sustainability reporting standards of the Global Reporting Initiative (GRI) ('Core' option). It has not been externally audited.



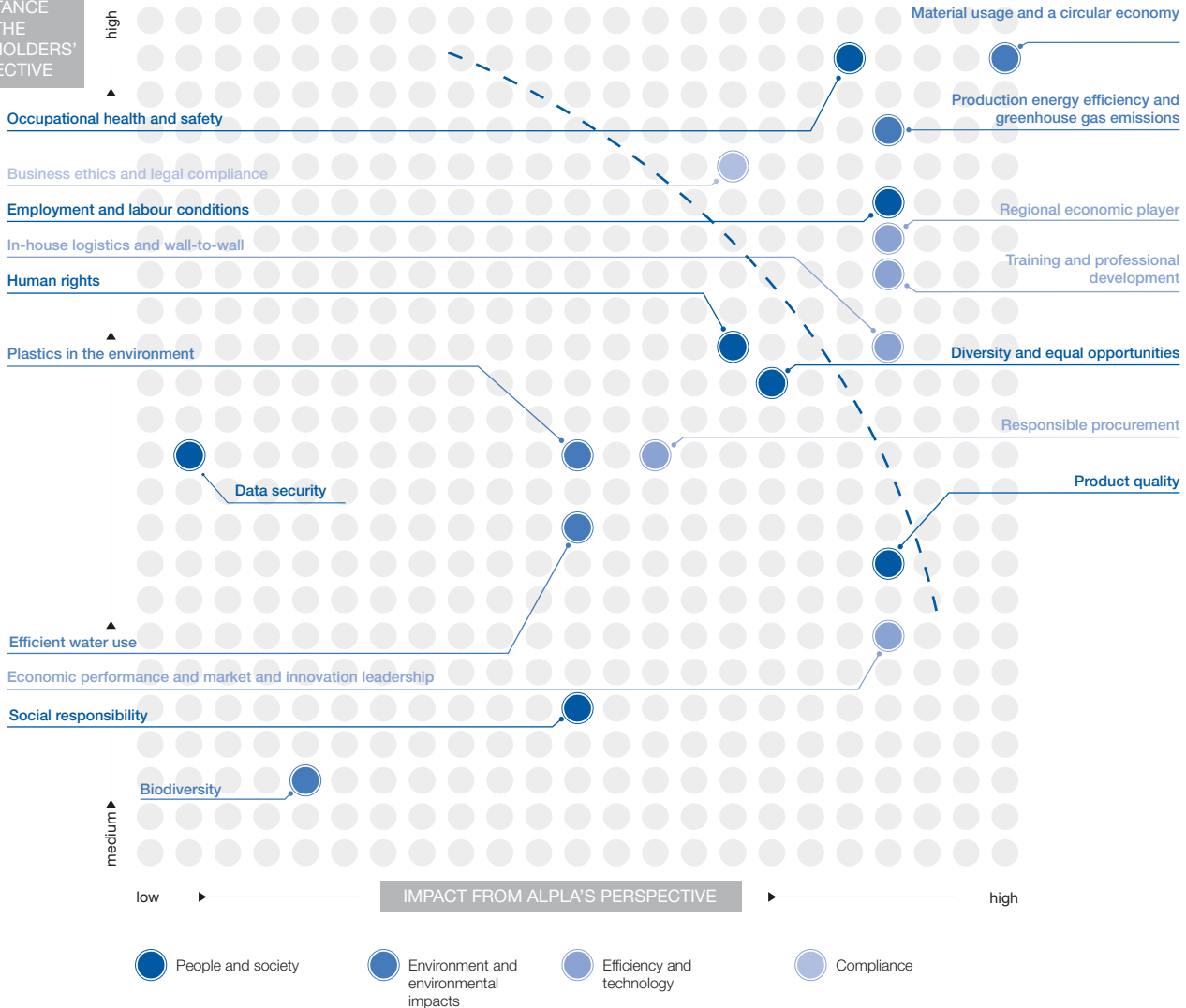
The full report is available online:  
[sustainability-report18.alpla.com](https://sustainability-report18.alpla.com)



ALPLA Sustainability  
Steering Council  
(From left): Klaus Allgäuer,  
Linda Mauksch, Hermann  
Riedlisperger, Rogelio de  
la Rosa, Nicolas Lehner,  
Christoph Hoffmann,  
Hanspeter Hollender,  
Günther Lehner, Dietmar  
Marin, Nicole Köcher and  
Christian Buchgraber

ALPLA'S 2018 MATERIALITY MATRIX

IMPORTANCE FROM THE STAKEHOLDERS' PERSPECTIVE



Before preparing the report, we asked our stakeholders which issues they thought were especially important. The Sustainability Steering Council started by defining 31 relevant issues and the stakeholder groups to be surveyed. In a second step, selected employees from different levels and regions as well as customers, suppliers and representatives of the owner family were sent a written questionnaire.

The stakeholders evaluated each of the 31 issues according to their significance in relation to ALPLA's business activities. This report outlines our performance in these areas and highlights our progress compared to previous years as well as our measures and targets. The topics of 'Plastics in the environment'

and 'Economic performance and market and innovation leadership' fall below the threshold for inclusion. We have nonetheless addressed these in this report due to their significance for the future of the packaging industry.

— WE ARE DELIGHTED TO RECEIVE FEEDBACK AND SUGGESTIONS FROM OUR READERS AT [SUSTAINABILITY@ALPLA.COM](mailto:SUSTAINABILITY@ALPLA.COM).

## WE WILL ENSURE THAT ENVIRONMENTAL LEGISLATION AND REGULATIONS ARE COMPLIED WITH THROUGHOUT THE ORGANISATION AND THAT THERE ARE NO VIOLATIONS OF THESE.

**GOAL: Environment and socio-economic compliance**

### BUSINESS ETHICS AND LEGAL COMPLIANCE

We are constantly improving our compliance system in order to ensure legal conformity. On the one hand, this system ensures that legislative changes are taken into consideration as quickly as possible. On the other hand, it is our way of ensuring that changes are communicated and that their implementation is reviewed. The Compliance Management team is responsible for development of the ALPLA Code of Conduct and for compliance with all the legal provisions.

There were no notable violations in the reporting period and no legal proceedings were initiated against ALPLA.

**Our relations are shaped by fairness, respect and equal treatment.**

### Anti-corruption – Code of Conduct

As a global enterprise, ALPLA has a great deal of responsibility and lives up to its responsibilities with a sustainable company focus. The key principles here are fair and honest contact, a spirit of partnership, respectful treatment and mutual consideration, equal treatment of all individuals and law-abiding behaviour.

Safe, hygienic labour conditions and the strict observance of safety regulations are the cornerstones of our organisation. We do not tolerate any form of discrimination or sexual harassment. We do not tolerate child labour under any circumstances and we guarantee this by means of internal checks. Our operations are to a large extent shaped by the sustainable use of resources and comprehensive use of recycling options.

It is a matter of course for us to observe the legal provisions that apply in each country. In this context, we refer in particular to competition, antitrust and corruption laws.

# — ENVIRONMENT AND ENVIRONMENTAL IMPACTS



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As a manufacturing company, ALPLA is reliant on resources such as energy, gas, fossil resources and water. We are aware of how important it is to the future of the planet and to future generations that we use these resources efficiently. We seek to use resources wisely and we keep them within our production's materials cycle. The professional collection and reuse of plastics prevent them from polluting the environment and being harmful there.

We also focus our efforts on alternative materials and energy sources that conserve fossil resources. We keep emissions as low as possible. We offset greenhouse gas emissions that cannot be avoided by purchasing CO<sub>2</sub> certificates from high-quality climate protection projects.

# — ENVIRONMENT AND ENVIRONMENTAL IMPACTS

## ENERGY: PRODUCTION EFFICIENCY

Energy is an important factor in the processing of raw materials for plastic packaging. In this chapter, we focus on electrical energy, as electricity accounts for 95 per cent of our energy consumption, meaning it has the greatest influence on our overall production costs and on the environment.

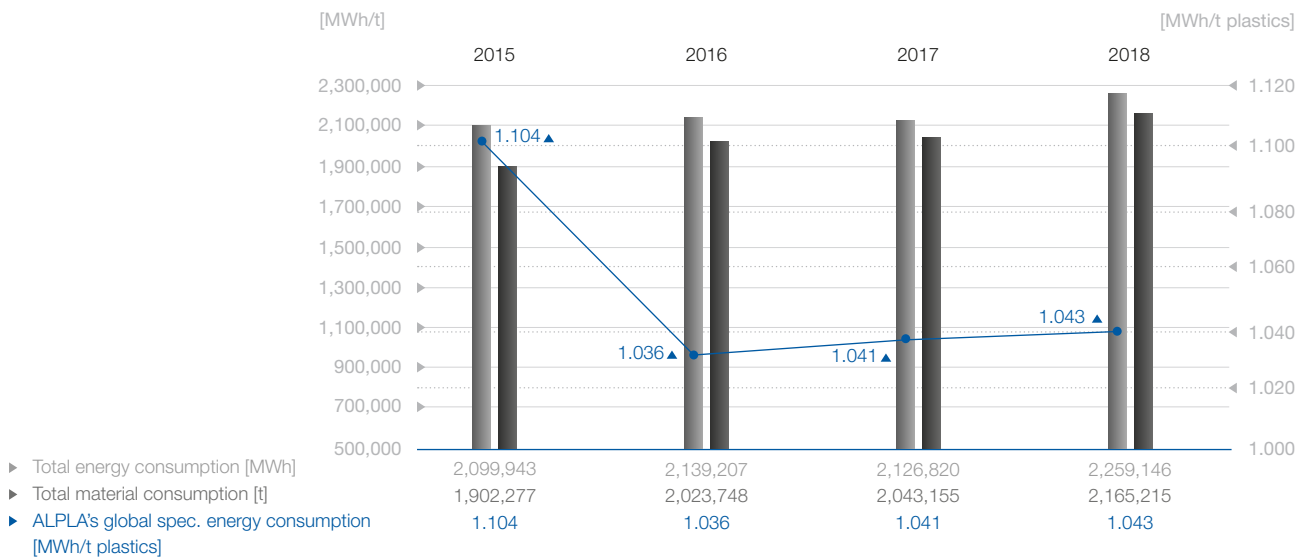
The key performance indicator of specific energy consumption expresses energy consumption in relation to the material processed. In 2018, total energy consumption per kilogram of material processed totalled 1.043 MWh/tonne (including technical centers and offices). We succeeded in reducing specific energy consumption by 6.6 per cent in the reporting period, from 1.104 MWh/tonne in 2015 to 1.043 MWh/tonne in 2018.

**It is a matter of course for us to use only the latest technologies in the interests of high customer benefits and the environment.**

ALPLA needed 2,260 GWh of electrical energy around the world in 2018, compared with 2,127 GWh in 2017.



DEVELOPMENT OF TOTAL ENERGY, MATERIAL AND SPECIFIC ENERGY CONSUMPTION



## WE WILL INCREASE OUR ENERGY EFFICIENCY GLOBALLY BY 3.5 PER CENT BY 2022 IN COMPARISON TO 2018.

**GOAL: Production energy efficiency and greenhouse gas emissions**



### Energy management at ALPLA

Systematic energy management plays a part in sustainably reducing energy consumption, energy costs and emissions. A dedicated team conducts plant energy assessments at selected sites. Five to six locations are assessed each year on average. Our experts analyse the production plants' energy consumption and efficiency, and draw up a tailored action plan for each plant.

For us, it is essential that the plants' specific energy consumption is reduced or remains stable based on the same configuration. This is guaranteed on the basis of ongoing checks, employee training and, if necessary, swift intervention.

Fossil fuels are increasingly being replaced by renewable energy sources. ALPLA in Vorarlberg has been sourcing its electricity exclusively from hydroelectric power since 2018, for example, while in other regions wind power is used.

## BY 2022, WE WILL RUN ALL OF OUR AUSTRIAN PRODUCTION PLANTS USING NOTHING BUT RENEWABLE ENERGY.

**GOAL: Production energy efficiency and greenhouse gas emissions**

## ALL THE AUSTRIAN SITES WILL OPERATE ENTIRELY CARBON-NEUTRALLY BY 2020.

**GOAL: Production energy efficiency and greenhouse gas emissions**

### GREENHOUSE GAS EMISSIONS

#### Carbon emissions

Carbon dioxide (CO<sub>2</sub>) and other greenhouse gas emissions are caused by our production operations, operating materials, the transportation of our products, packaging and our employees.

Since 2007, we have been systematically recording the emissions caused by ALPLA's electricity consumption (Scope 2<sup>1</sup>). Scope 1<sup>2</sup> and Scope 3<sup>3</sup> emissions have likewise been calculated since 2018. This data serves as the basis for strategic measures that reduce and offset the emissions we cannot avoid.

'Global warming is advancing rapidly, having an extreme impact on mankind and nature. We must act now. ALPLA is taking steps to reduce its absolute carbon emissions by 10 per cent by 2022,' says Linda Mauksch, Corporate Sustainability Manager at ALPLA.

Since 2018, we have been offsetting the Scope 1 and Scope 3 emissions recorded for our headquarters in Hard and for the Fußbach site through the Climate Neutrality Alliance 2025.

#### Emissions reduction

To obtain company-wide, comparable data, we contrast the relevant emissions with the materials used. We call this key performance indicator 'specific CO<sub>2</sub> equivalent per tonne of material' (t CO<sub>2</sub> equiv./t material). ALPLA caused carbon emissions totalling 0.44 tonnes per tonne of material in 2017; in 2018, it was 0.45 tonnes per tonne of material. This slight increase in emissions is attributable to growth in countries with a CO<sub>2</sub>-heavy electricity mix.

We report our data which is relevant to the climate, such as energy and water consumption and also the carbon emissions caused by our production, through the Carbon Disclosure Project (CDP).

1 **Scope 2:** All greenhouse gas emissions caused by power and heat generation outside of our company.

2 **Scope 1:** Direct emissions caused by the combustion of fossil fuels within a company – in the case of ALPLA, its fleet and refrigerants, for example.

3 **Scope 3:** Indirect emissions relating to the production of externally sourced materials – in the case of ALPLA, examples are the plastics it uses, the IT infrastructure and business travel.

## WE WILL REDUCE OUR ABSOLUTE CARBON EMISSIONS (SCOPES 1, 2 AND 3) BY 10 PER CENT BY 2022 IN COMPARISON TO 2018.

**GOAL: Production energy efficiency and greenhouse gas emissions**

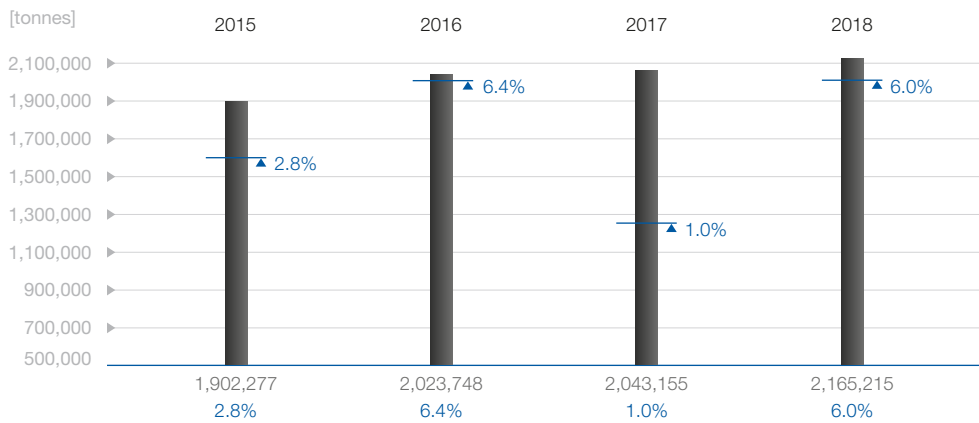


## MATERIALS MANAGEMENT

Using resources efficiently doesn't simply protect the climate and conserve the environment – there are also economic arguments for doing so. Material costs account for the majority of what we spend on producing our packaging solutions.

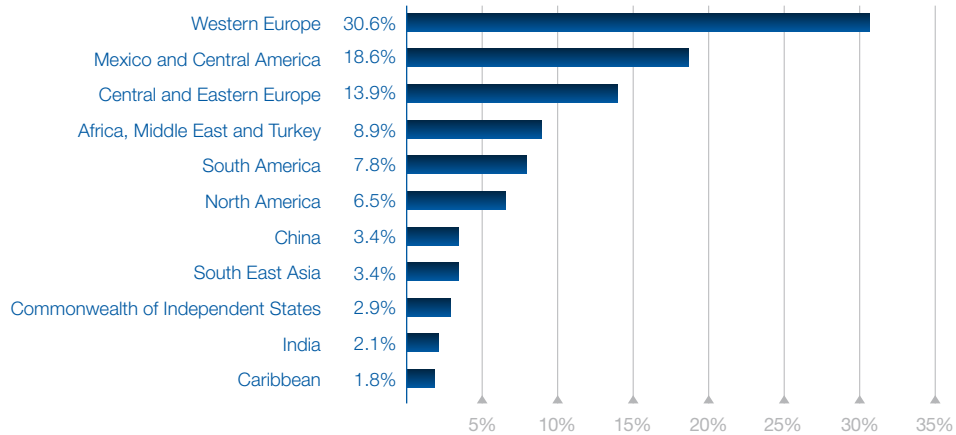
Our material consumption for the direct production of ALPLA plastic packaging increased by 12 per cent between 2015 and 2018. A total of 2,165,215 tonnes of plastic were used in 2018. This includes plastics from renewable resources – these bio-based materials accounted for 1.2 per cent of the materials.

### DEVELOPMENT OF MATERIAL CONSUMPTION

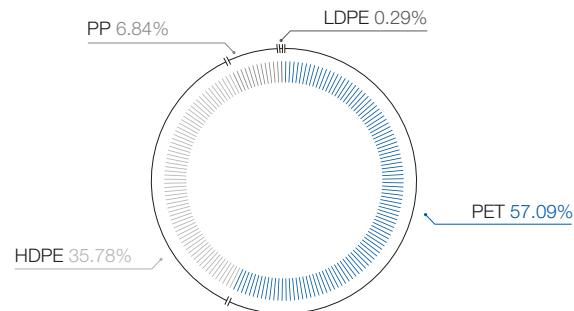


- ▶ Material consumption [tonnes]
- ▶ Year-on-year material increase

### MATERIAL CONSUMPTION BY REGION 2018



## 2018 MATERIAL DISTRIBUTION BY TYPE



### Material consumption by type of plastic

Material consumption based on plastic type barely changed in the years under review, 2015 to 2018, compared with the previous years. We still primarily process PET (57 per cent) and HDPE (36 per cent). Recycled materials are made up of 13 per cent rPET and 4 per cent rHDPE. At 7.0 per cent and 0.3 per cent respectively, PP and LDPE make up a considerably lower share in our material mix.

The use of master batches (colour pellets) and other additives (e.g. barriers) accounts for 0.8 per cent of overall material consumption.

### Recycled materials

The proportion of recycled materials increased significantly in the reporting period. In 2016, it was 90,000 tonnes of recycled PET and HDPE, which equates to 6 per cent of all the materials used. In 2018, we processed 122,000 tonnes of recycled PET, which equals 13 per cent of overall PET consumption. The amount of recycled HDPE used in 2018 was 26,000 tonnes, which represents 4 per cent of the materials used. The total for recycled materials used in 2018 was therefore 150,000 tonnes or 9 per cent.

### Plastics from renewable resources

ALPLA has been a member of an international consortium since 2013 which is working on the development of PEF (polyethylene furanoate) using nothing but plant-based materials. In 2018, ALPLA introduced home-compostable coffee capsules made of Golden Compound green to the market.



Demand for recycled plastics is growing and much interest is also being shown in bio-based materials.



## WE WILL RUN ALL THE RECYCLING PLANTS WE OWN EXCLUSIVELY ON RENEWABLE ENERGY BY 2019.

**GOAL:** Production energy efficiency and greenhouse gas emissions

### RECYCLING AND THE CIRCULAR ECONOMY

For more than 25 years now, we at ALPLA have been looking closely at recycling plastics and turning these valuable materials into new packaging. We think of recycling as an emergent economic sector with positive effects for the environment and the future of our industry. Recycling gives used plastics value. This makes investments in collection systems possible as well as in the ongoing development of recycling technologies.

ALPLA will always champion a recyclable materials cycle in accordance with the bottle-to-bottle principle. Recycled plastics are high-quality materials and represent an excellent alternative to new products. Their use conserves fossil materials and reduces carbon emissions.

#### Own PET recycling plants

ALPLA operates its own recycling plants. It has the wholly owned ALPLA subsidiaries PET Recycling Team in Austria and Poland, a joint venture in Mexico and a partnership in Germany. The annual capacity of these businesses is around 50,000 tonnes of food-grade rPET and 20,000 tonnes of non-food-grade flakes.

In all, these operations recycle approximately 100,000 tonnes of PET bottles a year.

#### Partnership with FROMM

At the beginning of July 2018, ALPLA announced a partnership with the Swiss FROMM Group in the area of PET recycling. Since then, both companies' recycling plants – PET Recycling Team in Austria and Poland and Texplast in Germany – have been working together to guarantee the supply of raw materials to their production facilities. In early 2019, the partners also announced the establishment of a joint venture entitled PET Recycling Team Wolfen, which will focus on the reuse of PET waste found in Germany's 'Gelber Sack' yellow bin bags for recycling.

**Used plastics are valuable materials – we must collect, sort and reuse them.**

### New Plastics Economy: 2025 goals

In October 2018, ALPLA signed the New Plastics Economy's Global Commitment.

By signing up to this initiative of the Ellen MacArthur Foundation, ALPLA has committed to achieving concrete targets by 2025:

- ▶ All packaging solutions are to be **fully recyclable**
- ▶ The volume of processed post-consumer recycled materials is to rise to **25 per cent** of total material usage
- ▶ **50 million euros** is being made available for the **expansion of recycling activities**
- ▶ ALPLA intends to present **at least three packaging solutions** a year that are **particularly lightweight** and **reduce material consumption**
- ▶ All packaging will remain **completely free of PVC**

### Availability of post-consumer material

According to industry estimates, demand for recycled plastics is set to increase fourfold by 2030. We are already seeing this trend at our recycling plants. 'It is becoming increasingly difficult for us to buy sufficient good-quality material. The prices have increased significantly since 2017,' confirms Georg Lässer, Head of Recycling at ALPLA. High production volumes of films and packaging films are taking up a large proportion of the rPET flakes available in the market. In contrast, collection rates of plastic packaging are stagnating, including in Europe.

We believe that measures for educating the end consumers and also waste collection systems need to be further expanded.

If material reuse (collection and recycling) is not possible, used packaging should at least be thermally treated. Here, the heating value of plastic waste can be used for district heating or power, for example. Landfilling and, in particular, the thoughtless throwing away of waste are the poorest forms of disposal.

**BY 2022, RECYCLED PET (RPET) WILL ACCOUNT FOR 24 PER CENT OF CONVERTED PET MATERIAL.  
BY 2022, RECYCLED HDPE (RHDPE) WILL ACCOUNT FOR 10 PER CENT OF CONVERTED HDPE MATERIAL.**

**GOAL: Material usage and a circular economy**



## PLASTICS IN THE ENVIRONMENT

Littering, in other words the thoughtless pollution of the oceans and of nature, is a major challenge of our time. The current situation firstly represents a major hazard for ecosystems. And secondly, the industry loses important recyclable materials due to such thoughtlessness. ALPLA has no direct influence on waste management or on how consumers dispose of packaging after use. But a sustainable circular economy undeniably prevents littering, preserves valuable materials, conserves natural resources and offers advantages both to the consumers and the environment. This is something which we advocate.

‘ALPLA has always been aware of its responsibility for the environment and for future generations. We want to play an active role in paving the way towards an efficient circular economy in the packaging industry,’ says CEO Günther Lehner.

### Working closely with the customers

We support our customers in implementing their sustainability goals. For example, we work with Plastic Bank together with our customer Henkel. This social enterprise has set itself the objective of combating the problem of plastic waste in the oceans while also creating opportunities for people living in poverty. Local populations can hand in plastic waste in exchange for money or social benefits. We process the materials collected into (non-food-grade) rPET at our PET Recycling Team Wöllersdorf recycling plant and use this exclusively for the production of new packaging for Henkel.

ALPLA also supports environmental organisations that combat ocean pollution.

### World Environment Day 2018: ALPLA is committed to environmental protection

World Environment Day is an annual event held on 5 June. The theme in 2018 was ‘Beat Plastic Pollution’ – a topic of particular relevance to ALPLA. As in the previous year, we organised clean-ups around the world and supported two non-profit organisations in combating marine litter.

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**WE WILL SET A BUDGET IN ORDER TO FINANCIALLY SUPPORT INITIATIVES THAT COMBAT MARINE LITTER.**

**GOAL: Plastics in the environment**

# — PEOPLE AND SOCIETY



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ALPLA has experienced strong growth in recent years. There were 20,800 people working for the company at the end of 2018. This means the responsibility that we have as an employer for our staff and their families has also grown.

A fundamental prerequisite here is compliance with all labour law provisions and the equal treatment of all individuals. We set great store by a social and productive work environment, safe labour conditions and training and professional development for our employees. Our relationships are shaped by fairness and honesty, partnerships and respectful actions.

## — PEOPLE AND SOCIETY



“ DIVERSITY IS A QUINTESSENTIAL FEATURE OF ALPLA. OUR COMPANY’S FOUNDERS INAUGURATED THE FIRST SITE OUTSIDE OF EUROPE IN SOUTH AMERICA BACK IN 1968. IN SO DOING, THEY LAID THE FOUNDATIONS FOR ALPLA’S OPENNESS TOWARDS OTHER CULTURES. ”

*Hanspeter Hollender, Director of Corporate Human Resources*

### EMPLOYMENT AND LABOUR CONDITIONS

Employees are crucial to economic success. But they are also ambassadors of our company and they shape ALPLA’s image. We want productive and enthusiastic employees who apply their expertise and skills in the right positions. We therefore offer not only a work environment with excellent development and career opportunities, but also voluntary social benefits and a good work-life balance.

#### Equal opportunities and diversity

The people who work for ALPLA are important to us. We treat everybody the same, regardless of their background, gender or beliefs. Not only do we respect their differences, we also regard them as a source of innovation and of our success.

#### GLOBAL EMPLOYEE STRUCTURE

	2015	2016	2017	2018	2018 percentage
<b>Total employees as of 31 December<sup>1</sup></b>	<b>16,572</b>	<b>17,265</b>	<b>19,767</b>	<b>20,867</b>	
Female	4,763	3,971	4,744	5,217	25%
Male	11,806	13,294	15,023	15,650	75%
Employees with a disability	240	204	188	183	1%
National employees	12,986	14,484	16,603	17,120	92%
International employees	1,122	925	1,250	1,489	8%
<b>Number of new employees per year<sup>2</sup></b>	<b>4,593</b>	<b>3,790</b>	<b>4,424</b>	<b>4,234</b>	<b>23%</b>
Female	1,526	1,012	1,292	1,270	30%
Male	3,067	2,778	3,132	2,964	70%
<b>Average employee service in years</b>	<b>4.0</b>	<b>6.7</b>	<b>7.3</b>	<b>7.3</b>	

<sup>1</sup> Full-time equivalent.

<sup>2</sup> All employees excl. contract workers.



It is our responsibility to create a healthy, safe work environment at our facilities. Our employees should not be subject to injury or other harm as part of their duties. Furthermore, we ensure that we give our employees the opportunity to develop, grow on a personal level and take control of their own lives.

Our value system corresponds to internationally recognised ethical standards such as the ETI Base Code. It has always been our goal not

only to comply with, but also to exceed, the legal requirements, thereby setting an example.

Regular audits such as SMETA (SEDEX Members Ethical Trade Audit) are conducted by independent, external companies to verify that we are compliant in this regard. Our score on the independent EcoVadis platform also confirms this.

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**WE WILL IMPROVE OUR GLOBAL ECOVADIS SCORE FROM 63 POINTS IN 2018 TO 67 POINTS IN 2022.**

**GOAL: Environment and socio-economic compliance**

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## WE WILL REDUCE THE COMPANY RISK/DANGER LEVEL BY 10 PER CENT PER ANNUM UP TO 2022.

**GOAL: Occupational health and safety**

### OCCUPATIONAL HEALTH AND SAFETY

The issue of occupational health and safety merits a great deal of attention. The personal health and safety of our employees is not only a matter which is close to our hearts – illness and accidents also result in high costs and can lead to production losses.

ALPLA uses the OHSAS 18001 standard (OHSAS = Occupational Health and Safety Assessment Series) worldwide as a reference system. We will certify just under 60 of our facilities in accordance with ISO 45001 by March 2021.

Careful documentation makes effective preventive measures possible.

Our vision is to achieve zero accidents. We document accidents precisely in the ALPLA Accident Database, including where and why they occurred as well as the part of the body affected in the case of personal injury. The analysis findings give us concrete pointers for preventive measures. We support the occupational safety officers in the individual regions with special training sessions, workshops and other measures.

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## BY 2022, THE ANNUAL TRAINING INITIATIVES WILL BE REPORTED TO THE ALPLA ACADEMY (HQ) ACCORDING TO DEFINED CRITERIA.

**GOAL: Qualification, training and professional development of employees**



## TRAINING AND PROFESSIONAL DEVELOPMENT

### ALPLA Academy – center for learning and development

We place a considerable focus on the development and advancement of our employees.

We aim to strike a balance between the company's needs and the expectations, strengths and interests of the employees. The Corporate Learning & Development department is an important part of our global HR organisation and is the global point of contact for learning and development matters. The ALPLA Academy helps our employees to systematically develop their individual skills. Professional leadership is one of the focal areas, which is why the managers around the world are put through an ongoing qualification and development process, the ALPLA Leadership Development Programme.

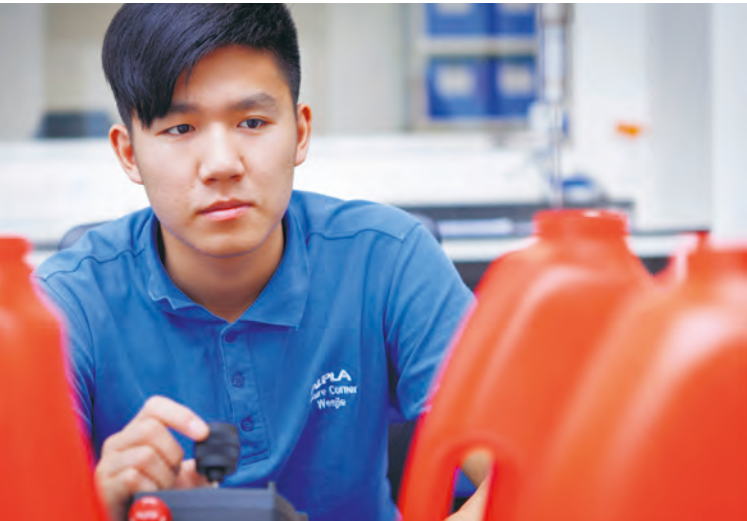
ALPLA's global presence means guaranteeing high technological standards at all the sites is a major challenge. Hanspeter Hollender, Director of Corporate Human Resources, emphasises: 'Highly qualified staff are a prerequisite for our maintaining our leading position in the face of international competition.'

ALPLA draws not only on classroom learning, but also on e-learning and blended learning. We created a global teaching and knowledge platform called eAcademy that reaches the employees quickly and effectively in spite of the decentralised structure.

**Lifelong learning and ongoing personal development.**

**BY 2022, THERE WILL BE TEACHING CENTRES IN ALL THE ALPLA REGIONS, WITH A REGIONAL TRAINING COORDINATOR AND TECHNICAL TRAINERS AT THE REGIONAL AND LOCAL LEVELS. QUALIFIED TRAINERS WILL BE ABLE TO INDEPENDENTLY COVER A REGION'S TRAINING NEEDS.**

**GOAL: Qualification, training and professional development of employees**



#### APPRENTICESHIPS AT ALPLA

- Plastics engineering
- ▶ Metal technology
- ▶ Electrical engineering
- ▶ Mechatronics
- ▶ Construction
- ▶ IT technology
- ▶ Office administration/industrial clerks
- ▶ Logistics

#### Dual training: a successful model takes the world by storm

ALPLA has been running dual training programmes for young trainees since 1960. Together with other companies, we exported this concept to Mexico and China in 2013. Dual training quickly became well recognised in these countries in spite of being entirely unfamiliar to them.

The option of combining practical training at our technical centers and production facilities with a general qualification from a vocational school has become very popular among young people and their families.

New apprentices are now completing their vocational training every year. They are presented with a graduation certificate from their country as well as a certificate issued by the Institute for Economic Promotion of the Austrian Economic Chambers (WIFI), which is recognised throughout Europe. Ideally, all the graduates remain with the company for a long time. We expect to see the number of apprentices increase around the world. We are also looking into whether this training concept can be applied in other countries too and, if so, where.

#### NUMBER OF APPRENTICES

Number of apprentices around the world in 2018 **243**

Number of apprentices in 2018 by country

Austria	<b>93</b>
Germany	<b>71</b>
Mexico	<b>42</b>
China	<b>37</b>

**BY 2022, MORE THAN 60 APPRENTICES IN MEXICO AND MORE THAN 50 IN CHINA WILL COMPLETE THEIR TRAINING. BY 2022, WE WILL ALSO OFFER APPRENTICESHIPS IN POLAND, INDIA AND SOUTH AFRICA.**

**GOAL: Qualification, training and professional development of employees**

# — EFFICIENCY AND TECHNOLOGY



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We want our position as one of the world's leading manufacturers of packaging solutions to continue to be upheld by stable foundations. We do not therefore go in for growth at all costs. Rather, we focus on our company's financial strength and resilience and on measures that generate added value for the ALPLA Group as a whole.

We foster our existing relations and tap new market segments. The areas of medicine and health and also nutrition represent interesting potential for our products. To promote innovation, we create a motivational environment for our staff and we facilitate networking. Our in-house production systems are a distinctive feature, being directly linked to our customers' bottling facilities.

## — EFFICIENCY AND TECHNOLOGY

WE WILL CONTINUE TO GROW GLOBALLY BY 3 PER CENT PER ANNUM UP TO 2022, MEANING OUR GROWTH BY THEN WILL TOTAL 12.5 PER CENT. IN ASIA AND THE AMET REGION, WE WILL ACHIEVE 45 PER CENT GROWTH IN TOTAL COMPARED WITH THE REFERENCE YEAR 2018.

**GOAL: Regional economic player**

### ALPLA AS A REGIONAL ECONOMIC PLAYER

‘ALPLA’s global presence offers many advantages. The benefits for our customers, in particular regarding new product development, are short routes and our globally applicable quality and production standards. We are also creating in-demand jobs at all of our sites,’ emphasises Christoph Hoffmann, Director of Corporate Strategy, Sustainability and Circular Economy. ALPLA’s collaboration with business partners and suppliers also makes it an important indirect initiator of regional economic development.

Our customers include global brands and many local businesses. We intend to build up these business relations in growth markets in particular.

#### **Growth regions**

The region of Africa, Middle East and Turkey (AMET) experienced the largest acquisition in the history of ALPLA in the period under review. In July 2017, ALPLA announced its acquisition of the African market leader Boxmore Packaging comprising nine sites and some 1,000 employees.

At the end of 2018, ALPLA signed another purchase agreement sealing the full takeover of Zamil ALPLA.

China is the top growth market for many industries, and that includes the packaging industry. Market activities in this region are characterised by pace and flexibility. ALPLA nonetheless focuses on sustainable growth.

The inauguration of the centre of excellence in Shanghai in March 2016 was an important milestone in the development of ALPLA China. In addition to serving as the regional headquarters in China, it is the region’s technology and training centre.

South East Asia (SEA) offers both great potential and some major challenges. This region has experienced strong economic growth in recent years. ALPLA is focusing on adopting a clear position in this heterogeneous market. Quality and product performance are key success factors.



“ ALPLA’S GLOBAL PRESENCE OFFERS MANY ADVANTAGES. THE BENEFITS FOR OUR CUSTOMERS, IN PARTICULAR REGARDING NEW PRODUCT DEVELOPMENT, ARE SHORT ROUTES AND OUR GLOBALLY APPLICABLE QUALITY AND PRODUCTION STANDARDS. ”

*Christoph Hoffmann, Director of Corporate Strategy, Sustainability and Circular Economy*



GROWTH REGIONS

	2015	2016	2017	2018
<b>ALPLA plants</b>	<b>154</b>	<b>159</b>	<b>160</b>	<b>176</b>
Countries	40	42	43	45
New plants	3	12	7	17
Closed plants	1	7	6	1
New countries	South Africa	Egypt, United Arab Emirates	Iran, Angola (Bosnia closed)	Zambia, Mauritius

**Outlook**

In the future, we will focus in particular on expanding our recycling activities. Investments in modern recycling technologies and new partnerships are in the pipeline.

The acquisition of Argo S.A. with two sites in Greece and Romania opened up new poten-

tial for tapping new market segments. ALPLA is now creating a centre of excellence for the pharmaceutical market at the Greek site. We generally foresee attractive growth opportunities in the areas of medicine and healthcare. We are anticipating growth in the food segment as glass and metal are substituted for plastic.



“OUR ACCESS TO INNOVATIONS HAS BECOME A LOT MORE ACTIVE IN RECENT YEARS. WE NOW DEVELOP NEW PACKAGING SOLUTIONS ANTICIPATORILY, RATHER THAN MERELY WAITING FOR OUR CUSTOMERS TO MAKE REQUESTS.”

*Christian Zmöllnig, Head of Corporate Development and Innovation*

## INNOVATION

### **Innovation management – working today on the packaging of tomorrow**

ALPLA has initiated numerous innovation management activities in recent years and has established a vibrant culture of innovation.

ALPLA's innovation team analyses trends and considers the needs and future requirements of the customers and consumers, drawing among other things on the expertise of international trend scouts in the process. It collaborates not only interdisciplinarily, but also within an international network thanks to ALPLA's global presence.

‘Our access to innovations has become a lot more active in recent years. We now develop new packaging solutions anticipatorily, rather than merely waiting for our customers to make requests,’ says Christian Zmöllnig, Head of Corporate Development and Innovation. ‘But it goes without saying that our customers’ requirements have a key role to play, as do the consumers’ needs, which we are focusing on more than ever before. The latest societal, political and environmental developments are valuable decision-making factors for me and my team,’ stresses Christian Zmöllnig.

Less is more: The Simple One is up to 60 per cent lighter than a normal HDPE bottle. This therefore reduces the carbon emissions caused during production and transportation, and even after use during recycling.



REVENUE GENERATED BY INNOVATIONS WILL CONTINUE TO GROW OVER THE NEXT FEW YEARS AND WILL ACCOUNT FOR 1.1 PER CENT OF TOTAL REVENUE BY 2022.

**Goal: Economic output and market and innovation leadership**



In 2014, Arla Foods UK opened one of the world's most sustainable dairies in Aston Clinton, UK. This ALPLA in-house plant meets the very latest requirements in terms of energy consumption and the degree of automation.

## IN-HOUSE LOGISTICS

### **In-house: partnership for sustainable production**

We operate almost half of all ALPLA plants as in-house operations directly at our customers' premises. This form of cooperation enables various environmental and economic benefits. There is no need for transportation or transport packaging, while staff resources are also reduced. We can respond flexibly and quickly to changes in production. Thanks to our extensive partnerships, we have also developed award-winning innovations in cooperation with our customers. Drawing on our many years of experience, we offer our customers in challenging regions reliable assistance too and are able to implement in-house plants within a very short space of time.

### **The benefits of an in-house plant at a glance:**

- ▶ **Elimination of secondary packaging and transportation costs**
- ▶ **Reduction in carbon emissions and other transport-related environmental impacts**
- ▶ **Customised logistics solutions, automated storage**
- ▶ **Packaging production directly connected to the customer's bottling line**
- ▶ **Close collaboration promotes innovation and improvements**
- ▶ **Local jobs created**

For more information on our sustainability goals, our approach to the Sustainable Development Goals (SDGs) and the GRI standards, please refer to the unabridged digital version of the sustainability report at:

[sustainability-report18.alpla.com](https://sustainability-report18.alpla.com)



## LEGAL INFORMATION

We look forward to receiving your questions, suggestions or feedback about our sustainability report or our activities.

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For ease of reading, feminine and masculine forms were not used for people in all cases. In the interests of equal treatment, such terms generally refer to both genders.

This report was printed based on a CO<sub>2</sub>-neutral process and on FSC-certified paper.



