ELOPAK

Combined annual and sustainability report 2023

Advancing our sustainable growth

Start reading

Advancing our sustainable growth

We are in the business of combating climate change and driving a more circular economy, and it is our obligation to leave behind a better earth for the next generation. Being sustainable is core to our organization and we ensure economic growth without exploiting the resources or the people of this planet.

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How to read the report
This document constitutes the Statutory annual report in accordance with Norwegian requirements for Elopak Group for the year ended December 31, 2023. The report is filed with the Norwegian Register of company accounts. This report presents the Board of Director's report on pages 14–53.

CEO letter to shareholders

Advancing our sustainable growth

2023 has been an important year in advancing our sustainable growth. We have expanded our market presence, announced a new production plant in the US, and continued our path to become a net zero company by 2050.

This year, we celebrated 15 years of structured sustainability work. In recognition of our dedication, we received an A+ score for our ESG reporting from Position Green, placing Elopak in the top 5% of companies best prepared for the introduction of the European Sustainability Reporting Standards. In addition, we achieved an EcoVadis Gold rating for our performance with a score that places us in the top 2% of all rated companies worldwide. We are pleased to report 33% decrease in scope 1 and 2 greenhouse gas emissions from 2020. These developments reflect our continued commitment to environmental, social, and ethical excellence in our journey towards becoming a net zero company by 2050.

From a market point of view, inflationary pressures and market fluctuations persisted. Consequently, consumers experienced lower purchasing power, affecting consumption somewhat in our core segments. In addition, the global economy was characterized by supply chain disruptions and tight labor markets. Despite challenges, Elopak grew its business and profitability through right prioritization, continued market interest in our

"Financially, we look back on a strong year and I am pleased to confirm that the Elopak team has delivered on all the 3-5-year midterm targets set in the IPO in 2021."

Thomas Körmendi, CEO

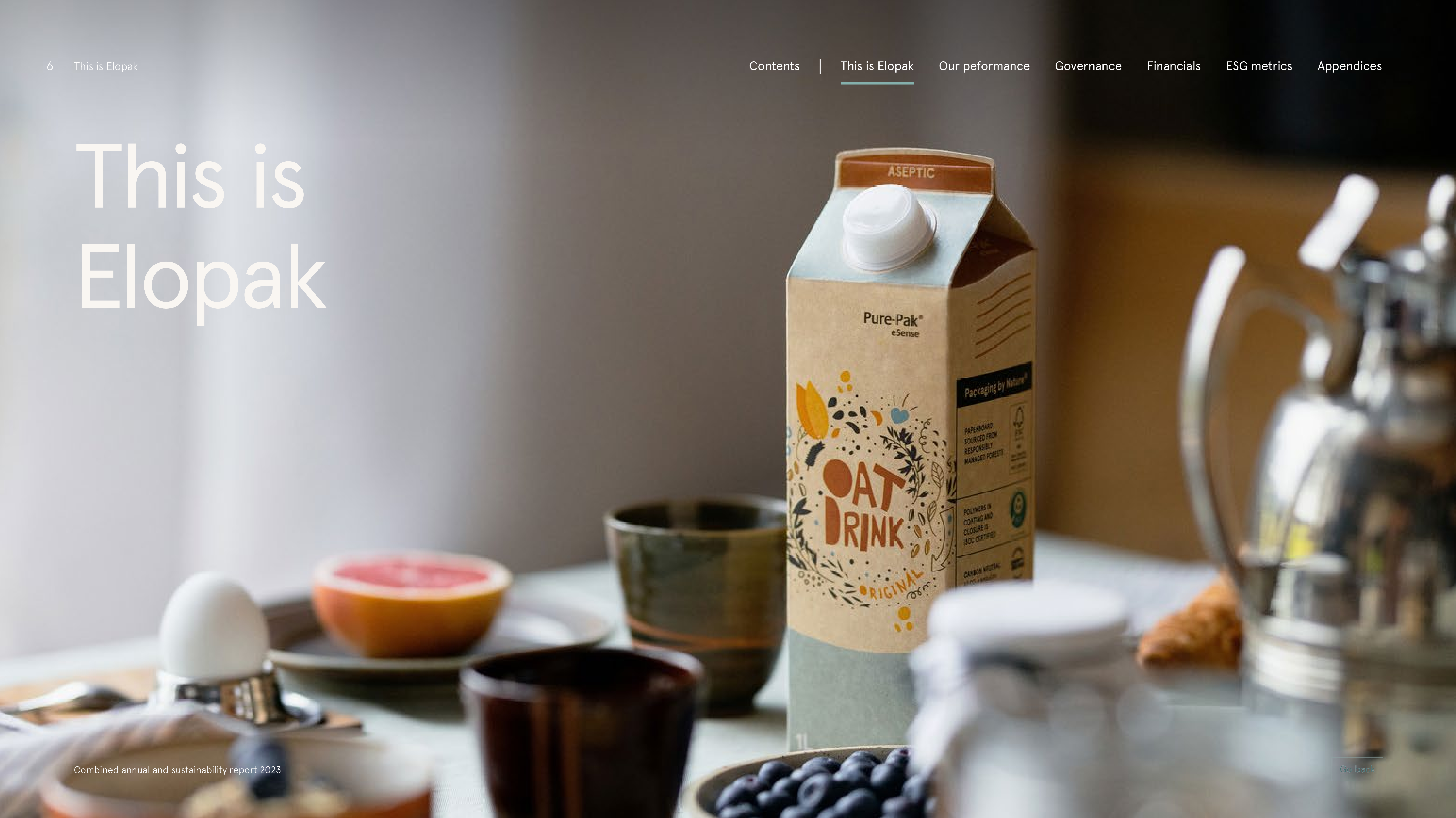
offering, and a conscious pricing policy. This paved the way for a significant investment decision in the company's history, namely to build a new production plant in Little Rock, Arkansas. As our US market share has increased rapidly over the last years, this is an important step to enable continued growth. Production is expected to begin in the first half of 2025, adding over 100 new skilled professionals to our global workforce.

Financially, we look back on a strong year and I am pleased to confirm that the Elopak team has delivered on all the 3-5-year midterm targets set in the IPO in 2021. Revenues grew by 9.4% organically, adjusted EBITDA margin was 15.1%, and the leverage ratio at year end was 1.9x. This strengthened balance sheet represents a solid foundation for further growth – the leverage ratio of 1.9 is below our midterm target and also below the level prior to the Naturepak acquisition in 2021, the establishment of GLS Elopak and the exit out of Russia. This demonstrates the resilience of the company and is a testament to the hard work and dedication of our employees. During the year, we have improved our capabilities by welcoming a record of 166 new colleagues across the world. Together with the rest of our colleagues, we will continue to strengthen our partnerships with customers and suppliers.

Looking back, I would like to say a big thank you to all our colleagues, customers, suppliers and partners for fantastic collaborations and results achieved throughout the year.

Thomas Körmendi,
CEO

This is Elopak



Elopak at a glance

Elopak is a leading, global provider of carton packaging, filling equipment and technical services. Founded in Norway in 1957, we employ approximately 2 700 people and operate 11 manufacturing units globally. Each year, we sell approximately 14 billion cartons across more than 70 markets. The company is listed on the Oslo Stock Exchange (Oslo Børs).

Our history

1915
Patent for Pure-Pak® granted

1957
Elopak was founded

1987
Elopak becomes owner of Pure-Pak® license world wide

2014
Sustainability report

2016
100% renewable electricity

2018
Science based targets

2021
Listed on Oslo Børs

2022
Net zero target

We develop and supply fiber based packaging under the following product brands:

- Pure-Pak® cartons for fresh and aseptic liquid food
- Roll Fed packaging for aseptic liquid food
- D-PAK™ cartons for non food products for personal and home care

All our product brands are made using renewable, recyclable and sustainably sourced materials, providing natural and convenient alternatives to plastic bottles that fit within a low carbon, circular economy.

Decades of investment in innovation have greatly expanded our product portfolio, allowing us to pioneer solutions that help customers lower their carbon footprint and empower consumers to make responsible choices. Our product portfolio represents globally trusted, sustainable packaging solutions for liquid content, used daily around the world.

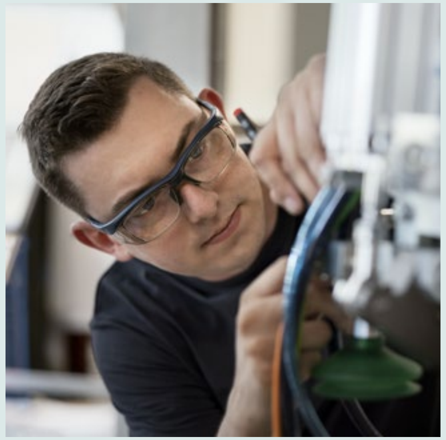
Our offering

Filling machines

State of the art offerings

Packaging solutions

Sustainable cartons and closure options



Technical services

Value added support

Key figures

1,132 €
Revenue[1]

+10.5%
Revenue growth

3.8
Total Recordable Incident rate

170.9 €
Adjusted EBITDA[1]

15.1%
Adjusted EBITDA margin

1.9x
Leverage ratio

33%
Scope 1 and 2 emissions reduction from 2020 baseline

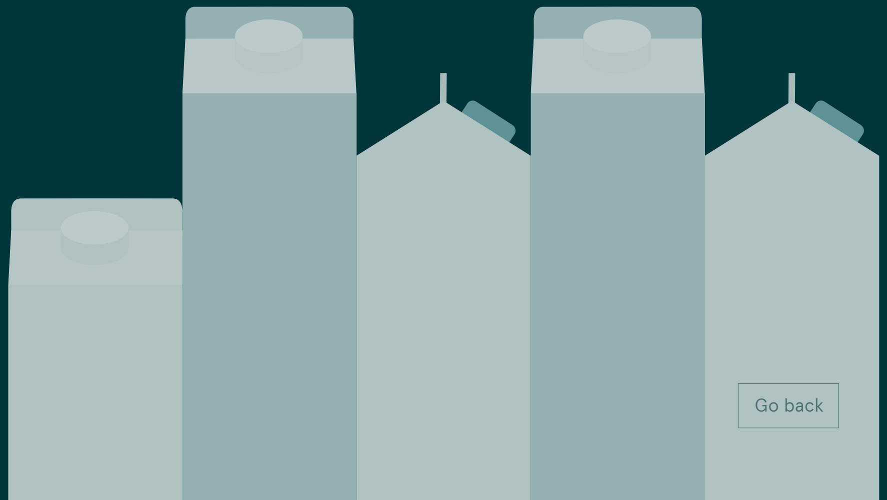
100%
Scope 2 – % of renewable electricity used

2%
Scope 3 total emissions reduction from 2020 baseline

30%
Of all milk cartons in Europe fully renewable

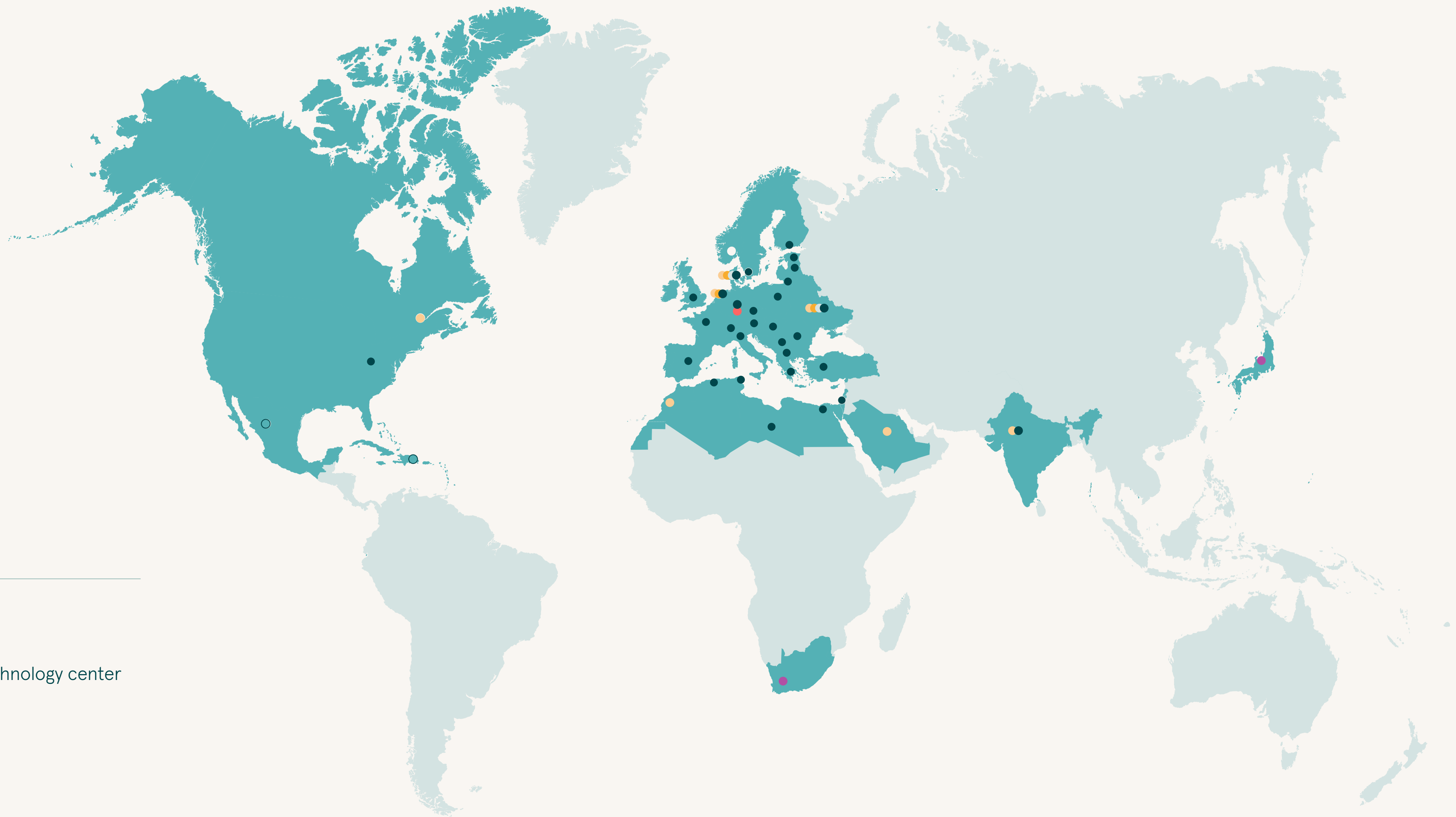
94%
Of employees completed Code of Conduct training

[1] Numbers in EUR million



Main footprints

Elopak has a sophisticated production network, with market units and associates in over 40 countries, helping to serve customers all over the world.



- Machine production
- Coating plants
- Converting plants
- Roll Fed production
- Market unit offices
- HQ, Corporate office, Technology center
- Joint ventures
- Licensee partners

Sustainable value creation

With the overall vision 'Chosen by people, packaged by nature', we set out to offer natural and responsible alternatives to plastic packaging. Integrating the perspectives of people, planet and profit is a key principle when executing our sustainability driven growth strategy.

It is our firm belief that this commitment is our strongest asset for profitable growth. We do this through expanding our fresh and aseptic market share, while also marketing our products to brands traditionally filled in plastic packaging. Additionally, we are working to grow our presence in new geographical markets, whilst continuously improving the way we operate across the world.

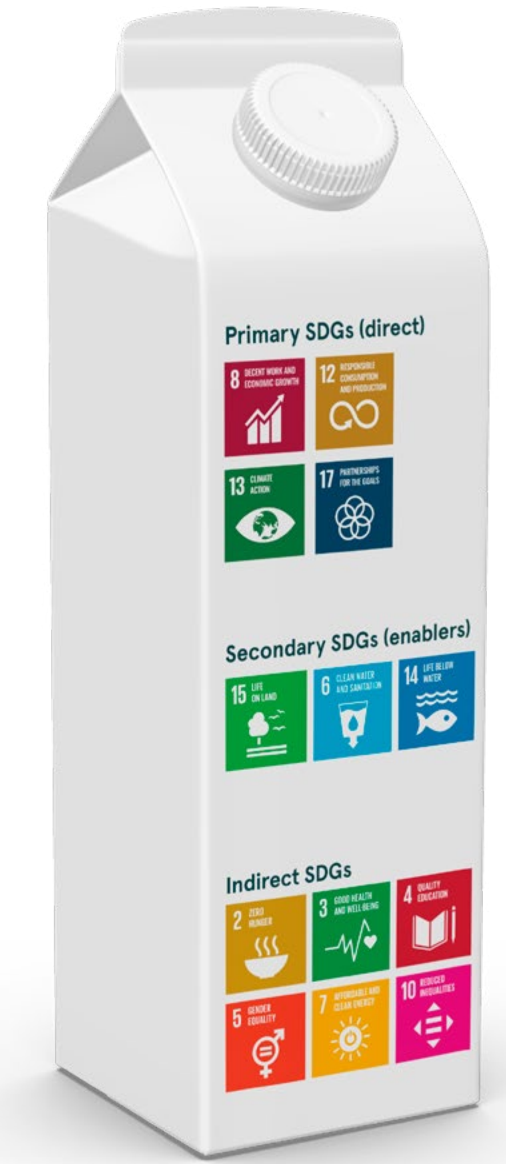
In the following sections, we cover our material sustainability topics, risks and responses, before information on the Elopak share. Information on our strategy execu-tion progress can be found in the section "Executing on our sustainability driven growth strategy" within the "Our performance" chapter.

Material topics

Double materiality is a concept that enables companies to identify their impacts on society and the environment, as well as the impact various external factors may have on the Company (risks and opportunities). The process helps companies determine relevant and significant focus areas (material topics). Elopak conducted a double materiality assessment in 2023, building on established baseline from previous years, and adding to our climate risk and opportunity assessment conducted in 2022.

Using the UN Sustainable Development Goals (UN SDGs), the Global Reporting Initiative (GRI) and the EU's new European Sustainability Reporting Standards (ESRS) frameworks as guiding principles, Elopak's approach focuses on key social, environmental and governance issues relevant to our company.

Our GRI index can be found here: https://www.elopak.com/annual-reports/documentation



Elopak's material topics are listed below, and further presented throughout the report.

People

- Our workforce
- Business conduct
- Responsible supply chains

Planet

- Climate
- Nature
- Circularity

Profit

- Financial stability
- Growth

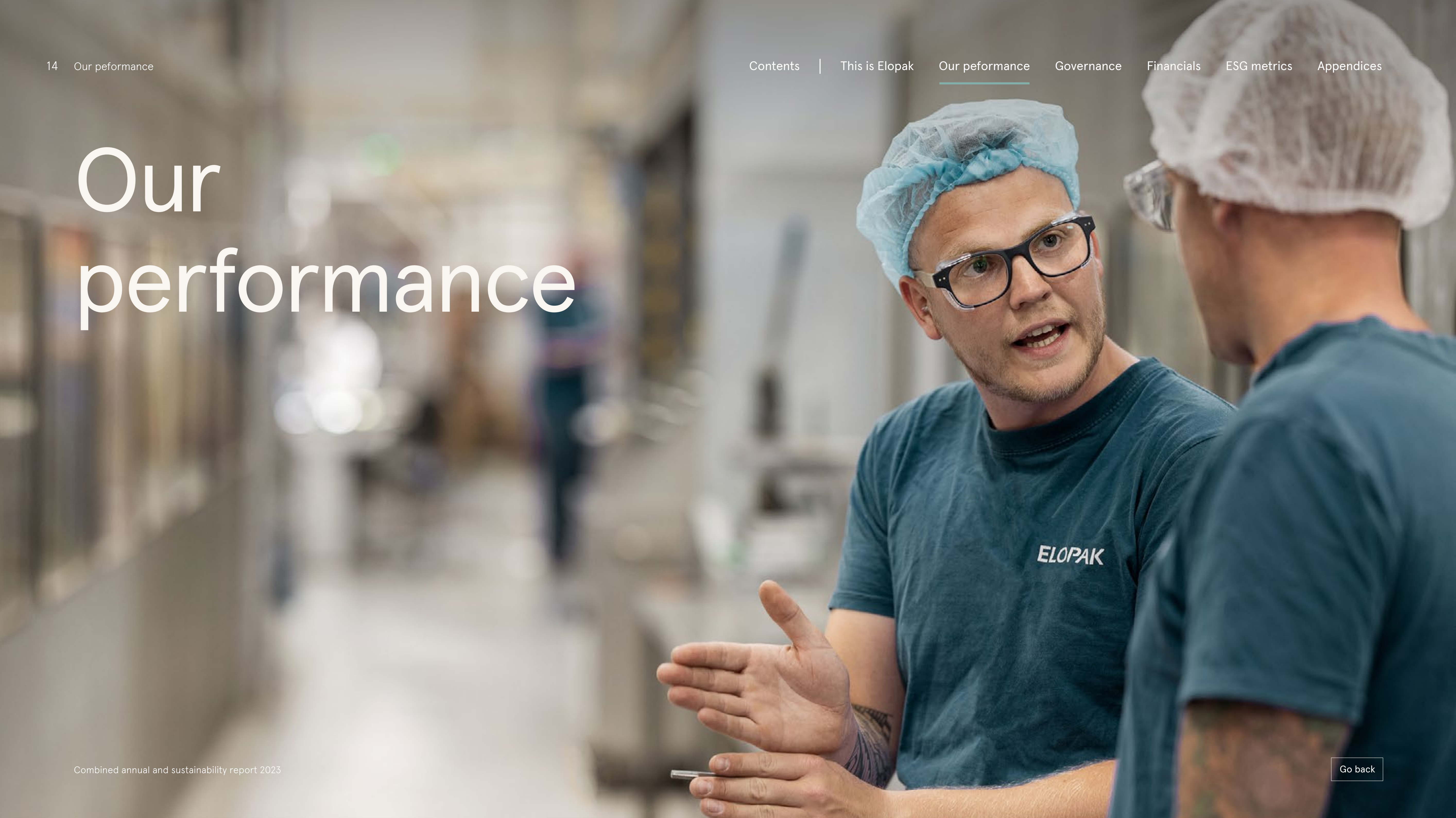
Risk factors and responses

Elopak's Board and Management is committed to proactive and effective risk management to ensure an adequate level of risk exposure. It is the Board and management's opinion that Elopak has taken appropriate measures to ensure an acceptable and appropriate level of risk exposure through its business model, procedures, and actions. Risk management procedures are described in the risk section in the Governance chapter.

To the right is a consolidated overview of what Elopak considers its main risk factors. Market risk, credit risk and liquidity risk are discussed further in Note 25 of the Group Consolidated Financial Statements, while the extended risk description and risk responses are described in the section Risk factors and responses in the Appendix.

Risk type	Risk factor	Short description
People risks	Corruption and business partner risk	Operating in countries associated with high corruption risk and working with high risk business partners, including agents, exposes Elopak to corruption and integrity risks
	Human and labor rights risk	Risks relating to human rights in high risk countries throughout the value chain; from sourcing and production to markets and recycling. Risk exposure to human rights breaches is driven by complex regulatory requirements
	Capability risk	Knowledge and resource constraints may challenge support scaling and delivery of long term value creation
Planet risks	Physical impacts	Risks related to physical climate change (e.g. flooding, draught, wildfires etc.)
	Transition impacts	Risks and opportunities related to the societal and economic shift toward a more climate-friendly future (e.g. regulatory or technological development)
Profits risks	Raw material and energy – availability and price	Dependency on raw materials such as board, plastic resin, aluminium foil and energy. Cost and availability fluctuations
	Market dynamics – consumption	Macro changes over the past years may trigger downward pressure in dairy and juice consumption in some markets
	Cyber security risk	Security breaches, including unauthorized access to systems and other cyber threats
	Geopolitical and market presence risk	Operating in 40 countries, and supplying in over 70, may expose Elopak to instability that may impact performance
	Investment and integration	Investment in new businesses, for example through acquisitions may expose Elopak to integration risk and failure to achieve anticipated results
	Inflation rates and capital cost	The past years' inflation increases, and subsequently increases to interest rate, have triggered lower cash generation and higher cost of capital

Our performance



Executing on our sustainability driven growth strategy

Our commitment to sustainable fiber based packaging paves the way for future growth.

2023 was a year of significant milestones for Elopak. Despite global economic and geopolitical headwinds, the company grew its business, increased profitability, and made the largest investment decision for a new plant in the Company's history.

Inflationary pressures remained high throughout the year and created challenging economic conditions for consumers, which impacted consumption in most geographies where Elopak operates. In addition, supply chain disruptions continued, which affected Elopak's commissioning of filling machines. To deliver now and in the future competence is key for our industry, Elopak worked diligently with recruitment, culture development and promotion to attract and retain talent.

At the IPO in 2021, Elopak defined its 3-5 year midterm targets. In 2023, the company delivered on all these targets. Elopak achieved an organic growth of 9.4%, an EBITDA margin of 15.1%, a leverage ratio of 1.9x, and the Board proposes a dividend of NOK 1.46 per share, corresponding to 50% of adjusted net profit to shareholders.

The below section provides an overview of how Elopak has deployed its five profitable growth drivers in 2023.

"This is our first converting plant in the U.S. and a landmark investment for our company. North America is a key building block for our future growth, and we are very excited about expanding our presence in the region. I would like to thank all parties involved for enabling the next step in our North American growth journey"

Thomas Körmendi, CEO

Expand our fresh market share in North America

Elopak's North American operations grew significantly in 2023. This was driven by a strong momentum driving market share in both dairy and juice segments. Elopak continues to deliver increased profitability in the region, mainly driven by market share growth, margin accretive product mix effects and efficient operations. Furthermore, CO_2 emissions have been significantly reduced through improvements such as reusing warmth from exhaust sealers and compressor rooms to heat the building, in combination with heat pumps.

In December, Elopak announced the site of our new U.S. production plant in Little Rock Arkansas. With Elopak's market share in North America expanding rapidly for several years, this is a pivotal step in responding to customer demand. Production is expected to begin in the first half of 2025. Since the initial announcement in June 2023, we have signed new contracts with some of our existing customers in the region, further strengthening the investment case.

Drive market share in aseptic markets

Over the past years, Elopak has developed a strong aseptic platform, with both filling equipment and carton solutions. The Pure-Fill machine platform optimizes energy and water consumption, saves space for our customers, and ensures easy integration in production processes to reduce waste. The first machines have already been installed and are in full production. The Pure-Pak® eSense is an aluminium free aseptic carton with up to 50% lower carbon footprint than a standard Pure-Pak® aseptic carton, while also simplifying full recyclability.

Broaden and strengthen our geographic footprint

Elopak continues to strengthen its presence in MENA and India, bringing packaging solutions to new and attractive markets. In 2023, Elopak upgraded the plant in Casablanca to introduce more size options, allowing the company to offer a broader product portfolio. Despite the market in MENA being impacted by drought, economic downturn and competition, the region delivered increased revenue for Elopak as well as profitability in 2023 and is expected to deliver further growth.

In India, our partly owned subsidiary GLS Elopak is offering Roll Fed aseptic cartons under the brand "ALPAK" in various sizes to meet the growing demand for sustainable packaging solutions. GLS Elopak has been established to manufacture and process high-quality fresh and aseptic packaging solutions, which are designed to ensure that liquid food is safe and accessible to consumers. The company will cater to both the fresh and aseptic segments with applications such as dairy, plant-based drinks, juice, water and liquor. Elopak's ambition is to be a top 3 player in the market and become a full solution provider, introducing Pure-Pak® fresh cartons, Pure-Pak® aseptic cartons and complementary solutions. Although still in its early stages, the operation has shown real potential, delivering ahead of plan in 2023 and is on track to deliver revenue of EUR 80-100 million in 2027.

Accelerate growth by replacing plastics with cartons

Elopak' s cartons are established as a natural alternative to plastic bottles with several end use applications, from milk and juice to non-food household products. Over the past years, we see that brands are converting from plastic bottles to fiber based packaging. Many do this as they consider cartons a more environmentally friendly choice compared to plastics.

Our D-PAK™ carton portfolio for liquid non-food household products has attracted interest from both high profile global customers and strong local brands. The D-PAK™ range showcases Elopak's development and innovation capabilities, incorporating market leading technology and packaging solutions. The hand soap and detergent refill carton segment represents a significant potential market for personal care product brands.

World's largest franchise brand of yogurt chooses Elopak cartons

- Yoplait yogurt is now offered in 750 ml Pure-Pak® Sense cartons in France
- One carton replaces 6 plastic pots of yogurt and reduces packaging material with 50%
- 85% of consumers asked preferred cartons over plastic pots for their spoonable Yoplait yogurts

Go back

"We're always looking for new and exciting ways to innovate our products to be better for the planet and more convenient for our customers, and Elopak's D-PAK™ carton is an instrumental next step for smol to further cut our use of plastic bottles; taking the refill revolution one step forward, starting off with our washing up liquid and fabric conditioner."

Nick Green, Co-founder of smol

Drive commercial excellence through margin optimization, value engineering and operational improvement

Elopak has demonstrated its ability to adapt and meet market challenges head on through pricing initiatives as well as cost control. As part of Elopak's sustainability driven growth strategy, the company implemented a pricing governance, which has been successfully used to battle the significant cost inflation of the last two years and protect the company's margins. Additionally, in terms of plant efficiency, waste was kept at historically low levels in 2023. Elopak has a long history of continuous improvements, and the efficiency and quality of the plants are generally high. Elopak was also able to cut its scope 1 and 2 emissions according to plan, amounting to a cut of 1.115 tons (13%) versus 2022 and 2.829 tons (33%) versus 2020.

People

Our workforce

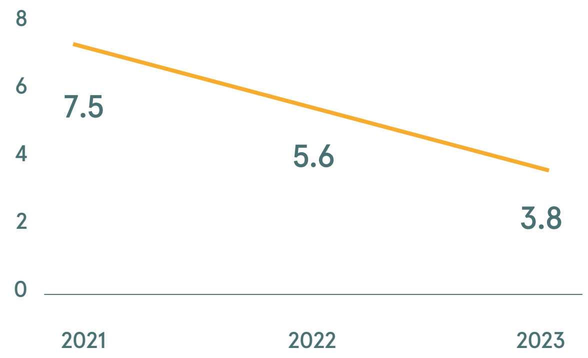
At Elopak we aim to provide a safe, engaging, and inclusive workplace. Our vision, “Chosen by people, packaged by nature” puts people at its core and our culture is founded on our promises to ‘Empower, Unite, and Accelerate’. We strive to ensure that our employees have a sense of belonging and that these promises guide our behavior and help us act as one Elopak. This is hardwired in all our policies and procedures and reflected in our Employer Value Proposition (EVP).

Safety

As part of the llong term safety plan we can conclude 2023 was a good year for safety. The number of recorded injuries ended at a historically low level. This is thanks to continued development in technical safety boosted by safety culture activities.

Elopak makes no compromises on safety and aims for zero work related injuries. As part of that journey Elopak had Total Recordable Injury (TRI) frequency rate target at 5.0 for 2023 and reached 3.8.

Total recordable injury rate



Health, wellbeing, culture and engagement

Securing a sustainable, healthy, fair, and motivating workplace is achieved through a systematic approach to the various stages in the employee life cycle – from attraction to off-boarding.

All managers and team leaders are responsible for creating and maintaining a healthy working environment. Absence due to sickness (long and short term) was reduced somewhat from 4.3% in 2022 to 4.2% in 2023, still above our global target of 3%. The main reason for this development is increased virus and flu variants in Europe during 2023, coupled with our encouragement to stay at home when sick. Workplaces worldwide must adapt to challenges with increased sick-leave rates. Elopak is continuously improving our work environment by evaluating existing and relevant activities related to both physical and psychological issues.

In addition to setting goals as part of our performance management process, we focus on personal development plans, wellbeing, and our three promises. Our goal is for a minimum of 85% of staff to have documented performance and development dialogue meetings. In 2023 we reached 86%.

We encourage our employees to learn and take charge of their own development and we offer a single platform for all global learning programs, including a wide range of courses. We also provide several regional and local training activities with a broad focus, from leadership to safety. The learning platform allows us to track training and thus ensure compliance with our Code of Conduct, Anti-Corruption Policy, GDPR (General Data Protection Regulation), safety requirements and other relevant courses.

We measure employee satisfaction through a company wide survey. In 2023, 73% took the opportunity to give their valuable feedback about working at Elopak. The overall scores show that Elopak is considered to be a good and fair employer. Data showed that we offer our employees a physically and psychologically safe workplace where they can use their skills and contribute based on who they are. In regular follow-up talks with management, more than 300 action plans have been created, ranging from safety to culture related goals and ambitions.

We depend on motivated and qualified managers and team leaders to meet challenges and changes in an increasingly complex world. In 2023, we continued our leadership development programs and we gathered our top 100 leaders to align on strategy, leadership and culture. To further strengthen our culture, we organized a structured culture program of surveys, digital conversations and leadership workshops. We also appointed culture champions to help and support leaders in driving culture changes and acting as culture ambassadors.

We have significantly reduced our attrition rate in 2023 and we have invested in strengthening our employer brand. In 2023 we measured engagement through our employer Net Promoter Score (eNPS), which improved by 72% in 2023 compared to 2022.

We launched our first graduate program in 2023. It focuses on our technical value chain and business, with individual development plans, coaching and dedicated mentors to nurture our graduates. The global graduate program aims to strengthen our employer brand amongst the younger generations.

Labor rights

Respecting universal human and labor rights standards in line with human rights as defined by the United Nations, we work systematically to identify and address risks and potential breaches throughout our operations, supply chain and business partners. Decent labor and working conditions are safeguarded by various policies, procedures, guidelines, and training available to all employees.

61% of our workforce is covered by local work councils and/or national collective bargaining agreements. Through frequent formal and informal dialogues, we maintain a strong working relationship with both local work councils and unions as well as with our European Workers Council.

Go back

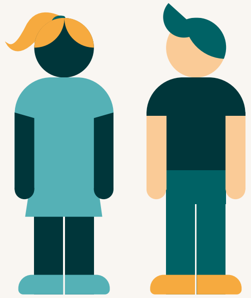
Diversity and inclusion

Elopak's workforce are represented in 40 countries – all representing different cultures. Hence, the company pays respect to multiple diversity aspects, including genders. The packaging industry has traditionally been dominated by men, which is still visible in our distribution/numbers. We aim for a balanced distribution of genders across all levels as reflected in our policies, covering recruitment, diversity, equity and inclusion.

2023

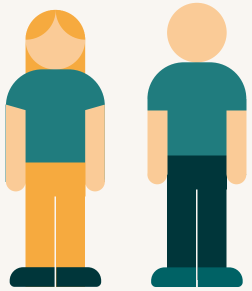
Female **21%** Male **79%**

2022



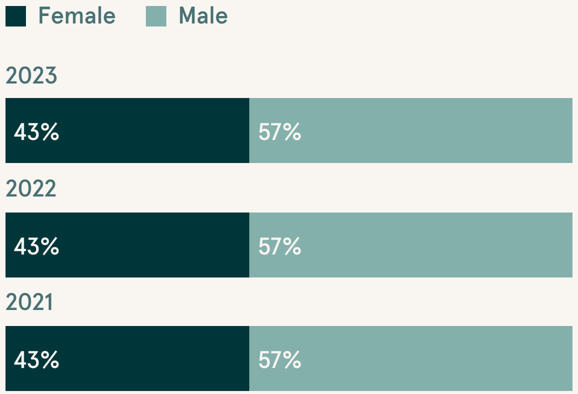
Female **22%** Male **78%**

2021

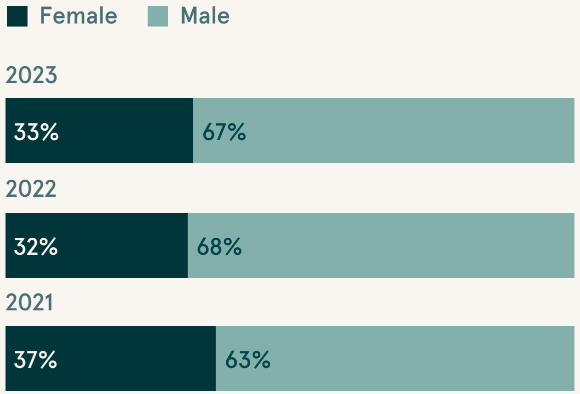


Female **22%** Male **78%**

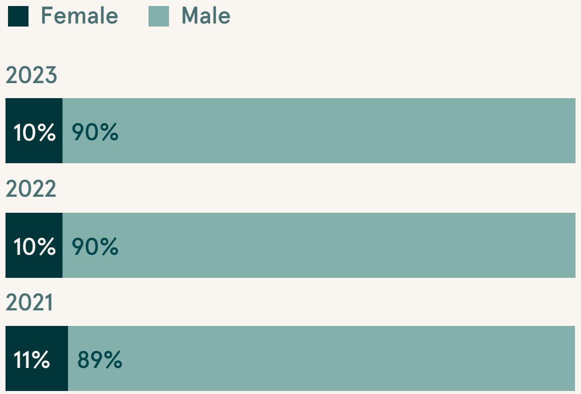
Board of Directors



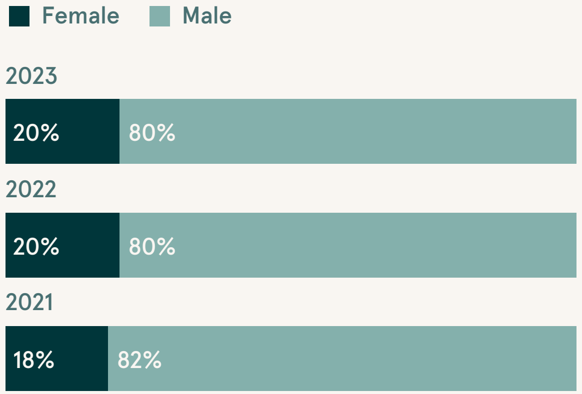
Senior managers (2nd level)



Management team incl. CEO



Line managers



Business conduct

Compliance risk management
An ethics and compliance risk assessment is conducted for all Elopak operations. In 2023, key risks included business partner risk (specifically joint venture integrity), corruption risk and human rights risk.

Ethics and compliance training
In 2023, 94% of Elopak's employees conducted the annual mandatory Code of Conduct training, either through an e-learning course or in person training. The training covers key topics in the Code of Conduct, including anti-corruption, business partner integrity and human rights. In the training, our employees confirmed to have read and understood Elopak's Code of Conduct.

Reported concerns of misconduct
Elopak is committed to building a culture of trust where employees feel comfortable to ask questions and report any suspected breaches of our Code of Conduct, internal policies and procedures, and/or laws and regulations. In 2023, we conducted a campaign on group level, where the objective was to strengthen our speak up culture by creating more awareness on what to speak up about and how to speak up. During the campaign, 82% of our employees conducted the training on speaking up, and 75% of our managers completed specific training on handling concerns.

There were five concerns reported through the Elopak whistleblower helpline and through other channels in 2023. Of these reported concerns, three cases were related to human resource issues. In 2022, there were six cases reported through the whistleblower helpline. Based on the training efforts on speaking up in 2023, we would expect to see more reports of misconduct. In Elopak, we had 0.19 reports per 100 employees.[1]

This is low in comparison to companies of similar size. Hence, we will conduct a survey in 2024 to get further insights into the characteristics of Elopak's speak up culture.

Year	Accounting, auditing and financial reporting	Business integrity (corruption, bribery, conflict of interest, etc.)	Human resources, diversity and workplace respect	Environment, health and safety	Misuse and misappropriation of corporate assets	Other
2023	–	1	3	–	–	1
2022	–	2	3	–	–	1
2021	–	2	1	–	–	–

Table 1: Number of reported concerns by area – 2021-2023

[1] Footnote: Based on Elopak having 2 700 people working for the group, including Joint Ventures

Business partner integrity

Joint ventures compliance reviews
Throughout 2023, we held meetings with key personnel in our joint ventures to review how they work with compliance.

In 2023, we established a compliance network for our Indian joint venture. There are dedicated compliance champions representing the business areas and support functions of GLS Elopak, and management meets regularly with the compliance champions to discuss and strengthen compliance in the organization. During the on-site visit to our joint venture partner in India in 2023, we conducted compliance training of all compliance champions in key policies and procedures, including the code of conduct. Additionally, focus for the on-site visit was to strengthen cooperation and discuss and align on main compliance risks.

Training
In 2023, employees in exposed positions received training on how Elopak works with business partners, focusing on our integrity due diligence process. 98% of the target group (total of 309 employees) conducted the e-learning on awareness of business partner risk and 67% of the same target group completed the e-learning for our internal procedures.

Data privacy and protection

In 2023, we conducted a GDPR audit to ensure continuous learning and compliance with privacy legislation. Elopak has not received any complaints from data subjects, nor any notifications of complaints related to Elopak's processing of personal data from local supervisory authorities. All registered personal data breaches are related to employees' personal data, not customers' personal data. We have in total received 5 inquiries in 2023 through our Global Data Protection Officer.

Human rights

Human and labor rights is a dedicated section of the annual and mandatory Code of Conduct training provided to all employees. In 2023, we introduced a new human rights e-learning course which was made available to all employees. Further e-learning courses covering topics on responsible business practices, speaking up and reporting concerns were also made accessible to employees. In December, we celebrated the UN's Human Rights Day by sharing news and insights on our intranet and providing human rights training for employees.

Go back

Responsible supply chain

In 2023, 95 suppliers, accounting for approximately 75% of total spend, had been assessed by Ecovadis and/or via our internal supplier integrity due diligence questionnaire and process covering social and environmental criteria. This mainly included direct suppliers that provide raw materials for our cartons, packaging and filling machines to customers and indirect suppliers mainly related to logistics and transport, plants investments, IT, cleaning services and other significant and/or critical indirect suppliers.

We continued implementing our Global Supplier Code of Conduct (updated in 2022) in all operations and sites including Morocco, Saudi Arabia and joint venture in India.

For active and potential high risk suppliers, supplying from high risk countries, in depth integrity due diligence assessments were conducted with support from an external partner.

We continued to observe responsible business conduct requirements in supplier contracts through our standard Terms and Conditions for different Business Areas. All new or renegotiated contracts will take heed of our standard Responsible Business Conduct requirements.

We have further improved our supplier due diligence framework by better integrating human rights considerations into the existing audit framework. This includes an updated SAQ (supplier assessment questionnaire) including more specific questions on human rights and labor. In addition, specific supplier human rights capacity building and maturity assessments were conducted for selected key suppliers.

We continued implementing our supplier qualification and due diligence framework across our operations and sites in Morocco, Saudi Arabia and our joint venture in India.

Corporate Procurement has strengthened the governance and giving the global procurement network training. The relevant training related to use suppliers that are fulfilling our requirements to responsible suppliers.

The % of all suppliers that have signed, accepted or demonstrated conformance to the Elopak Global Supplier Code of Conduct decreased by 2% compared to 2022. A broader scope including operations in Morocco and Saudi Arabia and re-engagement with suppliers on our updated SCoC which has taken more time are the main factors behind this reduction.

Elopak is subject to annual corporate social responsibility reporting requirements pursuant to section 3-3c of the Norwegian Accounting Act. The reporting is covered within this report.

Elopak will publish a statement of due diligence assessments in accordance with the Transparency Act on https://www.elopak.com/other-reports-presentations/ before June 30, 2024.

Performance

Targets
Ensure all key suppliers accept our Supplier Code of Conduct and are assessed for social responsibility and environmental criteria by 2025.

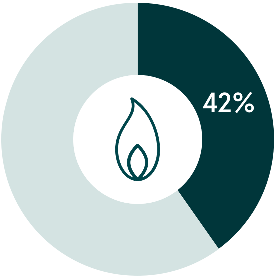
KPIs	KPI reference	Status 2023
a) % of raw material suppliers (by spend) signed, accepted or demontrated confomrance to Elopak Global Supplier Code of Conduct	Self-defined	a) 97%
b) % of all suppliers (by spend) signed, accepted or demontrated conformance to Elopak Global Supplier Code of Conduct	Self-defined	b) 80%
c) % of suppliers (by spend) assessed for environmental and social impact	GRI 308-2a GRI 414-2a	c) 77%

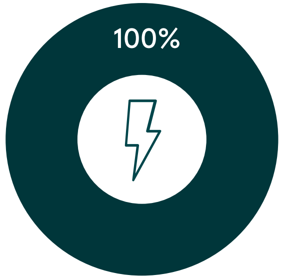
Go back

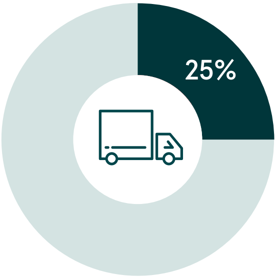
Planet

Climate

Elopak's science based targets







Scope 1

Natural gas, propane, heating, oil, waste incineration, wood

42% reduction by 2030

Scope 2

Electricity, district heating

Continue to purchase 100% renewable electricity

Scope 3

Business travel, transport, raw materials and filling machines

25% reduction across the value chain by 2030

Performance

Targets
42% reduction of Elopak's direct emissions (scope 1 and residual scope 2) by 2030
25% reduction of value chain emission (scope 3) by 2030

KPIs	KPI reference	Status 2023
Change in scope 1 and 2 emissions (% from 2020 baseline)	GRI 305-5	–33%
Change in scope 3 emissions (% from 2020 baseline)	GRI 305-5	+0.6%

Go back

Scope 1

Late in 2022 Elopak completed renovation on our plant in Montreal, reusing heat from exhaust sealers and compressor rooms to heat the building, in combination with heat pumps for other heating. The plant has cut as much as 60% in the natural gas use from 2022 to 2023. This contributed to a 30% reduction for the Group in the same period.

The learnings from the Montreal project can be transferred to other plants in Elopak and is shown to be a cost effective way of driving down our emissions and reusing waste heat. In some cases, we will still rely on gas or resistance heaters, due to heat pump efficiency dropping too low past -15 degrees Celsius.

With the significant achieved reduction in 2023, we aim to reach our science based targets before 2030. Even so, we will of course continue our program to further reduce our emission footprint beyond the target.

-33%[1]

In 2023, the emissions from our own production (scope 1 and residual scope 2) were 5.718 tons of CO_2e

[1] Compared to a 2020 baseline

Scope 2

Elopak sources 100% renewable electricity for all our sites, sourced from the countries where we have our main operations.

Elopak sources certificates close to our sites. We used the following sources for the supply of renewable electricity at our sites.

100%

100% renewable electricity 2023

We used the following sources for the supply of renewable electricity at our sites:

Region	System	Origin
Europe	Guarantees of Origin (GO)	Hydropower plants, Norway
Ukraine	Polish Guarantees of Origin (GO)	Photovoltaic Array installations, Poland
North America	Renewable Energy Certificates (RECs)	Texas Wind Power plant, USA
Morocco	International Renewable Electricity Certificates (I-RECs)	Wind plant, Morocco
Saudi Arabia	International Renewable Electricity Certificates (I-RECs)	Solar plant, UAE
India	International Renewable Electricity Certificates (I-RECs)	Hydropower plant, India
Israel	International Renewable Electricity Certificates (I-RECs)	SHNEUR TZE'ELIM Solar powerplant, Israel

Scope 3

In 2023, our scope 3 emissions for the categories included in the scope of our Science-based Targets increased by 0.6% compared to the 2020 baseline. This is fully related to the high volume of sold filling machines in 2023. For the other categories we see a total reduction of 6%. Our total scope 3 emissions were reduced by 2% compared to 2020.

The different categories for scope 3 emissions are presented and described the sustainability methodology section in the appendix. All categories are estimated and reported in the data tables. In addition, we highlight the categories included in the scope of our Science-based Targets. They are the most important categories within which Elopak can make an impact through both internal measures and value chain collaboration. The categories included in our Science-based Targets are: raw materials (part of purchased goods and services), business travel, transport and distribution, and filling machines in operation.

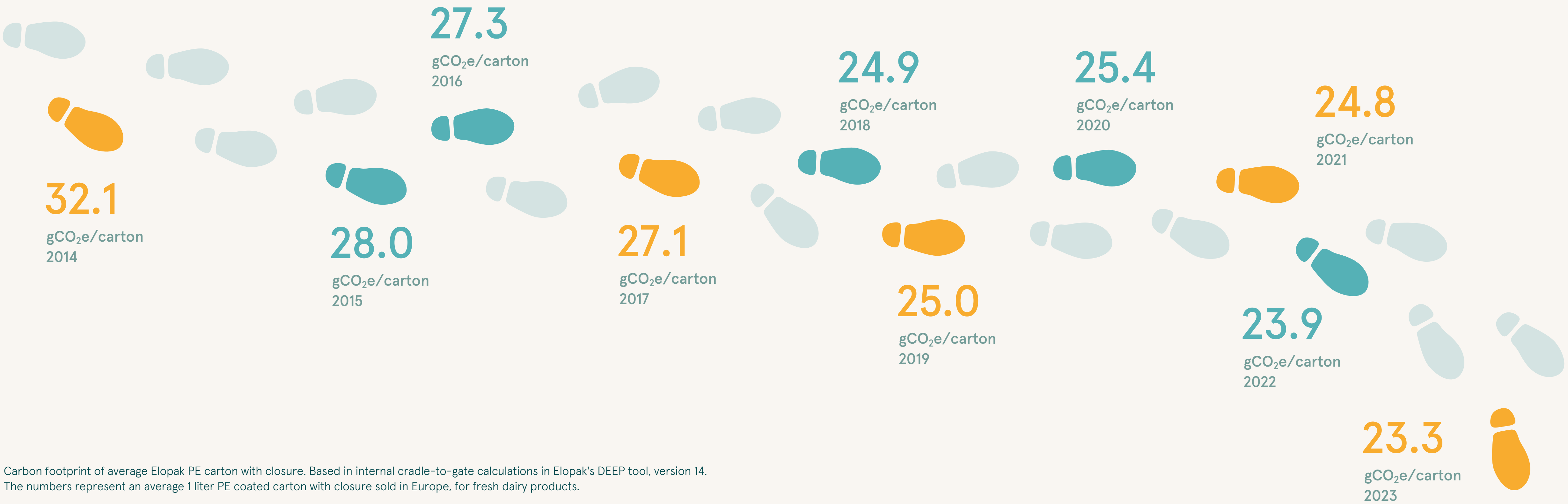
+0.6%

In 2023, Elpak's scope 3 emissions included in SBT were 545 085 tons of CO_2e

[1] Compared to a 2020 baseline

Average footprint per carton

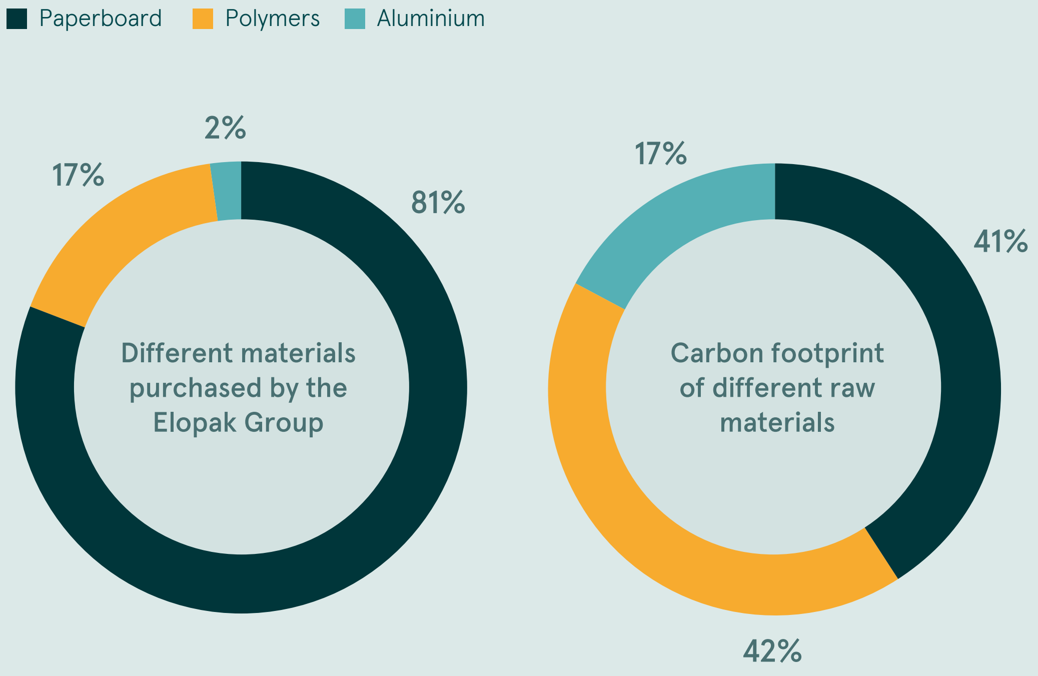
More environmentally friendly cartons include brown board as well as the use of bio circular polyethylene. In 2023, the volume of brown board cartons in Europe was stable from 2022. Comparing the carbon footprint of brown board vs. bleached board, the 2023 volume of brown board has contributed to an emission reduction of more than 2 100 tons. Accumulated reduction from introduction of brown board is more than 9 000 tons.



Carbon footprint of average Elopak PE carton with closure. Based in internal cradle-to-gate calculations in Elopak's DEEP tool, version 14.
The numbers represent an average 1 liter PE coated carton with closure sold in Europe, for fresh dairy products.

The below figure shows the main raw materials purchased by Elopak in comparison to the materials' climate impact. Paperboard, being by far the main raw material, represents less than half of our materials' climate impact. While aluminium by weight only represents 2% of our raw material purchase, it represents 17% of the emissions from our raw materials.

Material consumption overview – paperboard, polymers, aluminium



-8%

In 2023, Elopak's emissions from purchased goods and services were 367 335 tonnes of CO_2e

Purchased goods and services

The main contributor to our scope 3 emissions is the raw materials used in our products. Changes in emissions from year to year in this category are strongly correlated to volume development in our sold products. Still, they are also over time impacted by measures taken by our suppliers and the efficiency of our products and processes.

Demand is a key driver for change in our industry, and we see increased demand for our low emission products. This will help drive scope 3 emissions down, in conjunction with measures taken by our producers.

The emissions from purchased goods and services included in our Science-based Targets decreased by 8% in 2023 compared to our 2020 baseline. The increased share of cartons with features like renewable PE and brown board is the main factor behind this reduction. From 2022 to 2023 the reduction is 3%.

+159%

In 2023, Elopak's emissions from business and travel were 4 126 tonnes of CO_2e

Business travel

Even though business travel only accounts for 0.6% of our total scope 3 emissions, it is a tangible and manageable factor we can aim to reduce directly. Hence, we want to highlight how these emissions develop and the measures we take to reduce them.

Our travel activity was drastically reduced in 2020, 2021 and partly 2022 due to the Covid 19 pandemic 2023 has represented a return to the need for collaboration as well as an increased activity level, in particular related to service. Still, valuable lessons have been learned, and our goal is to reduce business travel as much as possible and transition to increased use of digital meeting points and digital tools. We encourage employees to choose online meetings and make use of digital communications whenever possible.

Our emissions related to travel were up 48% compared to last year, and up 159% compared to our 2020 baseline. Compared to 2019, the year before the pandemic, our emissions are reduced by 1%.

-3%

In 2023, Elopak's emissions from third party transport were 43 404 tonnes of CO_2e

Transport and distribution

In recent years, we've launched initiatives to enhance the fill rate of our transportation system. This fill rate is determined by assessing how much of the floor space within our transport equipment is utilized. Additionally, we're actively working to optimize our transport routes, aiming to minimize the total distance traveled.

Furthermore, alongside our focus on the fill rate, we've introduced measures to achieve a higher pallet load. This involves adding extra layers of cartons per pallet, contributing to more efficient transport and storage. Going forwards we will initiate new projects and explore new opportunities for electric vehicles, biofuel and logistic optimizations.

Emissions from transport decreased by 6% from 2022 to 2023, mainly due to the mix of weight and distances and updated emission factors. Compared to 2020, the emissions are reduced by 3%.

+38%

In 2023, Elopak's emissions from filling machines in operation were 130 219 tonnes of CO_2e

Filling machines in operation

Elopak develops and offers a wide range of state-of-the-art filling machines to efficiently fill fresh, extended shelf life (ESL) and aseptic liquid food products. Our filling machines are suitable for many different food products, and the machines can run a variety of package sizes for all our Pure-Pak® brands. Our machines come with different production capacities and can fill a wide range of pack sizes and shapes. In addition, our machines are adapted and certified to meet various geographical standards.

In 2023, emissions from filling machines in operation increased by 82% compared to 2022 and 38% compared to our 2020 baseline. The emissions are strongly correlated with the number of filling machines sold yearly. The volume in 2023 represents a relative high volume compared previous years. 2022 was a year with a low volume.

Nature

Biodiversity

Since Elopak became certified by the Forest Stewardship Council (FSC™) in 2010, the annual sales of labeled cartons have steadily increased. Since 2015, 100% of Elopak's purchased paperboard has come from verified and controlled sources, in line with the standards from FSC™. Not all customers require cartons with the label. In 2023, we sold in total 55% labeled cartons, while 80% of the sales volume in Europe was with label. While the number in Europe is increasing, global numbers decreased slightly as the new markets historically have less demand for FSC-labeled cartons. However, we see an increased demand and expect volume growth for FSC™ also for the new markets.

All our FSC-labeled cartons are certified throughout every stage of the value chain, from forest yield to paperboard production to final product manufacturing. In 2023 our Saudi Arabia plant was FSC™ certified.

100% of the renewable polymers Elopak supplies are certified according to ISCC PLUS.

In 2022, Elopak received our Aluminum Stewardship Initiative (ASI) performance certificate.

Through a third party, we seek to certify all our own products for recyclability. This is done on all our four main categories of cartons.

Biodiversity emerged as a new material topic for Elopak from the 2023 double materiality assessment. We recognize the importance of addressing biodiversity and have taken steps to establish a framework around the topic. During 2024 we will establish policies, make action plans and establish KPIs.

FSC-certified cartons

Performance

Targets
Ensure sustainable value chain behind all raw materials through product certification according to the most stringent and credible standars available by 2030.

KPIs	KPI reference	Status 2023
a) % certified purchased materials	Self defined	a) 43%
b)% certtified sold products FCS certified	Self defined	b) 55%

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Pollution

Elopak reports on waste by category. We report and track waste in our internal reporting tool, 'Footprinter'. One of the categories reported is the handling of hazardous waste. The reported amount of hazardous waste has been relatively stable the last two years. Total amount per 2023 was 229.5 tons, an increase from 218.4 tons in 2022. The reported waste per category can be found in the ESG metrics chapter.

Water

Total water consumption for Elopak was 60 704 m^3 in 2023. Compared to reported consumption in 2020 this is an increase of 17 648 m^3. This increase is entirely related to the new plant in India. Compared to 2022, the reported consumption represents an increase of 16 055 m^3. We are restating the water consumption from 2021 and 2022 due to an error in the reporting metric in one of the plants. For 2022, this has resulted in a reduction of water consumption of 13 975 m^3.

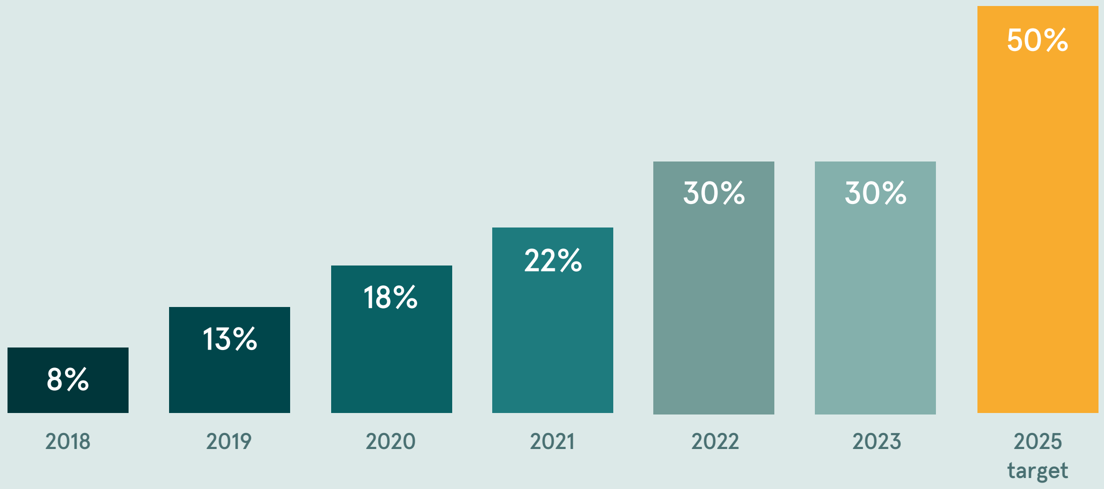
Renewability

Elopak target: 100% renewable or recycled content materials in all beverage cartons on the European market, and available in other markets, by 2030. 50% of all fresh milk cartons in Europe fully renewable by 2025.

In 2023 the share of renewable content of cartons sold in the European market was 82%. The corresponding figure for 2022 was 84%. The small reduction is related to a higher relative share of aseptic cartons sold in 2023.

The share of fully renewable fresh milk cartons in Europe was 30% in 2023. This percentage is unchanged from 2022.

Fully renewable cartons for fresh milk in Europe



Performance

Targets
- 100% renewable or recycled content materials in all beverage cartons on the European market, and available in other markets, by 2030
- 50% of all fresh milk cartons in Europe fully renewable by 2025

KPIs	KPI reference	Status 2023
a) % Renewable or recycled content materials in cartons sold, European market	Self defined	a) 82%
b)% of fresh milk cartons in Europe fully renewable	Self defined	b) 30%

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Profit

Performance versus midterm targets

Elopak has committed to the following midterm targets:

Targets	Mid term 3–5 years	2023	2022	2021
Revenue growth	2–3% organic growth p.a. and selectivity pursue M&A opportunities	9.4%	11.9%	3.5%
EBITDA margin	14–15% adjusted EBITDA margin	15.1%	11.7%	13.3%
Capex	EUR ~50m p.a.	EUR 41m	EUR 44m	EUR 37m
Dividend policy	~50–60% pay-out ratio % of adjusted net profit	50%	50%	52%
Capital structure	~2.0x net debt/adjusted EBITDA mid-term	1.9x	3.3x	2.1x

The numbers presented exclude Russia, both for 2022 and 2021.

Key financials

The following table summarizes key financial metrics as they have been reported through the year in the quarterly reports. The main developments in 2023 are described in the following sections of the report.

	Year to date ended December 31		
EUR 1 000	2023	2022	2021
Revenue	**1 132.0**	1 023.7	855.3
EBITDA[1]	**164.1**	109.9	103.3
Adjusted EBITDA[1]	**170.9**	119.4	113.7
Adjusted EBITDA margin[1]	**15.1%**	11.7%	13.3%
Profit from continuing operations	**69.4**	34.2	30.3
Adjusted profit attributable to Elopak shareholders[1]	**68.3**	44.0	35.5
Leverage ratio[1]	**1.9**	3.3	2.1
Adjusted basic and diluted earnings per share (in EUR)	**0.25**	0.16	0.14

[1] Definition of Alternative Performance Measures, including specification of adjustments, at the end of this report

The numbers presented exclude Russia, both for 2022 and 2021.

Revenues

Group

Full year 2023, Group revenues increased by 10.6%, or EUR 108.3 million. Adjusting for currency fluctuation and acquisition effects, revenue growth is 9.4%, or EUR 96.4 million.

Revenues by geography and product

EUR million	2023	2022	Change
EMEA	**870 459**	785 976	11%
Americas	**290 601**	260 535	12%
Corporate and Eliminations	**(29 016)**	(22 815)	27%
Total Revenues	**1 132 043**	1 023 696	11%

EUR million	2023	2022	Change
Cartons and closures	**1 028 177**	923 750	11%
Equipment	**50 272**	28 583	76%
Service	**51 142**	45 367	13%
Other	**2 451**	25 996	(91%)
Total revenue	**1 132 043**	1 023 696	11%

Revenues EMEA by product

EUR million	2023	2022	Change
Cartons and closures	**755 682**	671 025	13%
Equipment	**52 385**	36 307	44%
Service	**52 113**	46 036	13%
Other	**10 278**	32 608	(68%)
Total revenue	**870 459**	785 976	11%

In EMEA, full year revenues increased EUR 84.5 million (10.8%) compared to last year with an organic revenue growth of EUR 64.7 million, adjusted for currency translation and acquisition effects.

The main drivers behind the organic revenue growth were improved pricing, higher Roll Fed volumes, and equipment sales. The Roll Fed carton growth was mainly through our joint venture in India as well as market share gains in Europe. Revenue from equipment increased as the company delivered more Fresh and Aseptic filling machines than in 2022. In Pure-Pak®, our volumes decreased mainly due to consumption decline. This was most prominent during the first three quarters and stabilized in the fourth quarter.

Revenues Americas by product

EUR million	2023	2022	Change
Cartons and closures	**276 739**	256 522	8%
Equipment	**12 114**	2 183	455%
Service	**–**	–	–
Other	**1 748**	1 830	(4%)
Total revenue	**290 601**	260 535	12%

In Americas, full year revenues increased by EUR 30.1 million (11.5%) compared to last year. The organic revenue growth was EUR 37.9 million (14.6%), adjusted for currency translation effects.

Pure-Pak® revenues increased mainly from growth in the Fresh Dairy and Juice segment from onboarding of new customers and growth with existing. Additional revenue growth also from favorable product mix and price increases from pass-through of raw material cost increases.

Revenue from the sale of equipment increased due to placement of more Fresh filling machines compared to 2022.

Adjusted EBITDA

Annual Adjusted EBITDA

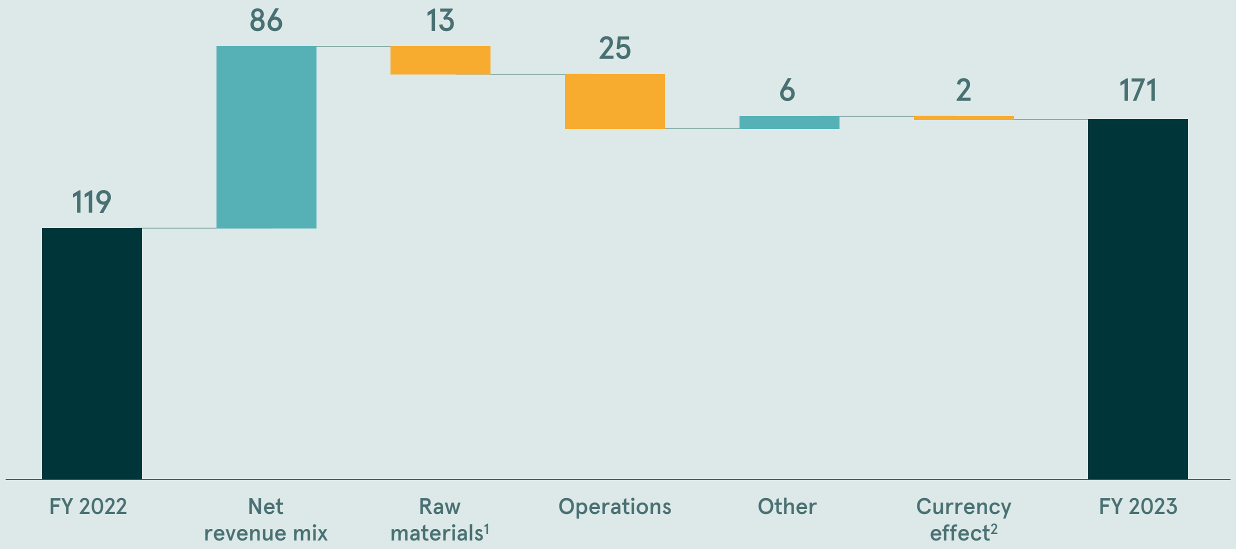
EUR million	2023	2022	Change
EMEA	**135 482**	94 283	44%
Americas	**67 433**	51 466	31%
Corporate and Eliminations	**(32 048)**	(26 336)	22%
Total Adjusted EBITDA	**170 867**	119 413	43%

On a full year basis, adjusted EBITDA for the Group increased by EUR 51.5 million (43.1%) to EUR 170.9 million. Adjusted EBITDA margin was 15.1% (11.7%).

EMEA

In EMEA, adjusted EBITDA year to date increased by EUR 41.2 million, from EUR 94.3 million in 2022 to EUR 135.5 million in 2023. Adjusted EBITDA margin was 15.6% (12.0%). The improvement was mainly driven by price increases and acquisitions made in 2022. Partly offsetting this was continued high raw material cost, high inflation on other input cost and payroll, and to some extent lower Pure-Pak® carton volumes.

Operations at the coating and converting plants were good during 2023. Elopak has a long history of continuous improvements, and the efficiency and quality of the plants is generally at a high level. In 2023, waste performance and total recordable injuries continued to improve on the back of a structured operational improvement program called Elovation. Furthermore, production in Ukraine continued to deliver impressive performance in the plant despite the impact from the war. The new plants in Delhi, Dammam and Casablanca have taken strides to improve their operational efficiency, post acquisitions in 2022..



[1] Raw materials are only related to carton production in Europe and MENA
[2] FX impact related to EURUSD, EURINR, EURMAD

Americas

In Americas adjusted EBITDA increased by EUR 16.0 million, from EUR 51.5 million in 2022 to EUR 67.4 million in 2023. Adjusted EBITDA margin was 23.2% (19.8%). Adjusting for currency translation effects adjusted EBITDA increased by EUR 17.6 million.

Pure-Pak® carton volume growth was a key driver of the improved performance, achieved through gaining market share through both new and existing customers within the fresh dairy and juice segments. Additionally, 2023 was a year with solid filling machine placements, a leading indicator of future growth. Based on 2023 performance, the region has a solid foundation prior to building a new plant in the US.

The two joint ventures in Americas performed very well in 2023, supported by volume growth in the school milk segment. The share of result was EUR 6.9 million, which was an increase of EUR 2.5 million.

The following table provides a reconciliation from reported operating profit to EBITDA and adjusted EBITDA. For further details and definitions, we refer to the Alternative Performance Measures section in the back of this report.

Reconciliation of EBITDA and adjusted EBITDA

EUR 1 000	December 31 2023	December 31 2022
Operating profit	**102 778**	41 774
Depreciation, amortisation and impairment adjusted	**61 332**	63 938
Impairment fixed and long term assets Ukraine	**–**	4 189
EBITDA	**164 111**	109 901
Total adjusted items with EBITDA impact	**(100)**	5 133
Share of net income from joint ventures (continued operations)[1, 2]	**6 855**	4 378
Adjusted EBITDA	**170 867**	119 413

[1] Share of net income and impairment on investment from joint ventures included in adjusted figures
[2] See reconciliation of net income from joint ventures

Profit

Full year operating profit increased by EUR 61.0 million to EUR 102.8 million. The comparable period was affected negatively from impairment in Ukraine and transactions costs related to acquisition of Naturepak and GLS. Additionally, EUR 2.6 million is due to decreased depreciation and amortization of noncurrent assets, predominantly related to acquired business in MENA. The remaining margin development is a result of the factors explained above in adjusted EBITDA section.

For the full year, net financial expenses were EUR 24.3 million, an increase of EUR 21.5 million, with around EUR 5.5 million coming from unrealized fair value losses on interest rate swaps. In comparison, in 2022 we reported an unrealized fair value gain of EUR 8.9 million on interest rate swaps. Interest on external funding increased by EUR 8.8 million in 2023 compared to 2022, driven by increased benchmark rates. This was partially offset by interest rate swaps, which had a net interest settlement of EUR 3.2 million in Elopak's favor during the period. The comparable period also had a favorable foreign exchange gain of 3.0 million, not repeated in 2023.

Income tax expenses for 2023 were EUR 15.5 million, corresponding to an effective tax rate of 18%. (2022 EUR 12.2m, or 26%). The tax expense in 2023 was impacted favorably by currency translation effects. The expected tax at current statutory tax rates for the Group is approximately 24% before permanent differences, depending on the relative mix of profits and losses taxed at varying rates in the jurisdictions in which Elopak operates.

Profit from continuing operations in 2023 increased by EUR 35.2 million from EUR 34.2 million to EUR 69.4 million.

Cash flow and capital structure

Cash flow
For the full-year 2023, cash flow from operations was EUR 157.2 million, mainly driven by strong earnings and improved cash from working capital. The working capital position increased at the beginning of the year mainly from delayed commissioning of filling machines and high inventories of packaging material. This was mitigated by targeted initiatives during the second half of the year, resulting in a positive impact for the full year.

Net cash flow used in investing activities was EUR -32.0 million, reflecting a slightly lower than average level of leased filling machines and a normal level of manufacturing plant projects in Europe and Americas. Furthermore, Elopak received installments from the sale of its Russian subsidiary amounting to EUR 4.9 million, as well as dividends from Joint Ventures of EUR 2.0 million. In the comparable period the main investment was the acquisition of Naturepak and GLS India.

Net cash flow from financing activities was EUR -137.5 million, reflecting net debt reduction of EUR 69.8 million, dividends paid to our shareholders of EUR 19.6 million, interest expenses of EUR 11.3 million and lease payments of EUR 18.4 million.

Capital structure
Net interest-bearing bank debt has decreased from EUR 300.8 million at year end 2022 to EUR 231.0 million as of end of December. The main reason for the decrease is strong cash from operations year to date. In 2023, lease liability according to IFRS 16 increased by EUR 10.8 million to EUR 101.5 million due to new tethered caps contracts. Consequently, the Leverage Ratio as of December 31, 2023 was 1.9x which is a significant improvement from 3.3x reported as of December 31, 2022.

For a specification of the net debt, please refer to section 'Alternative Performance Measures (APMs)'.

Elopak ASA
Elopak ASA is the parent company in the Elopak Group with financial activities and corporate functions. Elopak ASA had a profit of EUR 35.5 million in 2023, compared to EUR 23.5 million in 2022. Total assets were EUR 461.7 million as of 31st of December 2023, compared to EUR 472.6 million in 2022. Cash flow from operations improved by EUR 69.9 million to EUR 52.0 million while cash flow from investing activities were EUR 27.0 million in 2023 compared to -63.0 million in 2022. Cash flow from financing activities of -93.8 million brings cash and cash equivalents to EUR 0.2 million as of 31st of December 2023, down from EUR 15.0 million in 2022.

Equity increased by EUR 47.3 million, from EUR 268.0 million as of December 31, 2022, to EUR 315.3 million as of December 31, 2023. Total comprehensive income was EUR 66.4 million. .

The Board confirms that the accounts are presented under a going concern assumption.

Outlook

Elopak continues to pay close attention to how inflationary pressure and increased interest rates impact consumption and consumer behavior. There are signs of improvement on the supply chain disruptions, and the situation is expected to gradually improve. Elopak is in a structurally good position with diversified markets, and a solid financial position. The company expects its strategic initiatives to continue to grow the top line and strengthen the results further.

Skøyen, April 10, 2024
Board of Directors in Elopak ASA

This document is signed electronically

Dag Mejdell
Chairperson

Trond Solberg
Board Member

Anna Belfrage
Board Member

Sid Johari
Board Member

Sanna Suvanto-Harsaae
Board Member

Håvard Grande Urhamar
Board Member
(employee representative)

Anette Bauer Ellingsen
Board Member
(employee representative)

Thomas Körmendi
CEO

The Elopak share

Elopak aims to deliver long term value creation for its shareholders, exceeding comparable investment alternatives. For our shareholders, this will be reflected in the combination of the long-term price performance of the Elopak share and dividend payout.

Figure 1. Elopak share price development in 2023

Market capitalization and turnover

The Elopak share is listed on Oslo Børs under the ticker code ELO. All shares have equal rights and are freely transferable. The market capitalization of Elopak as of December 31, 2023 was NOK 8.2 billion, up from 6.7 billion at the end of 2022. The average daily volume of ELO shares traded on Oslo Børs was 104 thousand, down from 181 thousand in 2022. Elopak will endeavor to increase trading volume and liquidity during 2024.

Dividend

Elopak has a dividend policy and guidance to distribute 50-60% of adjusted net profit as an annual dividend. Please see page 44 for complete dividend policy.The Board proposes to pay a dividend of NOK 1.46 per share for the 2023 financial year. The dividend payout proposal is in the lower end of the range due to the expected investment level related to the construction of the US plant.

The dividend will be paid out on or about May 28, 2024 to shareholders of record on the date of the Annual General Meeting.

2024 Annual general meeting

The Annual General Meeting will take place on May 13, 2024. Information about how to register for the Annual General Meeting will be published on www.elopak.com no later than 21 days prior to the event, including information on how to register to attend or vote.

Analyst coverage

Elopak has several analysts covering the Elopak share. Six financial analysts provide market updates and estimates for our financial results.

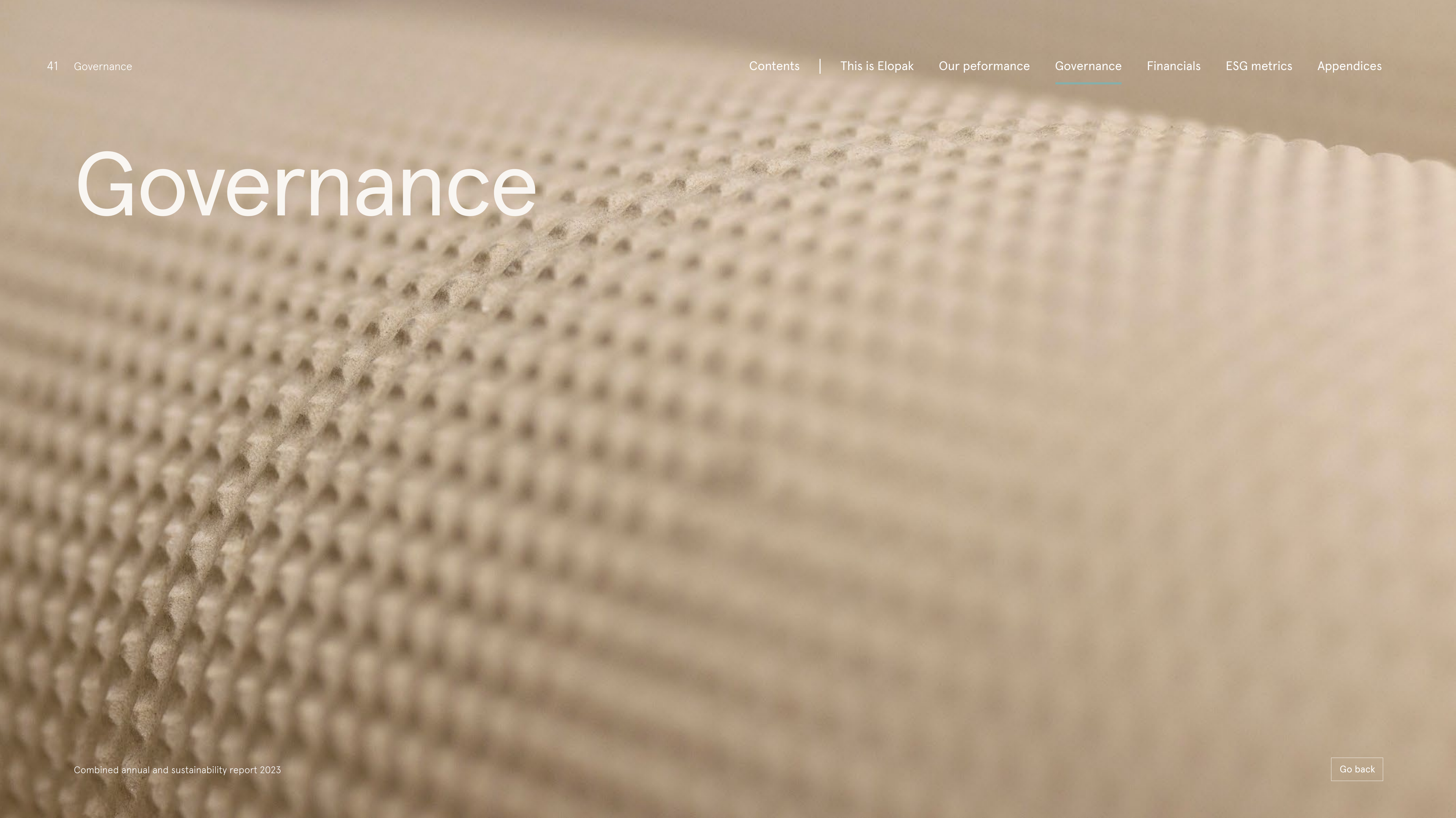
Firm	Analyst	E-mail
ABG Sundal Collier	Martin Melbye	martin.melbye@abgsc.no
Arctic Securities	Jeppe Baardseth	jeppe.baardseth@arctic.com
Carnegie	Robin Santavirta	robin.santavirta@carnegie.fi
DNB	Niclas Gehin	niclas.gehin@dnb.no
BNP Paribas Exane	Charlie Muir Sands	charlie.muir-sands@exanebnpparibas.com
SEB	Håkon Fuglu	hakon.fuglu@seb.no

Financial calendar

Date	Event
May 8, 2024	Quarterly report – Q1 2024
May 13, 2024	Annual general meeting
May 14, 2024	Ex-dividend date
On or about May 28, 2024	Annual dividend payment
August 15, 2024	Quarterly report – Q2 2024
October 30, 2024	Quarterly report – Q3 2024

Top 20 shareholders as of December 31, 2023

	Shareholder	# Shares Dec 2023	% Ownership Dec 2023
#1	Ferd AS	161 465 870	60.0
#2	Nippon Paper Industries Co., Ltd.	13 460 950	5.0
#3	Pareto Asset Management AS	11 391 103	4.2
#4	Morgan Stanley & Co. International Plc	9 308 944	3.5
#5	Folketrygdfondet	8 841 209	3.3
#6	Fidelity International	7 576 102	2.8
#7	Artemis Investment Management LLP	5 882 252	2.2
#8	Pictet Asset Management Ltd.	3 058 590	1.1
#9	Oddo BHF Asset Management S.A.S.	2 896 868	1.1
#10	Arctic Fund Management AS	2 492 236	0.9
#11	DNB Asset Management AS	2 459 685	0.9
#12	Allspring Global Investments LLC	2 195 672	0.8
#13	Skagen AS	2 126 041	0.8
#14	Indépendance et Expansion AM S.A	1 766 059	0.7
#15	GW&K Investment Management, LLC	1 689 222	0.6
#16	UBS Asset Management (Switzerland)	1 570 315	0.6
#17	T D Veen AS	1 169 193	0.4
#18	Clearstream Banking SA	1 100 221	0.4
#19	MFS Investment Management	1 088 366	0.4
#20	Wenaasgruppen AS	1 017 391	0.4



Governance

Corporate governance

We believe that effective corporate governance is the foundation of our business. Through our governance, we set clear responsibilities for our managers, employees, and partners. We do so because we believe that this is ultimately the best way of creating long term competitive returns for our shareholders and ensuring that our business is sustainable.

Our objectives and principles

Our objective is to ensure long term value creation for our shareholders, employees and society through our vision, mission, and promises.

We believe that the best way to achieve this goal is through a value-based performance culture, stringent ethical requirements, and a code of conduct that promotes personal integrity and respect for the environment. Therefore, our corporate governance is based on our corporate values and ethical guidelines such as the Elopak Code of Conduct.

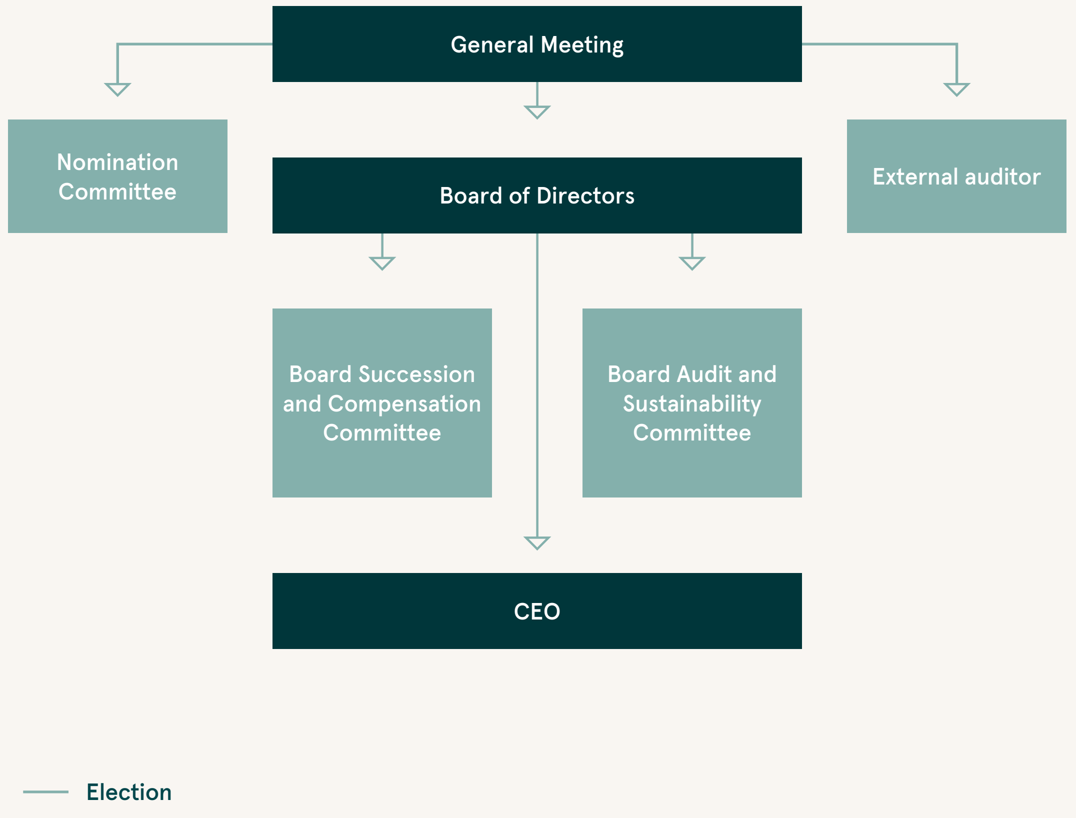
Good corporate governance is a fundamental element in the practical work of the company's governing bodies, and it defines the criteria on which the trust of the company's shareholders is based.

Implementing and reporting on corporate governance

Elopak is subject to annual corporate governance reporting requirements pursuant to section 3-3b of the Norwegian Accounting Act, the Norwegian Code of Practice for Corporate Governance (the "Code of Practice"), and Oslo Børs Rule Book II – Issuers Rules, Section 4; Continuing obligations for issuers of shares.

This report was approved by the Board on April 10, 2024. The report follows the system used in the Code of Practice and describes how Elopak has implemented the Code of Practice in its business. The report covers each section of the Code of Practice, and any deviations are specified and explained under the relevant section.

Elopak has established, and the Board has approved, a set of Principles for Corporate Governance (available on the Elopak website) describing the company's main principles for corporate governance. In addition, the company has established a Rules of Procedure for the Board to ensure a clear and productive division of roles and responsibilities between the Board, the Management and the shareholders, as well as satisfactory control over the company's activities. These principles and guidelines ensure good and effective corporate governance and are based on the Code of Practice.



The Board has the ultimate responsibility for the management of the company, adherence to good corporate governance standards, and will at all times ensure that Elopak complies with the Code of Practice.

Business

Elopak's business purpose is expressed in the company's Articles of Association, section 2: "The objective of the company is production and sale of packaging, production and sale of machinery and equipment for packaging, agency and services relating to packaging products and anything connected with this as well as participation in other companies".

The Articles of Association are published on the company's website. Within the frame-work of the Articles of Association, Elopak has established goals and strategies for the business. Elopak's objectives and strategies are presented in the section "Executing our sustainability-driven growth strategy". The evaluation of Elopak's objectives and strategies as well as risk profiles and risk management are described in the chapter Risk management and internal control. When defining objectives, strategies, and risk profiles to create value for shareholders in a sustainable manner, the Board takes into account financial, social and environmental considerations. The Board has guidelines for how it integrates considerations related to its stakeholders into its value creation.

The Board evaluates the objectives, strategies and risk profile at least on an annual basis.

Equity and dividends

Equity
As of December 31, 2023, Elopak had a consolidated equity of EUR 315.3 million, corresponding to an equity ratio of 32.8%. The Board considers that Elopak has a capital structure that is appropriate for its objectives, strategy and risk profile.

Dividends
Elopak targets a dividend payout ratio of approximately 50-60% of the Elopak Group's adjusted net profit attributable to Elopak's shareholders.

In deciding whether to propose a dividend and in determining the dividend amount, the

Board will comply with the legal restrictions set out in the Norwegian Public Limited Liabilities Companies Act and take into account the company's capital requirements, including capital expenditure requirements, the company's financial condition, general business conditions, borrowing arrangements and any other restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility.

Board mandates to increase the share capital

At the annual general meeting of the company on May 11, 2023 the Board was authorized to increase the share capital of Elopak by up to NOK 37 690 662 in one or more share capital increase through issuance of new shares. The authorization was only to be used to:

- issue shares as consideration in connection with acquisitions;
- issue shares in connection with the employee incentive or share ownership schemes; and
- raise new equity in order to strengthen the company's financing.

The authorization is valid until the annual general meeting in 2024, but in no event later than June 30, 2024.

The Board has not issued any shares pursuant to this authorization.

Board mandates to acquire own shares

At the annual general meeting of the company on May 11, 2023 the Board was authorized to acquire the company's own shares on behalf of the company with an aggregate nominal value of up to NOK 37 690 662.

Consideration may not be less than NOK 1 and may not exceed NOK 250 and the Board determines the methods by which own shares can be acquired or disposed of. The authorization is valid until the annual general meeting in 2024, but in no event later than June 30, 2024. Pursuant to this authorization, the Board purchased 410 540 shares since the annual general meeting on May 11, 2023 and up to December 31, 2023. The shares were purchased to fulfill the company's obligations under its long-term incentive plan (as further described in the Remuneration Report 2023).

Equal treatment of shareholders and transactions with close associates

The company's share capital is NOK 376 906 619.60 divided into 269 219 014 shares, each with a nominal value of NOK 1.40.

The Board and the Management are committed to ensuring equal treatment of all the company's shareholders and that transactions with related parties take place on an arm's length basis. (Note 29) to the consolidated financial statements provides details about transactions with related parties. Financial relationships related to the directors and executive personnel are described in note 29.

In 2023, the company purchased 410 540 of its own shares on Oslo Børs. The share buyback program was completed as follows:

- 260 540 shares purchased between September 11, 2023 and October 6, 2023 at an average price of NOK 22.65 as publicly disclosed in a stock exchange announcement on October 6, 2023.
- 150 000 shares purchased between December 11, 2023 and December 22, 2023 at an average price of NOK 28.09 as publicly disclosed in a stock exchange announcement on December 22, 2023.

Shares and negotiability

The Articles of Association place no restrictions on owning, trading or voting for shares in the company.

There are no general restrictions on the purchase or sale of shares by the Board or members of the Company's Management as long as they comply with the regulations on insider trading and the Market Abuse Regulation.

The extraordinary general meeting on November 23, 2022 approved a performance share unit program (the Long-Term Incentive Plan), and the annual general meeting of the company on May 11, 2023 granted the Board an authorization to acquire own shares. For the 2023 performance, Management and senior directors were granted an annual award of shares from the company. Further details of the Long Term Incentive Plan are described in the Remuneration Report for 2023.

General meetings

All shareholders have the right and are encouraged to participate in the general meetings of the company, which exercises the highest authority of Elopak. The Board ensures that its shareholders can attend and participate in the general meetings. This year's annual general meeting will take place on May 13, 2024. The Elopak Group's financial calendar is published via Oslo Børs and in the investor relations section at the Elopak's website.

Notice, registration, and participation

The full notice for general meetings shall be sent to the shareholders no later than 21 calendar days prior to the meeting. The notices for such meetings shall include documents providing the shareholders with sufficient detail for the shareholders to make an assessment of all the cases to be considered as well as all relevant information regarding procedures of attendance, proxy and voting.

The notice and the documents may be sent to or made available for the shareholders by electronic communication, to the extent allowed in the Articles of Association. A shareholder may still request physical copies of the relevant documents to be sent to him or her.

The Chair of the Board and the CEO are present at the annual general meeting (save in case of legal absence), along with the leader of the Nomination Committee and the company's external auditor, to the extent the agenda items make such attendance relevant. Representatives of the Board will normally be present at general meetings. However, Elopak does not require the entire Board to attend the general meeting. This is a deviation from the Code of Practice which states that it's appropriate that all board members attend general meetings.

Shareholders who intend to attend a general meeting of the company shall give the company written notice of their intention within a time limit given in the notice of the general meeting, which pursuant to the Articles of Association cannot expire earlier than two working days before the general meeting. The deadline for registering attendance is set as close to the meeting as possible. Shareholders who have failed to give such notice within the time limit can be denied admission.

Voting and proxy

Shareholders unable to attend a general meeting may use electronic voting to vote directly on individual agenda items during the premeeting registration period. Shareholders unable to attend a meeting may also vote by proxy. The procedures for electronic voting and the proxy voting instructions are described in the meeting notification and published on the company's website.

The company has chosen to deviate from the Code of Practice's recommendation that shareholders should be able to vote separately on each candidate nominated for election to the Board and Nomination Committee. This choice is based on the Nomination Committee's selection of candidates being focused on the combined qualifications and experience of the proposed Board members and the Nomination Committee, and therefore that voting should not be separated.

Chairing meetings

General meetings will normally be chaired by the Chair of the Board. This is a deviation from the Code of Practice which states that the general meeting should be able to elect an independent chairperson for the general meeting. The Board has not deemed it necessary to always give the general meeting the option to elect an independent chairperson, as in the company's experience the general meetings have been chaired in a satisfactory manner. The Board will however from time to time evaluate whether it is desirable to engage an external chairperson to chair the general meeting. Minutes from general meetings are published as soon as practicable via the Oslo Børs' reporting system (www.newsweb.no, ticker code: ELO) and in the investor relations section at the Elopak website.

Nomination committee

Elopak has a Nomination Committee as laid down in the company's Articles of Association. The Nomination Committee shall consist of between two to four members, elected by the general meeting. The members of the

Nomination Committee should be selected to consider the interests of shareholders in general, and the Nomination Committee should be independent of the Board and the Management of the company. No Board member or member of the Management should serve on the Nomination Committee. Members of the Nomination Committee are elected for a term of two years unless otherwise decided by the general meeting.

The current members of the Nomination Committee are Tom Erik Myrland (chair), Terje Valebjørg (member) and Kari Olrud Moen (member).

The primary responsibilities of the Nomination Committee are to present proposals to the general meeting regarding election of shareholder elected Board members, the Board members' fees, the election of members to the Nomination Committee, the Nomination Committee members' fees, as well as to propose amendments to the Nomination Committee Charter. The Nomination Committee shall justify why it is proposing each Board member candidate separately.

In preparation for possible searches for new members of the Board the Nomination Committee shall have contact with shareholders, members of the Board and the company's executive personnel. The Nomination Committee's expenses are covered by the company. The Nomination Committee Charter is approved by the general meeting.

Proposal for Board member candidates can be submitted to the Nomination Committee up to the end of November each year.

Shareholders who wish to contact the Nomination Committee can do so by sending an e-mail to: investors@elopak.com.

Go back

Board of Directors

Composition and independence

Pursuant to the Company's Articles of Association, the Board shall consist of between 3 and 12 board members, as decided by the general meeting. The Board currently has five shareholder elected directors, all elected by the general meeting for a two year term and all independent of the Management team. All board members are defined as independent of the company's main shareholders.

The Board members are encouraged to own shares in the company. The composition of the Board is intended to secure the interests of the shareholders in general, while the directors also collectively possess a broad business and management background as well as in-depth sector understanding and expertise in investment, financing and capital markets. Weight is also given to the Board's ability to make independent judgements of the business in general and of the individual matters presented by the executive management. Consideration has also been given to gender representation and independence of directors from the company and its management.

Dag Mejdell
Chairperson

Sid Johari
Board member

Trond Solberg
Board member

Anna Belfrage
Board member

Sanna Suvanto-Harsaae
Board member

Håvard Grande Urhamar
Employee elected board member

Anette Bauer Ellingsen
Employee elected board member

Dag Mejdell
Chairperson

Dag Mejdell has been Chair of the Board since May 11, 2023. He is a fulltime external board professional. Mejdell has a degree in Economics and Business Administration from the Norwegian School of Economics (Handelshøyskolen). Current directorships and senior management positions: Norsk Hydro ASA (chairperson of the board, chairperson compensation and people committee), Sparebank 1 SR-Bank (chairperson of the board, chairperson compensation and people committee, member of the risk committee), and Mestergruppen AS (chairperson of the board, member of the audit committee).

Year of appointment: 2023
Born: 1957
Shares owned at year-end 2023[1]: 56 000
Record of Attendance: 6

Sid Johari
Board member

Sid Johari has been a Board member since 2017. Johari has three decades of executive management and board membership experience within the fields of R&D, product industrialization, and sales in large global companies. From running small teams of highly specialized technology development in theoretical fluid dynamic at ABB to developing unique liquid packaging solutions for emerging markets at Tetra Pak and finally leading sales operations in Asia and America and establishing a global industrial operation for Sidel, he has gathered vast knowledge and expertise within the field of R&D and product industrialization. Johari is currently engaged in supporting young technology companies with disruptive technologies to enter the market by acting as a board member or advisory board member when needed. Johari holds a Master of Science in Mechanical Engineering from Lund University. Current directorships and senior management positions: Tech2M (founder) and Airgo Design (advisory board member).

Year of appointment: 2017
Born: 1959
Shares owned at year-end 2023: 17 857
Record of Attendance: 8

Trond Solberg
Board member

Trond Solberg has been a Board member since 2008. Solberg has more than 20 years of experience from public and private investments. First for 20 years at Ferd AS, including his position as Co-Head of Ferd Capital from 2012 to 2022 and now in the current position as Investment Director at Farvatn. In addition, Solberg has extensive board experience as chair and board member for multiple companies, including Brav and Fürst. Prior to joining Ferd AS, Solberg was employed within consulting at Accenture. Solberg holds a Master's degree in Economics (Norwegian: Siviløkonom) from BI Norwegian Business School. Current directorships and senior management positions: Farvatn Private Equity AS (Investment Director), Skolo AS (chairperson), RemovAid (chairperson), Oilcomp AS (chairperson), Ocomp Holding AS (chairperson), and Elywhere Group AS (board member).

Year of appointment: 2008
Born: 1979
Shares owned at year-end 2023: 0
Record of Attendance: 8

Anna Belfrage
Board member

Anna Belfrage has been a Board member and the chair of the Audit Committee since April 15, 2021. Belfrage has over 30 years of experience within finance, first as an auditor with PricewaterhouseCoopers, then as CFO in various industrial companies in Sweden. She has also been acting CEO of the listed company Beijer Electronics Group AB. Most recently, Belfrage was the CFO and Senior VP IT and Purchasing in the forestry group Södra Skogsägarna Ekonomisk Förening. Belfrage is currently working as a professional board member. Belfrage holds a Master's degree in Economics (Norwegian: Siviløkonom) and additional courses in Business Administration and Corporate Law from Lund University. Current directorships and senior management positions: Mycronic AB (publ.) (board member, chair of the audit committee), Note AB (publ.) (chairperson, member of the audit committee), CINT AB (publ.) (board member, chair of the audit committee), Ellevio AB (board member, chair of the audit committee), Sveaskog AB (board member, chair of the audit committee) and Deep Ocean Group AS (board member, chairperson of the audit committee).

Year of appointment: 2021
Born: 1962
Shares owned at year-end 2023: 0
Record of Attendance: 8

[1] Number includes board member and its close associates.

Sanna Suvanto-Harsaae
Board member

Sanna Suvanto-Harsaae has been a Board member since April 15, 2021. Suvanto-Harsaae has extensive experience as a board member and director from several international companies. Suvanto-Harsaae holds a Bachelor's degree in Economics from Lund University. Current directorships and senior management positions: Posti Oyj (chair of the board, chair of the remuneration committee, member of the audit committee), BoConcept AS (chair, member of the audit committee), TCM AS (chair of the board, chair of the remuneration committee, member of the audit committee), Orthex Oyj (chair), Babysam AS (chair), Altia Oyj (chair of the board, chair of the remuneration committee, member of the audit committee), Nordic Pet Care Group AS (chair), Harvia Oyj (vice-chair of the board, chair of the audit committee), CEPOS (Center for Political Studies)(board member) and Broman Group Oy (board member). Previous directorships and senior management positions last five years: SAS AS (board member), Isadora AS (chair), and Paulig Oy (chair).

Year of appointment: 2021
Born: 1966
Shares owned at year-end 2023: 14 285
Record of Attendance: 8

Håvard Grande Urhamar
Employee-elected board member

Håvard Grande Urhamar has been an employee-elected Board member since August 1, 2023. Urhamar has been employed in Elopak since 2006, and currently holds the position as Senior Manager Board Development and Manager Packaging Procurement. Urhamar holds a MA of Science and Technology from NTNU, Trondheim.

Year of appointment: 2023
Born: 1976
Shares owned at year-end 2023: 0
Record of Attendance: 4

Anette Bauer Ellingsen
Employee-elected board member

Anette Bauer Ellingsen has been an employee-elected Board member since May 6, 2021. Dr. Ellingsen has been employed in the company since May 2014 and currently holds the position of Senior Food Microbiologist. Prior to her current position, Dr. Ellingsen held the position as marketing responsible for veterinary medicines in Interfarm AS (2011-2014). Anette Bauer Ellingsen holds a PhD in Food Microbiology from the Norwegian School of Veterinary Science and a BSc. Biotech (Hons) degree from Griffith University (Australia).

Year of appointment: 2021
Born: 1977
Shares owned at year-end 2023: 1 071
Record of Attendance: 8

The work of the Board

The Board has established and adopted a written instruction "Rules of Procedure for the Board" that regulates areas of responsibility, tasks and the division of roles between the Board and the CEO.

The Board has established an annual cycle which sets out all planned meeting dates, regular Board agenda items, and procedures for Board document preparations. The CEO reports regularly to the Board on operational and financial developments, results, and other material company and industry developments, such as sustainability and compliance topics. The Nomination Committee has held individual discussions with each Board member (both shareholder and employee elected), with the CEO to evaluate the Board's effectiveness and the manner in which its members function, both individually and as a group.

Pursuant to Elopak's Rules of Procedure for the Board and Elopak's Code of Conduct, all Board members and Management are committed to making the company aware of any material interest they may have in items to be considered by the Board. Neither a Board member nor the company CEO may participate in Board discussions or decisions of such particular significance that the member must be deemed to have a special or prominent personal or financial interest in the matter. It is the opinion of the Board that there were no transactions that were material between the group and its shareholders, Management or related parties in 2023, except those described in note 29 to the consolidated financial figures.

8 board meetings were held in 2023.

Board committees

The company has, in addition to the Nomination Committee, appointed a Board Audit and Sustainability Committee (BASC) and a Board Succession and Compensation Committee (BSCC). Both committees are appointed to assist the Board in discharging its oversight responsibilities, work as preparatory bodies for the Board and according to specific mandates approved by the Board.

The Board Audit and Sustainability Committee

The Board nominates the BASC members and the chairperson of the BASC. The BASC consist of at least two members, all of whom are members of the Board and independent non-executive directors of the Company. Members are appointed for a period of two years. The current BASC members are Anna Belfrage (chairperson) and Trond Solberg (committee member).

The BASC oversees the reporting process to ensure the balance, transparency, and integrity of external financial and sustainability reporting. The BASC shall also consider the following:

- The effectiveness of the company's internal control and risk management system
- The independent audit process, including recommending the appointment and assessing the performance of the external auditor
- The company's process for monitoring compliance with laws, regulations, internal standards, policies, and expectations of key stakeholders, including customers, employees, and society as a whole

The Board has prepared and approved a separate Board Audit and Sustainability Charter.

The Board Succession and Compensation Committee

The Board nominates the members and the chairperson of the BSCC. The BSCC consists of at least two members, all of whom are members of the Board and independent nonexecutive directors of the company. Members are appointed for a period of two years. The current members of the BSCC are Dag Mejdell (chairperson), Trond Solberg (committee member), and Sanna Suvanto-Harsaa (committee member).

The BSCC shall annually oversee and review the overall compensation policies, contracts and agreements approved by the Board of Directors and General Meeting. The BSCC shall also provide recommendations to the Board of Directors for setting the targets for any performance related incentive compensation and equity-based plans and programs for management to ensure that the compensation matches the long-term interests of the shareholders and the goals set for the company by the Board of Directors. In addition, the BSCC shall oversee the executive succession planning practices and results.

The overall purpose is to ensure that the Company can attract, motivate, and retain board members and employees with the experience, skills and behavior needed to achieve our objectives, carry out our strategy and maximize our shareholder value.

The BSCC activities during 2023 included:

- Preparing the Remuneration Report for 2023 in line with the reporting standards in section 6-16a and 6-16b of the Norwegian Public Limited Liability Companies Act and Elopak' guideline for remuneration of leading persons.
- Incentive program principles, target setting and results considering the business context in general.
- Remuneration of the CEO, including performance review, short-term incentive achievement and equity grants.
- Review of contractual terms and conditions for Management.
- Expansion of the long-term incentive program to senior management.
- Succession planning (included in the BSCC's mandate in 2023), including thorough review of the system for succession planning and candidates.

The Board has prepared and approved a separate BSCC charter.

Board self-assessment

The Board yearly conducts a self-assessment of its work, competence and interaction with Management.

Risk management and internal control

Risk management

As set out in the company's Principles for Corporate Governance, the Board shall ensure that Elopak has a good internal control framework and appropriate systems for risk management given the scope and nature of the company's business activities. These systems are to be continuously developed in light of the company's growth and situation.

Executing our sustainability driven growth strategy depends on managing overall risk exposure and standalone risk factors to which the group is exposed. Elopak's Board and Management are committed to proactive risk management to ensure effective strategy execution with an adequate level of risk exposure. Together with the Management, the Board has evaluated the key risks of operations and strategic projects. The BASC assists the Board in discharging oversight responsibilities, including ensuring the effectiveness of our internal control and risk management system. Management is responsible for operationalizing the risk management responses, including ensuring the group's primary strategic initiatives, as well as identifying, assessing, managing, and mitigating the top risks we face in our operations. The respective business areas, with their expertise and knowledge of their fields of operations, are the risk owners and support Management's overall risk responsibilities by understanding, mitigating, and managing risks as part of their operations as well as assessing, analyzing, and addressing how the risks influence the group's performance.

As an integrated part of Elopak's business planning process, the group, as well as the respective business areas and key functions, map, evaluate, and classify risks based on likelihood, mitigating actions, and estimated impact. The framework of the process includes a defined process to execute risk management throughout the organization, from identification to managing and mitigating risks. Each risk factor identified is evaluated based on the potential materiality of the risk, financially or otherwise affecting the Elopak Group, and the probability of the risk materializing. The cost of control and benefits of adjusting the risk levels are considered to ensure the prioritization of beneficial risk management.

The same risk assessment processes are used in strategically important or financially significant projects. It also directs the compliance work and is the starting point for developing new processes and procedures in the Elopak Management System. This ensures that responses and controls are aligned to an acceptable risk level. A key part of the risk assessment is also to evaluate which risks are at an acceptable level – our risk appetite. For certain risk categories like safety, the risk appetite is very low, but for some commercial risks, there will be a risk/reward evaluation. In our business performance review process, risks are monitored, managed, and mitigated throughout the year to manage the appropriate level of risk exposure and monitor the progress of risk response actions.

Impacts, risks and opportunities related to sustainability matters are considered during the double materiality assessment as required by the Corporate Sustainability Reporting Directive (CSRD). The assessment was performed during 2023 and the framework and methodology will be implemented as a part of Elopak's risk management procedures. Elopak will establish a process where the double materiality assessment is updated every 2 years, with regular reporting to the Board. Transferring the double materiality assessment into company strategy, targets and monitoring, is also a process where the Board has oversight.

Elopak Management System

Throughout 2023, we have focused on developing our management system - Elopak Management System (EMS). EMS outlines our global policies and procedures to ensure we can fulfill the tasks required to achieve our objectives and strategic goals, including internal controls. EMS will be made available to all employees in 2024. With commitment from the Management team, the management system will be updated with key documentation in a prioritized, step-by-step approach.

Internal control

The Board oversees the internal control routines in the company through the BASC. Processes evaluated include, but are not limited, to procurement, production and inventory, sales, payroll, period end closing and IT general control. Each year, the external auditor performs tests of the company's internal control routines and presents the findings to the Board. On this basis, the Board reviews management's plan for further development of the company's internal control system.

Remuneration of the Board

The general meeting determines the Board's remuneration annually, based on recommendations from the Nomination Committee. Remuneration of the Board members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the enterprise. Work in committees may be compensated in addition to the remuneration received for Board membership. This is further described in Elopak's remuneration guidelines and Remuneration report.

Remuneration of Management

The BSCC assists the Board in discharging the Board's responsibilities relating to the compensation of the Management team. Remuneration of the Management team is described in Elopak's remuneration guidelines and in the Remuneration report.

Information and communications

Elopak's reporting of financial, sustainability and other information is based on transparency and equal treatment of shareholders. Elopak shall provide the public with accurate, comprehensive, and timely information, to form a good basis for making decisions related to valuation and trade of the Elopak share. All information considered relevant and significant for valuing the company's shares will be distributed and published in English via Oslo

Børs' disclosure system, www.newsweb.no, and via Elopak's investor website simultaneously.

Elopak emphasizes an open and ongoing dialogue with the investor community, through frequent meetings with investors, fund managers, analysts and journalists. The company is also present at relevant investor conferences and seminars. The CEO, CFO and Head of Investor Relations are responsible for the main dialogue with the investor community and the company's shareholders. The company has established an Investor Relations Policy, including guidelines for the company's communication with shareholders outside the general meetings.

Elopak holds public presentations in connection with the announcement of quarterly and annual financial results as well as strategic updates. The presentations are available via Oslo Børs' news site www.newsweb.no and Elopak's investor website.

Takeovers

The Board has established guidelines for takeover bids.

If a take-over process should occur, the Board and the Management team each have an individual responsibility to ensure that the company's shareholders are treated equally and that there are no unnecessary interruptions to the company's business activities. The Board has a particular responsibility in ensuring, to the extent possible, that the shareholders have sufficient information and time to assess the offer.

In the event of a takeover bid, the Board will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Code of Practice. This includes obtaining a valuation from an independent expert.

Diversity, equity and inclusion

The company has not established separate guidelines for equity and diversity for the composition of the Board, Management and control bodies. However, the company has adopted a diversity, equity and inclusion policy which applies to the group as whole, including appointment of Management. Further, the Nomination Committee considers the Board's composition with regards to age, gender, education and professional background when proposing new Board members.

Auditor

The Board has delegated to the BASC to monitor the external auditor, and the BASC reports the outcome of this work to the Board. The external auditor, PWC, annually presents its overall plan for the audit of Elopak for the BASC's consideration. The external auditor's involvement with BASC during 2023 related to the following:

- Presented the main features of the audit work.
- Attended BASC meetings approving the financial statements, reviewing possible significant changes in accounting principles, assessing significant accounting estimates, and considering all possible disagreements between the external auditor and Management.
- Reviewed Elopak's internal control procedures and systems, including the identification of weaknesses and proposals for improvements.
- Held a meeting with the Board without the presence of the Management.
- Confirmed its independence and provided an overview of non-audit services provided to Elopak.
- During 2023, the external auditor attended 7 meetings with BASC in addition to one meeting with the Board.
- Pursuant to the Code of Practice, the Board has established guidelines for Elopak's management use of the external auditor for non-audit services.

The Board reports to the annual general meeting on the external auditor's total fees, split between audit and non-audit services. The annual general meeting approves the auditor's fees for Elopak ASA.

Elopak Management 2023

Thomas Körmendi
Chief Executive Officer

Thomas Körmendi is the CEO and President of the Elopak Group. He joined Elopak in 2018. Körmendi has more than 30 years of extensive management and business development experience from several international companies. Prior to joining Elopak, Körmendi held the position as the CEO of Kezzler AS. Körmendi has also served as a member of the board of directors of One Nordic AB. He is currently member of the board of directors at Nordic Paper and Norican. In addition, he has held the position as CEO of the Relacom Group, Interim CEO of Cardo Flow Solutions, Managing Director of Tetra Pak Bulgaria, Turkey, Caucasus, and Hungary, and as the Vice President of Tetra Pak with responsibility for the North Europe region. Körmendi holds a Master of Science in Economics from Copenhagen Business School. Previous directorships and senior management positions last five years: One Nordic (board member), Kezzler A/S (CEO), and Körmendi & Co (Senior Business Advisor).

Year of appointment: 2018
Körmendi holds 396 105 shares and 409 286 rights to shares in Elopak.

Bent K. Axelsen
Chief Financial Officer

Bent K. Axelsen is CFO for the Elopak Group since 2019. Axelsen is an experienced executive with broad international experience across a range of professions ranging from finance to business development, marketing, product management, and business operations. In addition to working from Norway in global positions, Axelsen has local business experience from Asia, after living two years in Singapore and 4 years in Thailand. Prior to joining the Elopak, Axelsen spent more than 15 years in Yara International ASA, where he held several managing positions, including the position as CFO & SVP Global Business Excellence, SVP Marketing & Business Development, CFO Crop Nutrition, and Vice President and Country Manager Thailand. In addition, Axelsen has held several positions in Norsk Hydro ASA. Axelsen holds a Master's degree in Economics from BI Norwegian Business School.

Year of appointment: 2019
Axelsen holds 203 833 shares and 145 046 rights to shares in Elopak.

Patrick Verhelst
Chief Marketing Officer

Patrick Verhelst is Chief Marketing Officer for the Elopak Group. He joined Elopak in 2019. Verhelst has more than 30 years of experience within marketing, sales, and leadership from holding management positions in several international companies. Prior to joining Elopak, Verhelst held the position of Director of Sales, Marketing, and Innovation for the Wipak Group. He has also been the Vice President of Sales for Coveris Group, the Business Group Strategy Director, Program Director of Sales & Marketing Transformation, and Marketing Director Europe for SCA Packaging. In addition, Verhelst has held several managing positions for General Electric Plastic, including Global Business Manager, Product Manager Europe, and Sales & Marketing Manager Europe. Verhelst is a Civil Engineer in Chemistry and Agricultural Sciences and holds a Master's in Business Management from the Vrije Universiteit in Brussel. In addition, Verhelst has a degree in Business-to-Business Marketing from the Economic School of Management in Brussels. Previous directorships and senior management positions last five years: Wipak Group (Director of Sales, Marketing & Innovation).

Year of appointment: 2019
Verhelst holds 61 562 shares and 119 642 rights to shares in Elopak.

This is Elopak Management as of December 31, 2023. The updated Management of 2024 can be viewed here: https://www.elopak.com/about/management

Nete Bechmann
Chief Human Resources Officer

Nete Bechmann is Chief Human Resources Officer for the Elopak Group. She joined Elopak in 2020. Bechmann has more than 30 years' experience within human resources, leadership, and finance. Prior to joining Elopak, Bechmann held the position of executive HR business partner in Vestas Wind Systems AS and has also held several HR positions within Arla Foods. Nete Bechmann has a Graduate Diploma in Accounting. Current directorships and senior management positions: Aarhus Katedral Gymnasium (board member). Previous directorships and senior management positions last five years: Business Aarhus/International Community (member of the executive committee), Vestas Wind Systems A/S (executive HR business partner).

Year of appointment: 2020
Bechmann holds 35 447 shares and 134 630 rights to shares in Elopak.

Ivar Jevne
EVP Packaging and Procurement

Ivar Jevne is Executive Vice President MPS (Material and Product Supply) and Procurement for the Elopak Group. He first joined Elopak in 2005 and was promoted to his current position in 2013. As such, Jevne has more than 15 years of experience from within the Elopak system, starting out as the Group Purchasing Director/Chief Purchasing Officer. Prior to joining Elopak, Jevne held the position of Principal at A.T. Kearney. Jevne holds a Master of Science from the Norwegian University of Science and Technology.

Year of appointment: 2013
Jevne holds 239 432 shares and 142 251 rights to shares in Elopak.

Stephen D. Naumann
EVP Region Europe North and India

Stephen Naumann is the Group's Executive Vice President for Region Europe North and India. He has been a member of the Elopak Group Leadership Team since 2007. Naumann has nearly 30 years of experience within Elopak, starting as Sales and Marketing Manager in 1992. He made several advancements in the years that followed, with the first milestone as General Manager of Elopak GmbH Germany in 1997. He was then entrusted with additional responsibility for the NL and UK markets. In 2005, he became VP Northern Europe and Global Accounts. In 2007, Naumann joined the GLT as an EVP Europe North and West. In 2015, he became Executive VP Region Europe and Mediterranean and Roll Fed and has been the EVP for Europe North and CIS since 2019. Naumann holds a degree of Wirtschaftsassistent Industrie, comparable to a Bachelor's degree in Economics. Current directorships and senior management positions: FKN e.V. (board member delegated by Elopak GmbH).

Year of appointment: 2007
Naumann holds 190 055 shares and 252 177 rights to shares in Elopak.

Wolfgang Buchkremer
Chief Technical Officer

Wolfgang Buchkremer is Chief Technical Officer for the Elopak Group. He first joined Elopak in 2011 and was promoted to his current position as CTO in 2018. As such, Buchkremer has 13 years of experience from within the Elopak system, starting out as a Senior Manager within Research and Engineering. Prior to joining Elopak, Buchkremer held the position of Manager for Advanced Development for KHS. In addition, Buchkremer has been the Deputy Head of Technology Pool Machine for SIG Combibloc. Buchkremer holds an Engineer degree in Automation Technology from Fachhochschule Aachen University of Applied Sciences. Current directorships and senior management positions: Elopak GmbH (general manager), Elopak Inc. (board member).

Year of appointment: 2018
Buchkremer holds 78 638 shares and 131 537 rights to shares in Elopak.

Dag Grönevik
EVP Equipment and Service

Dag Grönevik is Executive Vice President for Equipment and Service for the Elopak Group. Grönevik has held the position since March 2022. Grönevik has an educational background as Mechanical Engineer and has more than 30 years of experience from several senior leadership roles within Service and Operations, based in different parts of the world such as Russia, China, Southeast Asia, Oceania and Europe. Prior to joining Elopak, Grönevik was Managing Director for Service Leaders Matters, a global recruiting firm for senior service leaders. In addition, Grönevik has experience in leading the global service business at Sidel International AG and from various roles at Tetra Pak, recently as Head of Services in Region South and Southeast Asia, Global Director of Operations in Sweden, and Region EMEA head of Services in Switzerland. Previous directorships and senior management positions last five years: Service Leaders Matters (managing director)

Year of appointment: 2022
Grönevik holds 9 660 shares and 114 304 rights to shares in Elopak.

Lionel Ettedgui
EVP Region Americas

Lionel Ettedgui is Executive Vice President for the North America region in Elopak. Ettedgui has been appointed EVP Region America since September 2019. Prior to joining Elopak, Ettedgui was the President and CEO of Colabor Group. In addition, Ettedgui served more than 6 years as President and Chief operating officer of the Saputo Bakery division. In addition, Ettedgui has held various executive positions in Europe and Africa within trade, operations management, and business development. Ettedgui has also served on the board of directors of several companies. Ettedgui holds a degree in Business from the Institut Supérieur de Gestion. Current directorships and senior management positions: Elopak Canada (board member), Elopak Inc. (board member), Envases (board member), and Impresora del Yaque (board member). Previous directorships and senior management positions last five years: Mito Sushi (member of the advisory board), 123KLAN (member of the advisory board), Fondation Hopital Sacre Coeur (board member), and Groupe Colabor (president and CEO).

Year of appointment: 2019
Ettedgui holds 95 553 shares and 209 922 rights to shares in Elopak.

Finn M. Tørjesen
EVP Region Europe South and MENA

Finn M. Tørjesen is Executive Vice President for Region Europe South and MENA. Tørjesen has held the position of EVP since May 2019 and has been with Elopak since 1991. Tørjesen has been an international marketing and sales executive for more than 25 years. Tørjesen holds a Master of Business from the University of Strathclyde and a Bachelor (Hons) from Oslo Business School. Current directorships and senior management positions: Elopak Spa Italy (chair), Elopak Nampak JV (board member), and The Norwegian Spanish Chamber of Commerce in Madrid (board member). Previous directorships and senior management positions last five years: Elopak Obeikan JV (board member).

Year of appointment: 2019
Tørjesen holds 79 816 shares and 133 476 rights to shares in Elopak.

Sustainability governance

Governing bodies

Accountability for sustainability lies with the Board. The Board has appointed the BASC to oversee sustainability governance, frameworks, and reporting. The Board has also appointed the Board Succession and Compensation Committee to oversee the compensation of management, including sustainability KPIs embedded in the compensation mix. During 2023, sustainability topics were presented to both the Board and to BASC quarterly.

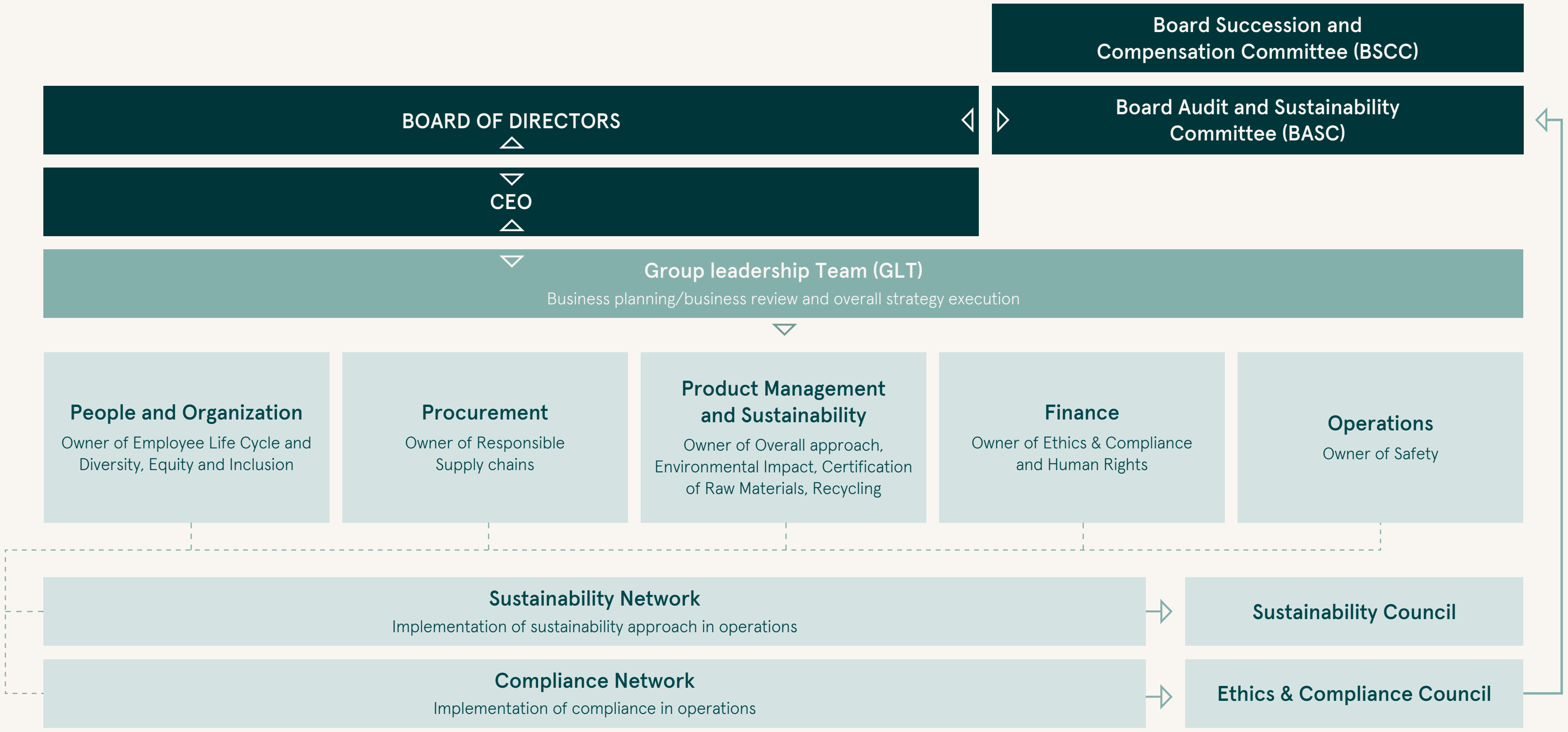
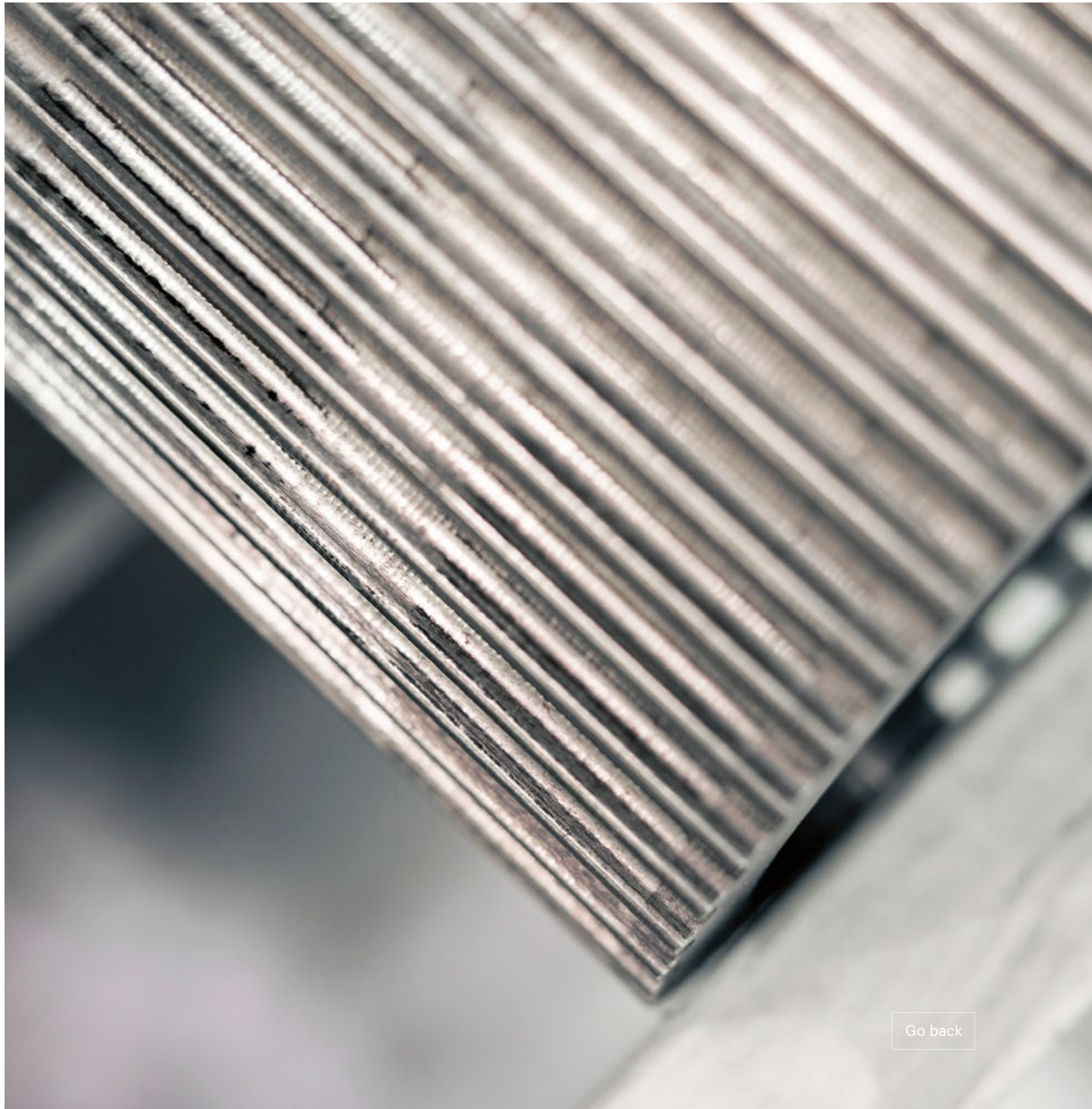


Figure 1: Sustainability governance model. There are also other networks (e.g., safety, procurement) which are not included in the illustration.

Administrative bodies

Sustainability execution is the responsibility of the Management, the Group Leadership Team (GLT). The tasks of adherence to sustainability regulations and reporting have been delegated by the GLT to a Sustainability Council. Chaired by the Director of Sustainability, the council consists of the CMO, the CFO, the CHRO and the CPO/ EVP Packaging and Procurement. This council oversees sustainability processes, priorities and responsibilities which are covered by the represented business areas. A cross-functional Sustainability Network manages and implements relevant sustainability topics in Elopak. The network consists of representatives from functions in the business areas which are represented in the Sustainability council.

The Ethics and Compliance Council is responsible for managing and coordinating ethics and compliance risks, including human rights, and facilitating an efficient implementation across Elopak. The Ethics and Compliance council, chaired by the Chief legal and compliance officer, consists of senior management and personnel representing the different regions, business areas and support functions of the organization. The council meets at least twice a year. Ethics and compliance matters are regularly discussed with the Group Leadership Team and are reported to the BASC. Further, a Compliance Network consisting of compliance champions across the organization supports the implementation of compliance in the business through awareness-raising, training and guidance.



External engagement

Memberships

Elopak is member of trade associations and work with non-governmental and international organizations, certification bodies, and multi-stakeholder initiatives to promote sustainable practices and continuously improve our products and transparency practices. Elopak holds the memberships listed in the table to the right.

Our certificates can be found here: https://www.elopak.com/annual-reports/documentation

Name	Description
UN Global Compact	The largest corporate sustainability initiative in the world. It acts as a universal call to companies to align their operations and strategies focusing on ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption, whilst encouraging member parties to take action in support of UN goals and issues embodied in the SDGs.
FSC™ – Forest Stewardship Council™	Working to ensure sustainable forest management practices globally.
ISCC – International Sustainability and Carbon Certification	Working to ensure sustainable practices behind renewable feedstocks for plastics.
ASI – Aluminium Stewardship Initiative	A global non-profit standard setting and certification organization. The organization aims to maximize the contribution of aluminium to a sustainable society. Members include producers, users, and stakeholders in the aluminium value chain.
RE100	A global initiative of companies committing to sourcing 100% renewable electricity.
EcoVadis	The world's largest and most trusted provider of business sustainability ratings.

Name	Description
Sedex	One of the world's leading ethical trade service providers.
ACE – The Alliance for Beverage Cartons and the Environment	A European industry association working to benchmark and profile cartons as renewable, recyclable, and low carbon packaging solutions.
EXTR:ACT	The European platform to increase the recycling of beverage cartons and similar fiber based multi-material packaging.
Carton Council	An industry association working to drive carton recycling in North America.
4Evergreen	A cross-industry alliance of over 100 members representing the entire lifecycle of fibre-based packaging – from forests to producers, designers, brand owners and recyclers.
HolyGrail 2.0	A cross value chain initiative working to improve packaging recycling through the use of pioneering digital watermarks.
Europen	European trade association representing the packaging industry value chain.

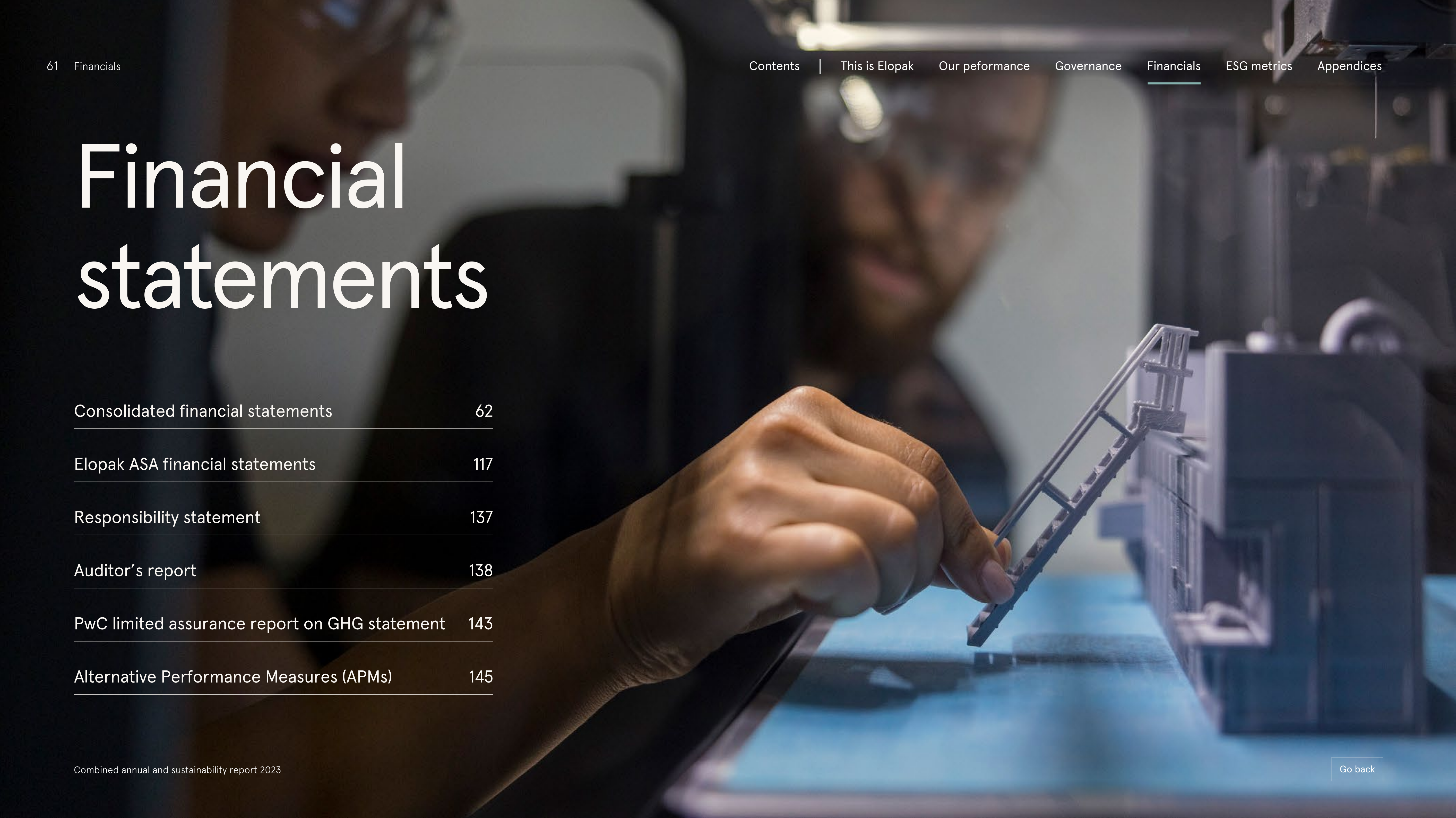
Go back

In addition to the memberships mentioned above, Elopak also holds membership in several national beverage carton associations.

Certifications

Elopak holds the certifications listed in the table to the right.

Certifications	Description
Forest Stewardship Council (FSC™)	Every Elopak's factory is certified. This enables us to offer FSC™ labeled cartons and to ensure that all the forestry behind our cartons are managed responsibly.
ISCC PLUS (International Sustainability and Carbon Certification)	Elopak's largest factories are certified. This enables us to offer cartons featuring certified renewable polyethylene (polymers).
ISO 9001 (Quality management)	All but one of Elopak's factories are certified. The remaining is expected to be certified in 2024.
ISO 14001 (Environmental management)	Some of Elopak's factories are certified. This ensures good management practices and a strong environmental focus, and best practice is spread to other noncertified sites.
ISO 45001/ OHSAS 18001 (Occupational health and safety management)	Two of Elopak's factories are certified. This verifies good health and safety practices and is an addition to our internal safety policies and practices which are based on the ISO framework.



Financial statements

Consolidated financial statements

Elopak Group

Consolidated statement of income

EUR 1 000, except for share information	Note	2023	2022
Revenues	3	**1 132 043**	1 023 696
Other operating income		**145**	157
Total income	4	**1 132 187**	1 023 853
Cost of materials		**(719 796)**	(681 474)
Payroll expenses	5, 6	**(189 623)**	(176 721)
Depreciation and amortization expenses	11-14, 17	**(60 147)**	(61 528)
Impairment of non-current assets	11-14, 17	**(1 186)**	(6 599)
Other operating expenses	7, 30	**(58 658)**	(55 757)
Total operating expenses		**(1 029 409)**	(982 079)
Operating profit	4	**102 778**	41 774
Financial income and expense			
Share of net income from joint ventures		**6 855**	4 378
Financial income	15	**7 807**	10 305
Financial expense	8	**(32 064)**	(13 033)
Foreign exchange gain/(loss)	8	**(498)**	2 983
Profit before tax from continuing operations		**84 880**	46 407
Income tax	9	**(15 513)**	(12 188)
Profit from continuing operations		**69 366**	34 220
Discontinued operations Russia	10	**(1 339)**	(23 622)
Profit/(loss) from discontinued operations		**(1 339)**	(23 622)
Profit/(loss)		**68 027**	10 598

EUR 1 000, except for share information	Note	2023	2022
Profit attributable to:			
Elopak shareholders		**67 061**	10 856
Non-controlling interest		**966**	(259)
Basic and diluted earnings per share from continuing operations	20	**0.25**	0.13
Basic and diluted earnings per share from discontinued operations		**0.00**	(0.09)
Basic and diluted earnings per share attributable to Elopak shareholders		**0.25**	0.04

Consolidated statement of comprehensive income

EUR 1 000	2023	2022
Items that will not be reclassified subsequently to profit or loss		
Actuarial gain/(loss) on defined benefit pension plans, net of tax	**(81)**	20
Items reclassified subsequently to net income upon derecognition		
Exchange differences on translation foreign operations Elopak shareholders	**375**	6 406
Exchange differences on translation foreign operations non-controlling interest	**(383)**	(467)
Net value gain/(loss) on cash flow hedges, net of tax	**(1 517)**	(6 972)
Other comprehensive income, net of tax	**(1 606)**	(1 013)
Total comprehensive income	**66 421**	9 585
Total comprehensive income attributable to:		
Elopak shareholders	**65 838**	10 310
Non-controlling interest	**583**	(726)

Consolidated statement of financial position

EUR 1 000	Note	December 31 2023	December 31 2022
ASSETS			
Non-current assets			
Development cost and other intangible assets	11	**62 300**	71 331
Deferred tax assets	9	**22 883**	22 414
Goodwill	12, 27	**106 061**	104 958
Property, plant and equipment	10, 13, 17, 27	**202 934**	201 975
Right-of-use assets	10, 14, 17, 27	**86 370**	76 784
Investment in joint ventures	15, 28	**37 709**	34 673
Other non-current assets	16	**14 892**	19 841
Total non-current assets		**533 149**	531 976
Current assets			
Inventory	18	**192 189**	187 207
Trade receivables	19	**110 243**	102 197
Other current assets	9, 19	**113 720**	109 214
Cash and cash equivalents		**13 308**	25 883
Total current assets		**429 460**	424 502
Total assets	4	**962 610**	956 479

EUR 1 000	Note	December 31 2023	December 31 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20	**50 104**	50 155
Other paid-in capital		**70 548**	69 987
Currency translation reserve		**(27 103)**	(27 477)
Cash flow hedge reserve		**(4 275)**	(2 758)
Retained earnings		**216 977**	169 584
Attributable to Elopak shareholders		**306 253**	259 491
Non-controlling interest		**9 043**	8 477
Total equity		**315 296**	267 967
LIABILITIES			
Non-current liabilities			
Pension liabilities	21	**2 502**	2 668
Deferred taxes	9	**14 041**	17 240
Non-current liabilities to financial institutions	22	**224 433**	304 033
Non-current lease liabilities	14	**78 424**	73 536
Other non-current liabilities		**5 033**	1 867
Total non-current liabilities		**324 434**	399 344

Consolidated statement of financial position cont.

EUR 1 000	Note	December 31 2023	December 31 2022
Current liabilities			
Current liabilities to financial institutions	22	**19 333**	21 682
Trade payables		**127 847**	124 038
Taxes payable	9	**6 997**	2 198
Public duties payable		**25 066**	22 682
Current lease liabilities	14	**23 096**	17 139
Other current liabilities	23	**120 540**	101 429
Total current liabilities		**322 880**	289 167
Total liabilities		**647 314**	688 512
Total equity and liabilities		**962 610**	956 479

Skøyen, April 10, 2024
Board of Directors in Elopak ASA

This document is signed electronically

Dag Mejdell
Chairperson

Trond Solberg
Board Member

Anna Belfrage
Board Member

Sid Johari
Board Member

Sanna Suvanto-Harsaae
Board Member

Håvard Grande Urhamar
Board Member
(employee representative)

Anette Bauer Ellingsen
Board Member
(employee representative)

Thomas Körmendi
CEO

Consolidated statement of cash flows

EUR 1 000	Note	2023	2022
Profit before tax from:			
Continuing operations		**84 880**	46 407
Discontinued operations	10	**(1 339)**	(22 825)
Profit before tax (including discontinued operations)		**83 540**	23 583
Interest to financial institutions	8	**11 303**	5 658
Lease liability interest	8, 14	**6 566**	4 575
Profit before tax and interest paid		**101 410**	33 815
Depreciation, amortization and impairment losses	11–14, 17	**61 332**	76 118
Net (gains), losses from disposals, impairments and change in fair value of financial assets and liabilities		**(399)**	500
Net unrealised currency (gain)/loss		**(174)**	2 297
Income from joint ventures	15	**(6 855)**	(4 378)
Net (gain)/loss on sale of non-current assets		**(13)**	137
Income taxes paid	9	**(14 270)**	(13 683)
Change in trade receivables		**(9 275)**	(10 615)
Change in other current assets		**(5 265)**	(16 391)
Change in inventories		**(6 982)**	(39 175)
Change in trade payables		**3 897**	4 893
Change in other current liabilities		**34 011**	(8 117)
Change in net pension liabilities		**(228)**	(307)
Net cash flow from operating activities		**157 189**	25 094

EUR 1 000	Note	2023	2022
Purchase of non-current assets	16	**(40 774)**	(43 714)
Acquisition of subsidiaries and joint ventures	27	**–**	(88 262)
Proceeds from sale of non-current assets		**122**	1 232
Proceeds from sale of financial assets and businesses		**4 883**	–
Dividend from joint ventures	15	**2 018**	–
Change in other non-current assets		**1 772**	4 735
Net cash flow from investing activities		**(31 978)**	(126 009)
Proceeds of loans from financial institutions	22	**1 087 304**	1 178 067
Repayment of loans from financial institutions	22	**(1 174 598)**	(1 030 217)
Interest to financial institutions	8	**(11 303)**	(5 658)
Lease payments	14	**(18 359)**	(19 770)
Dividend paid to equity holders of Elopak ASA		**(19 634)**	(19 623)
Purchase of treasury shares	20	**(885)**	(241)
Net cash flow from financing activities		**(137 475)**	102 558
Effects of exchange rate changes on cash and cash equivalents		**(310)**	(22)
Net change in cash and cash equivalents		**(12 575)**	1 621
Cash and cash equivalents at the beginning of the year		**25 883**	24 262
Cash and cash equivalents at the end of the period		**13 308**	25 883

Consolidated statement of changes in equity

December 31, 2023

EUR 1 000	Note	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Non-controlling interest	Total equity
Total equity 01.01		50 155	69 987	(27 477)	(2 758)	169 584	8 477	**267 967**
Profit for the period		–	–	–	–	67 061	966	**68 027**
Other comprehensive income for the period net of tax		–	–	375	(1 517)	(81)	(383)	**(1 606)**
Total comprehensive income for the period		–	–	375	(1 517)	66 980	583	**66 421**
Dividend paid		–	–	–	–	(19 634)	(16)	**(19 650)**
Share based payments	6	–	1 100	–	–	47	–	**1 146**
Treasury shares		(50)	(539)	–	–	–	–	**(589)**
Total capital transactions in the period	20	(50)	561	–	–	(19 587)	(16)	**(19 093)**
Total equity 31.12		50 104	70 548	(27 103)	(4 275)	216 977	9 043	**315 296**

December 31, 2022

EUR 1 000	Note	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Non-controlling interest	Total equity
Total equity 01.01		50 155	70 236	(33 883)	4 215	178 330	–	**269 054**
Profit for the period		–	–	–	–	10 856	(259)	**10 598**
Other comprehensive income for the period net of tax		–	–	6 406	(6 972)	20	(467)	**(1 013)**
Total comprehensive income for the period		–	–	6 406	(6 972)	10 877	(726)	**9 585**
Dividend paid		–	–	–	–	(19 623)	–	**(19 623)**
Share based payments		–	(241)	–	–	–	–	**(241)**
Acquisition of GLS Elopak	27	–	–	–	–	–	9 202	**9 202**
Treasury shares		(1)	(9)	–	–	–	–	**(10)**
Total capital transactions in the period	20	(1)	(250)	–	–	(19 623)	9 202	**(10 672)**
Total equity 31.12		50 155	69 987	(27 477)	(2 758)	169 584	8 477	**267 967**

Notes to the consolidated financial statements

Note 01 Company information and basis of preparation

Elopak ASA is a public limited company incorporated in Norway. Elopak is a global supplier of liquid carton packaging and filling equipment, catering to both the fresh and aseptic segments. The principal activities of the company and its subsidiaries are described in Note 3. The address of the registered office and principal place of business is Industriveien 30, 3430 Spikkestad, Norway. Elopak ASA is listed on the Oslo Stock Exchange (Oslo Bors). The Board of Directors and the CEO authorized these consolidated financial statements of Elopak ASA and its subsidiaries for the year ended December 31, 2023, for issue on April 10, 2024.

Elopak's material accounting policies are included in the explanatory notes to the consolidated financial statements.

Basis of preparation

The consolidated financial statements of Elopak ASA and its subsidiaries have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union (EU). The accounting policies adopted have been applied consistently to all of the years presented. Elopak also provides disclosures in accordance with requirements in the Norwegian Accounting Act (Regnskapsloven). New and amended standards adopted by Elopak do not have a material impact on the consolidated financial statements. The Elopak Group consists of Elopak ASA and its subsidiaries as set out in Note 28.

The consolidated financial statements incorporate the financial statements of the companies controlled by Elopak ASA. The functional currency of Elopak ASA is the Euro (EUR). All numbers are presented in Euro 1 000 unless otherwise is clearly stated.

Material accounting policies

Material accounting policies and information about management judgments, estimates, and assumptions are provided in the respective notes throughout the consolidated financial statements. Accounting policies that relate to the financial statements as a whole or are relevant for several notes are included in this “Material accounting policies” section.

Foreign currencies

The individual financial statements of each group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Euro, which is the functional currency of the parent company and the presentation currency for the consolidated financial statements.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of Elopak’s foreign operations are expressed in Euro using exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the relevant periods.

Impairment of non-financial assets excluding goodwill

At each reporting date, Elopak reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, Elopak estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Financial instruments at amortized cost
Subsequent to initial recognition, non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability or, where appropriate, a shorter period.

Financial instruments at fair value
The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models.

Trade and other payables
Trade and other payables that contain significant financing components are measured at amortized cost, otherwise, they are measured at nominal value.

Adoption of new and revised International Financial Reporting Standards
A number of new standards are effective for annual periods beginning after January 1, 2023, and earlier application is permitted. However, Elopak has not early adopted the following new or amended accounting standards.

Amendments to IFRS that are mandatorily effective for an accounting period that begins on or after January 1, 2023 have been adopted. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts

The following new and amended standards issued but not yet effective are not expected to have a material impact on Elopak's consolidated financial statement:
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Lack of Exchangeability (Amendments to IAS 21)

Note 02 Critical accounting judgments and key sources of estimation uncertainty

In the application of Elopak's accounting policies, which are described in Note 1, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Business combinations
In a business combination, the assets acquired and liabilities assumed are valued at fair value at the time of acquisition. The various assets and liabilities are valued on the basis of different models, requiring estimates and assumptions to be made. Goodwill is the residual value in this allocation. Errors in estimates and assumptions can lead to an error in the split of the value between the various assets and liabilities incl. goodwill, but the sum of the total excess values will always be consistent with the purchase price paid.

The useful lives of the intangible assets acquired in a business combination are assessed as either finite or indefinite and may in some cases involve considerable judgements. Intangible assets acquired with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

According to IFRS 3, goodwill is to be allocated at the acquisition date, to each of the acquirer's CGUs, or groups of CGUs, which are expected to benefit from the business combination. This can include existing CGUs of the acquirer irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The identification of CGUs may require significant judgement by management.

In 2022 Elopak acquired 100% of the voting shares of Naturepak Beverage Packaging Co Ltd and consolidates the company as a subsidiary in Elopak's consolidated financial statements. In 2022 Elopak acquired 50% of the shares in GLS Elopak and consolidates the company as a subsidiary in Elopak's consolidated financial statements. The shareholder agreement provides Elopak with exposure to variable returns and power to affect the returns from GLS Elopak, which means that Elopak has control of GLS Elopak in accordance with IFRS 10. Details are presented in Note 27.

War in Ukraine
In March 2022, Elopak suspended all activities in Russia and restarted operations in Ukraine after a temporary close-down. Impairment in Ukraine is presented in Note 17 and discontinued operations in Russia is presented in Note 10.

Deferred tax assets
Management has exercised judgment in assessing the recognition of tax loss carryforward for Elopak's various entities and the resulting deferred tax asset. The judgment is based upon the entities' assessed ability to generate future cash flows that will enable the entities to do so. The assessments imply a degree of uncertainty relating to such future events. Tax expenses and deferred tax assets are presented in Note 9.

Tax disputes
In tax disputes, Elopak accounts for tax costs according to decisions made by local tax authorities or according to subsequent tax rulings in the actual case or similar cases. Where transfer pricing adjustments have been made, mutual agreement procedures (MAP) between the affected countries are normally available. A successful MAP procedure, as intended in the double tax treaties between countries, would result in a corresponding tax adjustment in a Group company, thus removing the tax cost for Elopak. Where a MAP process is available, Elopak recognizes tax costs according to the probability of the outcome of the MAP process. If tax authorities within the EU do not agree, taxpayers have the right to demand arbitration. Details regarding ongoing tax disputes are described in Note 9.

Note 03 Revenues

Accounting policy

The Group is a global supplier of paper-based packaging system solutions for liquid products. Revenue from contracts with customers is derived from sale of filling equipment, Pure-Pak® carton and Roll Fed packaging material (hereby denominated as cartons), closures and related services. Revenue is recognised when control of the goods or services are transferred to the customer and is presented net of returns, trade discounts, volume rebates and other customer incentives. The Group also presents lease income from lease of filling equipment.

Generally, the Group recognises revenue on a point in time basis when the customer takes title to the goods and rewards for the goods. For goods without alternative use where the Group has a legally enforceable right to payment for the goods, the Group recognises revenue over time, which generally is, as the goods are produced.

Sale of cartons and closures

Cartons are printed based on customer specifications and are therefore without alternative use. Cancellation provisions in the customer contracts, combined with background law in the legal jurisdictions give the company an enforceable right to payment for work performed to date as described in IFRS 15. Most of the customer contracts include cancellation clauses that give the company sufficient protection to conclude that there is an enforceable right to payment.

Closures are not customised and therefore with alternative use and recognised at point in time.

Sale of filling equipment

Revenue from sale of filling equipment is recognised at the point in time when control of the asset is transferred to the customer, generally when the machine is tested and accepted by the customer. Filling equipment could result in no alternative use if it would incur significant costs to rework the design and function of the machine to adapt it to another customer. However, in most cases filling equipment is standard equipment and considered to have alternative use, hence they are recognised at point in time.

Sale of service

The Group offers research and development support, after sales services and technical training and maintenance support. Revenue from support, service and training is recognised over time, as the customer simultaneously receives and consumes the benefit provided to them. The Group uses an input method in measuring progress of the services because there is a direct relationship between the Group's effort/labour hours occurred and the transfer of service to the customer.

Trade discounts, volume rebates and other incentives

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Cartons are often sold with retrospective volume discounts based on aggregate sales over several months. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. A refund liability is recognised for the expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

No significant element of financing is deemed present, and the Group had no right of return in the reporting period.

Contract liabilities

Payments for filling equipment are generally made in instalments and a contract liability is recognised when a payment is received or due from a customer before the Group transfers the filling equipment. Contract liabilities are recognised as revenue when control of the filling equipment is transferred to the customer.

Contract assets

Contract assets consist of prepaid support (rebate) to customers which will be offset against contracted future purchases of cartons and features. The prepaid support is allocated to the different performance obligations, hereunder filling equipment and cartons/closures. Contract assets include over time revenue for cartons before the right to payment becomes unconditional. See Note 19 for disclosure of contract assets.

Remaining performance obligations
Delivery obligations for cartons are completed within one year or less, so we have therefore elected to use exception IFRS 15.121.

The Group's revenues consist of revenue from contracts with customers (99%) and rental income from lease of filling equipment (1%). Revenues are primarily derived from the sale of cartons and closures, sales and rental income related to filling equipment and service.

Revenues specified by geographical area

EUR 1 000	2023	2022
USA	**219 203**	193 839
Germany	**159 778**	161 629
Canada	**77 705**	68 778
Netherlands	**58 201**	56 215
Norway	**27 120**	25 645
Other	**590 036**	517 589
Total revenue	**1 132 043**	1 023 696

The revenues are specified by location (country) of the customer.

Revenues by product and operating segment

2023

EUR 1 000	EMEA	Americas	Other and eliminations	Total
Cartons and closures	755 682	276 739	(4 245)	**1 028 177**
Equipment	52 385	12 114	(14 227)	**50 272**
Service	52 113	–	(971)	**51 142**
Other	10 278	1 748	(9 575)	**2 451**
Total revenue	870 459	290 601	(29 016)	**1 132 043**

2022

EUR 1 000	EMEA	Americas	Other and eliminations	Total
Cartons and closures	671 025	256 522	(3 797)	**923 750**
Equipment	36 307	2 183	(9 907)	**28 583**
Service	46 036	–	(669)	**45 367**
Other	32 608	1 830	(8 442)	**25 996**
Total revenue	785 976	260 535	(22 815)	**1 023 696**

Note 04 Operating segments

Information reported to the Group's chief operating decision makers, the Group Leadership Team, for the purpose of resource allocation and assessment of segment performance is focused on two key geographical regions – EMEA and Americas. GLS Elopak is included in EMEA. Key figures representing the financial performance of these segments are presented in the following note. Refer to Note 13 for disclosure of fixed assets specified by geographical area. The tables include investments in continuing operations only.

2023

EUR 1 000	EMEA	Americas	Other and eliminations	Total
Revenue from contracts with customers	842 304	288 882	857	**1 132 043**
Other income	61	83	–	**145**
Total income from external customers	842 365	288 965	857	**1 132 187**
Revenue from other group segments	28 153	1 718	(29 872)	**–**
Total income	870 519	290 684	(29 015)	**1 132 187**
Operating expenses[1]	(734 923)	(230 120)	(3 034)	**(968 076)**
Depreciation and amortization	(50 589)	(7 159)	(2 398)	**(60 147)**
Impairment	(1 186)	–	–	**(1 186)**
Operating profit	83 821	53 405	(34 446)	**102 778**
EBITDA[2]	135 595	60 564	(32 048)	**164 111**
Adjusted EBITDA[2]	135 482	67 433	(32 048)	**170 867**
Total assets	967 566	186 563	(191 519)	**962 610**
Purchase of non-current assets during the year	38 353	1 756	665	**40 774**

2022

EUR 1 000	EMEA	Americas	Other and eliminations	Total
Revenue from contracts with customers	764 434	258 748	514	**1 023 695**
Other income	157	–	–	**157**
Total income from external customers	764 591	258 748	514	**1 023 853**
Revenue from other group segments	21 542	1 787	(23 329)	**–**
Total income	786 133	260 535	(22 815)	**1 023 853**
Operating expenses[1]	(693 984)	(213 558)	(6 410)	**(913 952)**
Depreciation and amortization	(51 564)	(7 164)	(2 800)	**(61 528)**
Impairment	(6 338)	(261)	–	**(6 599)**
Operating profit	34 247	39 551	(32 024)	**41 774**
EBITDA[2]	92 149	46 976	(29 224)	**109 901**
Adjusted EBITDA[2]	94 283	51 466	(26 336)	**119 413**
Total assets	945 626	157 111	(146 258)	**956 479**
Purchase of non-current assets during the year	45 006	5 657	(6 949)	**43 714**

1 Operating expenses include cost of materials, payroll expenses, and other operating expenses.
2 See the APM disclosure for the reconciliation of EBITDA and adjusted EBITDA.

Note 05 Payroll expenses, numbers of employees, benefits etc.

The table includes investments in continuing operations only.

EUR 1 000	2023	2022
Salary	**(151 449)**	(140 957)
Social security	**(23 585)**	(22 173)
Pension defined benefit plans (Note 21)	**(99)**	(84)
Pension defined contribution plans (Note 21)	**(9 996)**	(9 597)
Other benefits	**(4 495)**	(3 911)
Total	**(189 623)**	(176 721)
Man-year Elopak employees (excl. equity investees)	**2 018**	2 100

Executive management compensation for the year ended December 31, 2023 is disclosed in the Remuneration Report which is presented on the Elopak website.

Note 06 Share-based payments

In November 2023 the Group expanded the long-term incentive program to include senior management. Under the expanded program PSUs (Performance Share Units) of the parent are granted to members of the Group Leadership Team (GLT) and senior management. One PSU (instrument) equals one share. The eligible employees will be granted an annual award of shares from the company if certain performance criteria are met.

The key terms and conditions related to the grants are as follows:

KPI Categories	Weighted	Metric
Financial targets	50%	Adjusted EBITDA less normalized capex
People and Planet targets	20%	Environmental target (Co_2 emission)
Shareholder value targets	30%	Total shareholders return (TSR)

The granted PSUs will be gradually vested during a 3-year period. Allocation of PSUs will be based on % of base pay, maximum allocation of 80% for CEO, 50% for Group Leadership Team members, and between 10 to 15% for senior management.

The fair value of the PSUs related to TSR is estimated at the grant date through a Monte Carlo simulation. The fair value of the PSU's related to the remaining KPIs are equal to the share price at grant date. However, the above performance condition is only considered in determining the number of PSUs that will ultimately vest.

The PSUs will under normal circumstances be exercised as soon as possible after each vesting date. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these PSUs. The Group accounts for the PSUs as an equity-settled plan.

There is no exercise price to any of the PSUs, and therefore the weighted average exercise price for all instruments are zero.

Reconciliation of outstanding Performance share units

Number of instruments in thousands (PSU)	2023 Number of options	2022 Number of options
Outstanding at 1.1	**699**	–
Granted during the year	**1 616**	744
Performance adjusted	**45**	(45)
Forfeited during the year	**–**	–
Exercised during the year	**(149)**	–
Expired during the year	**–**	–
Outstanding at 31.12	**2 211**	699
Exercisable at 31.12 (vested)	**–**	–
Weighted average remaining contractual life outstanding at end of period	**1.87 years**	2.52 years

The weighted average share price at the date of exercise was EUR 2.27 in 2023.

The weighted average fair value of PSU granted was EUR 1.40 during 2023 and EUR 2.32 in 2022.

The following tables list the inputs to the models used for the years ended 31 December:

Assumptions and inputs for options granted during the year	2023	2022
FV per instrument[1]	**€ 1.40**	€ 2.32
Dividend yield[1]	**–**	–
Expected volatility[1]	**21.06%**	7.95%
Risk-free interest rate[1]	**1.81%**	3.09%
Contractual life[1]	**2.55**	2.63
Expected lifetime[1]	**0.32**	0.03
Weighted average share price (€)	**€ 2.02**	€ 2.32

[1] Weighted average parameters at grant of instrument

Expected volatility is assessed based on historical volatility of the Company's share price, with more weight to the expected term period. The expected term of the instruments has been based on historical experience and general option holder behavior.

Components of share-based payments employee benefit expense	2023	2022
Share based payment	**(1 445)**	(89)
Social security contribution	**(196)**	(9)
Total expenses related to share-based payments	**(1 640)**	(98)

Note 07 Other operating expenses

EUR 1 000	2023	2022
Sales and administration expenses	**(7 733)**	(6 908)
Occupancy and maintenance expenses	**(5 201)**	(4 907)
Travel expenses	**(11 313)**	(8 660)
Losses and changes in allowance for bad debt	**(571)**	(920)
Consultants, auditors, lawyers, etc	**(16 423)**	(17 759)
IT expenses	**(10 901)**	(10 332)
Other expenses	**(6 516)**	(6 271)
Total	**(58 658)**	(55 757)

Note 08 Financial income and expense

Financial income

EUR 1 000	2023	2022
Interest income from bank deposits	**3 346**	782
Other interest income[1]	**285**	8 459
Finance lease interest income	**555**	637
Other financial income	**3 621**	428
Total	**7 807**	10 305

1 Other interest income in 2022 includes gains from interest rate derivatives of EUR 8 399 thousand.

Financial expense

EUR 1 000	2023	2022
Interest expense to financial institutions	**(14 402)**	(5 658)
Other interest expense[1]	**(4 657)**	(347)
Lease liability interest	**(6 566)**	(4 575)
Other financial expenses	**(6 428)**	(2 453)
Total	**(32 064)**	(13 033)

1 Other interest expense in 2023 includes loss from interest rate derivatives of EUR 5 518 thousand.

Note 09 Income tax

Income tax expense

EUR 1 000	2023	2022
Current income tax		
Current income tax charge	**20 405**	13 214
Adjustments in respect of current income tax of previous year	**(2 934)**	(2 583)
Withholding tax	**1 107**	2 337
Total current income tax	**18 578**	12 968
Deferred tax		
Deferred tax cost	**(2 519)**	(1 243)
Effect of changed tax rate and corrections previous years	**(545)**	463
Total deferred tax	**(3 064)**	(780)
Income tax expense reported in the statement of comprehensive income	**15 514**	12 188

Payable tax

EUR 1 000	2023	2022
Payable tax opening balance	**(3 185)**	(2 616)
Current income tax	**18 578**	12 968
Translation	**(278)**	102
Net tax paid	**(14 356)**	(13 638)
Payable tax closing balance	**759**	(3 184)

Reconciliation of tax expense

EUR 1 000	2023	2022
Profit before income tax	**84 879**	46 407
Expected tax at statutory tax rate[1]	**20 371**	11 138
Adjustments in respect of different local tax rates	**2 151**	1 300
Non-taxable income/expense	**–**	–
Share of results of joint ventures	**(1 645)**	(1 051)
Adjustments in respect of income tax of previous years	**(2 626)**	(2 336)
Withholding tax, non-refundable	**1 107**	2 337
Adjustments in respect of changes to tax rates and regulations	**(853)**	564
Currency translation effects	**(4 630)**	(2 233)
Other differences	**1 640**	2 468
Income tax expense	**15 514**	12 188
Effective income tax rate	**18.3%**	26.3%

[1] The expected tax at statutory tax rate of 24% (24% in 2022) is based on an estimate of where the Group taxes its profits and the corresponding applicable tax rates

Change in deferred tax on items in Other Comprehensive Income/Equity

EUR 1 000	2023	2022
Remeasurement gain/loss on actuarial gains and losses	**211**	266
Cash flow hedges	**(406)**	(1 957)
Equity transactions	**(409)**	(330)
Change in deferred tax on items in Other Comprehensive Income/Equity	**(603)**	(2 020)

Deferred tax

EUR 1 000	2023	2022
Revaluation of inventories	**16 795**	13 564
Payables/receivables	**23 538**	13 977
Non-current assets	**(14 729)**	(10 131)
Fixed assets depreciations	**(7 927)**	(8 592)
Liquid assets	**(17 971)**	(14 302)
Losses available for offsetting against future taxable income	**9 427**	9 101
Other differences	**(292)**	1 557
Total deferred tax	**8 842**	5 174
Deferred tax assets	**22 883**	22 414
Deferred tax liabilities	**14 041**	17 240
Net deferred assets/liabilities	**8 842**	5 174

Deferred tax assets are evaluated at each balance sheet date and recognized to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability shall be settled or the asset to be realized, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Specification of tax losses carried forward – country and year of expire

EUR 1 000	After 2025	Indefinite	Total
Canada	–	805	**805**
Germany[1]	–	2 206	**2 206**
United Kingdom	–	11 596	**11 596**
Norway	–	25 794	**25 794**
Other	–	598	**598**
	–	41 000	**41 000**

[1] Amount relate to interest limitation rules in Germany

Tax losses carried forward of EUR 14 181 thousand are not recognized as a basis for calculating unused tax losses carried forward in net deferred assets/liabilities. The amount not recognized is mainly related to the United Kingdom.

Where transfer pricing adjustments have been made, mutual agreement procedure (MAP) between the affected countries are normally available. See Note 2 for further details.

In tax disputes, the Group accounts for tax costs according to decisions made by local tax authorities, or according to subsequent tax rulings in the actual case, or similar cases. A dividend distribution from Elopak Systems AG to Elopak ASA, formerly Elopak AS, in 2011 and 2014 was deemed to be taxable income for Elopak ASA in a decision by Norwegian tax office in 2017. The full tax cost of NOK 69 600 thousand was recognized and paid in accordance with the ruling at that time. Elopak lost in the Oslo district court in 2022 and Bortgarting court of appeal in March 2024. Elopak will appeal the ruling to the Supreme Court.

The Group operates in Norway, which has enacted new legislation to implement the global minimum tax rules (OECD - Pillar Two). The Group expects to be subject to these rules in relation to its operation in multiple jurisdictions, with the newly enacted tax legislation in Norway effective from 1 January 2024.

Note 10 Discontinued operations

On July 15, 2022 Elopak ASA and Packaging Management and Investing LLC, a company beneficially owned by management of JSC Elopak, reached an agreement for the sale and purchase of all of Elopak's shares in JSC Elopak. This represented a full divestment by Elopak from its existing Russian operations.

Transfer of the shares in JSC Elopak was carried out in February 2023 after officially approval from the Russian Government. However, the terms of the SPA implied that Elopak lost control of JSC Elopak on the date it was signed, hence the entity was deconsolidated from Q3 2022.

As Elopak's operations in Russia represented a single major geographical area of operations and previously have been presented as a separate reporting segment, Elopak is presenting the profit and loss from Russia as discontinued. The purchase price is payable in five annual instalments. The receivable was measured and recognized at the share's fair value on the transaction date. After initial recognition the receivable is being measured at amortized cost. Elopak ASA received the first instalment in June 2023 and part of the second installment in July 2023.

One of Elopak's former customers in Russia has won a legal claim against JSC Elopak which then has been put forward to Elopak ASA as a reimbursable claim. The legal claim has been appealed. The claim represents a contingent liability which has been recognized in the statement of comprehensive income as part of discontinued operations in 2023.

Discontinued operations

	Year to date ended December 31	
EUR 1 000	2023	2022
Revenues	–	18 184
Total income	–	18 184
Cost of materials	–	(15 197)
Payroll expenses	–	(2 311)
Depreciation, amortization and impairment	–	(9 921)
Other operating expenses	**(1 339)**	(1 034)
Total operating expenses	**(1 339)**	(28 463)
Operating profit	**(1 339)**	(10 278)
Net financial income	–	(2 452)
Profit before tax	**(1 339)**	(12 730)
Income tax	–	(797)
Results from discontinued operations, net of tax	**(1 339)**	(13 527)
Loss on sale of discontinued operations	–	(10 095)
Income tax on gain on sale	–	–
Profit/loss from discontinued operations	**(1 339)**	(23 622)
Net cash flow from operating activities	–	1 834
Net cash flow from investing activities	–	–
Net cash flow from financing activities	–	(186)
Foreign currency translations	–	635
Net change in cash and cash equivalents	–	2 283

Note 11 Development cost and other intangible assets

Accounting policy

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally generated intangible asset arising from development is recognized in the statement of financial position if the recognition criteria in IAS 38 are met. After initial recognition the assets are carried at cost less any accumulated amortization and impairment losses. See Note 1 for impairment of non-financial assets accounting policy.

Development cost and other intangible assets

2023 EUR 1 000	Customer relations	Development costs	IT-software	Total
Cost at 1.1	26 183	47 814	79 502	**153 499**
Additions	–	5 215	1 415	**6 630**
Disposals	–	(146)	(126)	**(272)**
Reclassification	–	–	–	**–**
Currency translation	286	6	(121)	**171**
Cost at 31.12	26 469	52 889	80 671	**160 029**
Acc. amortization and impairment losses at 1.1	5 698	25 748	50 722	**82 168**
Current year amortization charge	2 812	4 084	8 744	**15 640**
Current year impairment charge	–	–	17	**17**
Amortization disposals	–	–	(29)	**(29)**
Impairment disposals	–	–	–	**–**
Reclassification	–	–	–	**–**
Currency translation amortization	50	–	(109)	**(59)**
Currency translation impairment	–	–	(9)	**(9)**
Accumulated amortization at 31.12	8 560	29 832	58 761	**97 152**
Net accumulated impairment at 31.12	–	–	576	**576**
Carrying amount 31.12	17 910	23 057	21 334	**62 300**
Economic life	0-8 years	5-10 years	3-7 years	
Amortization method	Linear	Linear	Linear	

2022

EUR 1 000	Customer relations	Development costs	IT-software	Total
Cost at 1.1	–	44 183	76 579	**120 762**
Business combinations	26 824	–	–	**26 824**
Additions	–	3 643	3 211	**6 853**
Disposals	–	–	(430)	**(430)**
Reclassification	–	–	–	**–**
Currency translation	(641)	(12)	142	**(510)**
Cost at 31.12	26 183	47 814	79 502	**153 499**
Acc. amortization and impairment losses at 1.1	–	21 740	42 160	**63 900**
Current year amortization charge	6 035	4 007	8 510	**18 552**
Current year impairment charge	–	–	287	**287**
Amortization disposals	–	–	(362)	**(362)**
Impairment disposals	–	–	–	**–**
Reclassification	–	–	–	**–**
Currency translation amortization	(337)	–	130	**(207)**
Currency translation impairment	–	–	(3)	**(3)**
Accumulated amortization at 31.12	5 698	25 748	50 155	**81 600**
Net accumulated impairment at 31.12	–	–	568	**568**
Carrying amount 31.12	20 485	22 066	28 780	**71 331**
Economic life	0-8 years	5-10 years	3-7 years	
Amortization method	Linear	Linear	Linear	

Customer relations include fair value of customer and supply contracts from the acquisition of GLS Elopak and Naturepak Beverage Packaging Ltd in 2022. Customer relations have an estimated economic life of 8 years. See note 27 for further details.

The additions under development costs relate to the development of new filling and production machine technology.

Most of the IT-software are additions related to investments in IT system for management of materials flow and finances. The system roll-out started in 2017 and continued throughout 2023.

Research and development

The cost of research and development not eligible for capitalization which have been expensed in 2023 amounts to EUR 12 823 thousand. Comparable amount in 2022 was EUR 12 501 thousand.

Note 12 Goodwill

Accounting policy

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The table below shows the cost value, additions, disposals, impairment charges and carrying value for the various goodwill items in the Group.

Goodwill

EUR 1 000	2023	2022
Cost at 1.1	**111 181**	58 089
Business combinations (note 27)	**-**	57 089
Currency translation	**1 093**	(3 997)
Cost at 31.12	**112 274**	111 181
Accumulated impairment 1.1.	**6 223**	6 223
Current year impairment charge	**-**	-
Currency translation impairment	**(9)**	-
Accumulated impairment at 31.12	**6 213**	6 223
Carrying amount 31.12	**106 061**	104 958

Impairment test for goodwill

Goodwill is allocated to the Group's cash generating units and is tested for impairment annually or more frequently if there are indications of impairment. Testing for impairment involves the determination of the recoverable amount of the cash generating unit. The recoverable amount is determined by discounting future expected cash flows, based on the business plans for the cash generating units. The discount rate applied to the future cash flow is based on the Group's weighted average cost of capital (WACC), adapted to the market's apprehension of the risk factors for each cash generating unit. Growth rates are used to project cash flows beyond the periods covered by the business plans.

Cash generating units

The goodwill items specified above are related to the Elopak Group. Goodwill related to acquisition of Elopak Denmark A/S, Elopak AB, Elofin OY, Variopak and Naturepak Beverage Packing Co.Ltd. are allocated to the cash generating unit Europe. This CGU, renamed to Elopak EMEA following the acquisition of Naturepak Beverage Packing Co.Ltd. in March 2022, consists of Elopak's European markets, including the internal production and supply organization and Naturepak Beverage, a leading provider of fresh liquid carton and packaging systems in the MENA region with local production facilities in Morocco and Saudi Arabia. These goodwill items have a carrying value of EUR 103 204 thousand as of December 31, 2023 (EUR 102 018 thousand as of December 31, 2022). Goodwill related to the acquisition of GLS Elopak in April 2022 is allocated to a separate cash generating unit as operations are mainly in India (GLS Elopak buys raw materials, produces cartons and sells goods to the customers). This goodwill item has a carrying value of EUR 2 817 thousand as of December 31, 2023 (EUR 2 940 thousand as of December 31, 2022).

The basis to consider Elopak EMEA as one cash generating unit is the inherent structure of the market. Customers are merging across borders and are increasingly treating EMEA as one market. The historical requirement from customers to source from specific plants is no longer present. Elopak is adapting to this trend by allocating production flexibly to the plants in EMEA in order to optimize logistics and production cost. According to this development, the margins along Elopak's value chain will be subject to change from one year to another, and therefore the appropriate way to assess indicators for impairment for the EMEA business is as one unit.

Impairment test and assumptions

Recoverable amount for the cash generating units Elopak EMEA and GLS Elopak are calculated based on values in use. The cash flows that are basis for the impairment tests are based on assumptions about future sales volumes, selling prices and direct costs. These are uncertain factors. These assumptions are based on historical experience from the relevant markets, adopted budgets and the Group's expectations of market changes and other financial impacts from climate risks. Upon completion of the impairment tests in 2023 and 2022 the Group does not expect significant changes in current trade in EMEA and expected future cash flows there are mainly a continuation of observed trends. GLS Elopak is continuing its expansion, relying on a huge and one of the fastest growing carton market in the world.

Calculated recoverable amounts in the impairment tests are higher than carrying amounts, and based on the tests, it is concluded that there is no impairment in 2023 or 2022.

Determined cash flows are discounted with discount rates presented in the table below.

Detailed description of the assumptions used

	Discount rate after tax		Discount rate before tax		Growth rate 2-5 years		Long-term growth rate	
EUR 1 000	2023	2022	2023	2022	2023	2022	2023	2022
Elopak EMEA	**6.9%**	7.7%	**7.4%**	11.0%	**-**	-	**-**	-
GLS Elopak	**13.1%**	12.5%	**14.1%**	17.9%	**-**	-	**-**	-

The discount rates reflect the current markets assessment of the risk specific to the cash generating unit. The rates are estimated based on the weighted average cost of capital for similar assets in the market. The economic outlook remains uncertain in terms of continued high inflation, still increasing interest rates and heightened geopolitical risk, which all increases threat of recession. This will determine the corporate loan market and debt capital market going forward, which all saw increases in credit spreads in mid-2022 and has since then been volatile. The cost of debt in our discount rates are based on our current long-term financing, and sensitivities related to changes in this is reflected in the analysis discussed below.

Average growth rate for the future 2 to 5 years period is based on Elopak Group's expectations for the market development that the business operates in. When estimating future cash flows committed operating efficiency improvement measures are taken into account. Changes in the outcomes for these initiatives may influence future estimated cash flows.

Investment costs necessary to meet expected future growth are taken into account. Based on management's assessment, the estimated investment costs do not include investments that improve the assets performance. The related cash flows are treated correspondingly.

Management believes that there is no reasonably possible change in any of the key assumptions that would cause the carrying value of the unit to materially exceed its recoverable amount. Sensitivity analysis have been performed based on a 0.5% increase and decrease of the discount rate and perpetual growth. The value in the low end of the range is higher than the carrying amount, hence the sensitivity analysis shows no indication of impairment.

Note 13 Property, plant and equipment

Accounting policy
Capitalized property, plant and equipment are reflected at cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment, other than land and properties under construction, are depreciated over their estimated useful lives, using the straight-line method and taking into consideration any residual values. See Note 1 for impairment of non-financial assets accounting policy.

Property, plant and equipment

2023

EUR 1 000	Land and buildings	Machinery and plant	Office and transport	Total
Cost at 1.1	52 701	556 880	20 390	**629 971**
Additions	256	34 198	381	**34 835**
Disposals	(434)	(1 602)	(370)	**(2 406)**
Transfer to/from inventory / reclassification	2 475	(4 535)	634	**(1 426)**
Currency translation	(305)	(2 694)	(124)	**(3 123)**
Cost at 31.12	54 692	582 248	20 911	**657 851**
Acc. depreciation and impairment losses at 1.1	29 375	381 609	17 012	**427 997**
Current year depreciation charge	1 610	27 981	1 453	**31 043**
Current year impairment charge	164	979	25	**1 168**
Depreciation disposals	(301)	(1 072)	(361)	**(1 734)**
Impairment disposals	(132)	(36)	(4)	**(172)**
Depreciation transferred to inventory / reclassification	-	(1 625)	-	**(1 625)**
Impairment transferred to inventory / reclassification	-	-	-	**-**
Currency translation	(80)	(1 587)	(93)	**(1 760)**
Acc. depreciation and impairment losses at 31.12	30 636	406 249	18 032	**454 917**
Carrying amount 31.12	24 056	175 999	2 879	**202 934**
Economic life	0-40 years	3-15 years	3-12 years	
Amortization method	Linear	Linear	Linear	

2022

EUR 1 000	Land and buildings	Machinery and plant	Office and transport	Total
Cost at 1.1	41 524	532 615	20 724	**594 863**
Business combinations	10 184	11 305	135	**21 623**
Additions	227	37 940	304	**38 471**
Disposals	(176)	(6 153)	(476)	**(6 805)**
Discontinued operations (note 10)	(296)	(24 273)	(2 082)	**(26 651)**
Transfer to/from inventory / reclassification	1 581	(6 367)	868	**(3 918)**
Currency translation	(344)	11 813	918	**12 387**
Cost at 31.12	52 701	556 880	20 390	**629 971**
Acc. depreciation and impairment losses at 1.1	27 314	364 715	16 410	**408 438**
Current year depreciation charge	1 530	25 831	1 697	**29 057**
Current year impairment charge	868	5 272	173	**6 312**
Depreciation disposals	(169)	(4 514)	(427)	**(5 110)**
Discontinued operations (note 10)	(271)	(19 493)	(1 737)	**(21 501)**
Impairment disposals	–	(319)	(3)	**(322)**
Depreciation transferred to inventory / reclassification	–	(1 138)	–	**(1 138)**
Impairment transferred to inventory / reclassification	–	(346)	–	**(346)**
Currency translation	104	11 602	900	**12 606**
Acc. depreciation and impairment losses at 31.12	29 375	381 609	17 012	**427 997**
Carrying amount 31.12	23 326	175 271	3 378	**201 975**
Economic life	0-40 years	3-15 years	3-12 years	
Amortization method	Linear	Linear	Linear	

The lease revenues and commitments for Carton filling machines rented to customers as well as the lease expenses and commitments for equipment leased and used in our production are disclosed in Note 14.

The company has not pledged property, plant and equipment as security for liabilities.

Property, plant and equipment specified by geographical area[1]

EUR 1 000	2023	2022
Canada	**23 778**	28 485
Denmark	**24 708**	25 940
Germany	**71 065**	69 025
India	**10 593**	9 944
Morocco	**7 492**	6 508
Netherlands	**46 349**	44 547
Norway	**3 779**	3 097
Saudi Arabia	**2 982**	3 555
Ukraine	**3 271**	3 281
United Kingdom	**8 671**	7 325
Other	**245**	267
Total	**202 934**	201 975

[1] The split by geographical area is based on the jurisdiction of legal owner.

Other off-balance sheet commitments and contingencies

EUR 1 000	2023	2022
Commitments for the acquisition of property, plant and equipment	**7 012**	1 269

Note 14 Leases

Accounting policy

The Group as a lessee

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets. For short-term leases and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Group has applied this practical expedient to all classes of right-of-use assets, except for rent of buildings.

The Group as a lessor

The group enters into lease agreements as a lessor with respect to filling machines placed with customers. These leases are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

See Note 1 for impairment of non-financial assets accounting policy.

1. The Group as lessor – operating leases

The Group leases out filling machines under operating leases. Rental income was EUR 10 019 thousand in 2023, compared to EUR 9 326 thousand in 2022. Lease terms are between 1 year to 10 years. Options to extend the lease term or purchase the leased asset reflects market conditions at the time of exercising the option.

At the reporting date the Group has future minimum lease receivables as follows (undiscounted)

EUR 1 000	2023	2022
Due within year 1	**9 578**	11 242
Due within year 2	**8 083**	9 159
Due within year 3	**6 329**	7 863
Due within year 4	**5 128**	6 519
Due within year 5	**4 195**	4 509
Due after year 5	**7 652**	8 330
Total	**40 965**	47 621

2. The Group as lessor – finance lease

The group leases out filling machines under finance leases. Generally, lease terms are between 5 years to 10 years. Options to extend or purchase the leased asset will normally reflect market pricing.

Amounts receivable under finance leases (undiscounted)

EUR 1 000	2023	2022
Due within year 1	**2 150**	2 648
Due within year 2	**1 581**	1 870
Due within year 3	**1 493**	1 302
Due within year 4	**1 083**	1 213
Due within year 5	**769**	804
Due after year 5	**1 684**	2 345
Total receivables under finance leases, undiscounted	**8 760**	10 181
Unearned finance income	**1 676**	2 162
Total receivables under finance leases, discounted	**7 084**	8 020

There is no impairment loss allowance related to the finance lease receivables in 2023 and 2022. Credit risk related to the filling machine lease agreements is considered very low. Credit risk is considered insignificant due to right to require return of the machine in case of default. The average effective interest rate contracted is approximately 6.67% per annum.

The Group as lessee

The Group leases several assets including buildings, plants, cars and filling machines.

Right-of-use assets

December 31, 2023

EUR 1 000	Property and buildings	Machinery	Office and transport	Total
Carrying amount 1.1	52 148	13 968	10 668	**76 784**
Additions and adjustments	3 896	16 043	3 261	**23 200**
Disposals	(6)	(33)	(111)	**(151)**
Current year depreciation charge	(4 442)	(5 177)	(3 844)	**(13 463)**
Carrying amount at 31.12	51 596	24 800	9 974	**86 370**

December 31, 2022

EUR 1 000	Property and buildings	Machinery	Office and transport	Total
Carrying amount 1.1	38 652	12 986	11 314	**62 952**
Additions and adjustments	22 258	6 307	3 278	**31 842**
Disposals	(3 956)	(28)	(100)	**(4 084)**
Current year depreciation charge	(4 806)	(5 288)	(3 823)	**(13 918)**
Impairment losses	–	(8)	–	**(8)**
Carrying amount at 31.12	52 148	13 968	10 668	**76 784**

The Group has no significant purchase options except from one purchase option related to the High Bay warehouse lease agreement commenced in November, 2022. This purchase option can be exercised in 2042 and purchase price is market value at exercise date. An exercise of the purchase option is not considered to be reasonably certain, hence it is not recognised.

In 2023, expenses related to short-term leases were EUR 20 thousand, expenses related to low value assets were EUR 610 thousand and expenses related to variable payments not included in the measurement of lease liabilities were EUR 222 thousand.

The Group has signed contracts for Tethered Cap and other closure lines with a lease term of 5 years and a nominal value of EUR 20 839 thousand, which will commence at different stages during 2024.

Lease liabilities

EUR 1 000	Note	2023	2022
Current lease liabilities	26	**23 096**	17 139
Non-current lease liabilities	26	**78 424**	73 536
Total		**101 520**	90 674

At the reporting date the Group has lease liabilities as follows (undiscounted)

EUR 1 000	2023	2022
Due within year 1	**25 505**	20 751
Due within year 2	**18 597**	20 449
Due within year 3	**17 262**	14 208
Due within year 4	**14 637**	12 282
Due within year 5	**11 258**	10 381
Due after year 5	**70 132**	75 623
Total	**157 390**	153 694

Note 15 Investment in joint ventures

Accounting policy
A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of a joint venture company are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the equity investee. The statement of comprehensive income reflects the share of the results of operations of the associate (net after tax). Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. After application of the equity method the Group determines whether it is necessary to recognise an additional impairment on the individual investments. The Group determines if there are indications of impairment, and if this is the case, the Group calculates the impairment loss as the difference between the recoverable amount of the joint venture and its carrying value.

The investment in the joint ventures specified below have been accounted for in accordance with the equity method of accounting. Lala Elopak S.A. de C.V. is a carton production plant in Mexico selling cartons to Americas. Impresora Del Yaque is a carton production facility in the Dominican Republic also selling cartons to Americas. Elopak Nampak Africa Limited is a sales centre in Kenya, established in 2020, selling cartons to Africa. The investments are joint ventures because the investment partners have the same rights and control in the companies.

Investments in joint ventures

2023

EUR 1 000	Lala Elopak S.A. de C.V.	Impresora Del Yaque	Elopak Nampak Africa Ltd	Total
Ownership - and voting share	49%	51%	50%	
Carrying amount 1.1	24 210	10 707	(244)	**34 673**
Income from joint venture companies	4 730	2 139	(14)	**6 855**
Dividend received	(4 004)	(1 907)	-	**(5 911)**
Recognized to equity	(6)	-	-	**(6)**
Currency translation	2 874	(777)	-	**2 097**
Carrying amount 31.12	27 805	10 163	(258)	**37 709**

2022

EUR 1 000	Lala Elopak S.A. de C.V.	Impresora Del Yaque	Elopak Nampak Africa Ltd	Total
Ownership - and voting share	49%	51%	50%	
Carrying amount 1.1	19 390	8 270	(133)	**27 527**
Income from joint venture companies	2 665	1 824	(112)	**4 378**
Recognized to equity	(14)	-	-	**(14)**
Currency translation	2 169	613	-	**2 783**
Carrying amount 31.12	24 210	10 707	(244)	**34 673**

Summarized financial information

2023

EUR 1 000	Lala Elopak S.A. de C.V.	Impresora Del Yaque	Elopak Nampak Africa Ltd	Total
Revenue	95 362	24 703	21	**120 086**
Operating profit	13 281	4 267	(29)	**17 519**
Profit after tax (loss)	9 653	4 195	(28)	**13 820**
Other comprehensive income that may be reclassified to net income	5 866	(1 523)	–	**4 342**
Total comprehensive income	15 518	2 672	(28)	**18 163**
Current assets	52 932	18 786	125	**71 842**
Non-current assets	16 255	3 053	1	**19 309**
Current liabilities	16 234	1 911	75	**18 221**
Non-current liabilities	2 969	–	567	**3 536**
Equity	49 984	19 928	(517)	**69 395**
Group's share of profit after tax (loss)	4 730	2 139	(14)	**6 855**

2022

EUR 1 000	Lala Elopak S.A. de C.V.	Impresora Del Yaque	Elopak Nampak Africa Ltd	Total
Revenue	78 865	25 471	63	**104 400**
Operating profit	7 431	4 361	(208)	**11 584**
Profit after tax (loss)	5 440	3 577	(224)	**8 794**
Other comprehensive income that may be reclassified to net income	4 427	1 202	–	**5 630**
Total comprehensive income	9 867	4 780	(224)	**14 423**
Current assets	40 181	21 572	188	**61 940**
Non-current assets	15 476	3 459	1	**18 936**
Current liabilities	10 495	3 208	171	**13 874**
Non-current liabilities	2 499	–	507	**3 006**
Equity	42 663	21 823	(489)	**63 997**
Group's share of profit after tax (loss)	2 665	1 824	(112)	**4 378**

Voting share

Ownership/voting share	2023	2022
Lala Elopak S.A. de C.V.	**49%**	49%
Impresora Del Yaque	**51%**	51%
Elopak Nampak Africa Limited	**50%**	50%

Note 16 Other non-current assets

EUR 1 000	2023	2022
Contract assets	**3 311**	3 775
Non-current finance lease receivables (Note 14)	**5 113**	5 865
Financial instruments (Note 25)	**3 521**	6 811
Other non-current assets	**2 948**	3 390
Carrying amount 31.12	**14 892**	19 841

Note 17 Impairment Ukraine

Due to the war in Ukraine, Elopak suspended all activities in Russia, and restarted operations in Ukraine after a temporary close-down, in March 2022. Consequently, the Group has tested assets in Ukraine for impairment and recognized an impairment loss through the statement of comprehensive income. Ukraine is included in the operating segment EMEA.

The impairment loss is calculated using a weighted average of possible scenarios including continuing operations and closing operations.

The Russian operation is classified as discontinued operations and all assets and liabilities related to the Russian operation were deconsolidated from the Elopak consolidated financial statements due to loss of control on July 15, 2022. See note 10 Discontinued operations.

Due to the circumstances in Ukraine the impairment assessment has been updated at the end of each quarter. No deferred tax asset is recognized related to the operations in Ukraine. After impairment, the recoverable amount of property, plant and equipment is EUR 2 984 thousand, while all other non-current assets are written down to recoverable amount of zero.

Balance sheet effect of impairment

EUR 1 000	December 31 2023	December 31 2022
ASSETS		
Non-current assets		
Development cost and other intangible assets	**(17)**	(26)
Deferred tax assets	**–**	(1 555)
Property, plant and equipment	**(266)**	(4 155)
Right-of-use assets	**–**	(8)
Other non-current assets	**–**	–
Total non-current assets	**(284)**	(5 744)
Current assets		
Inventory	**451**	(1 883)
Trade receivables	**8**	(32)
Other current assets	**4**	(230)
Total current assets	**464**	(2 145)
Total assets	**180**	(7 889)

EUR 1 000	2023	2022
COMPREHENSIVE INCOME		
Cost of materials	**451**	(2 079)
Depreciation, amortization and impairment	**(284)**	(4 189)
Other operating expenses	**12**	(67)
Operating profit	**180**	(6 335)
Financial items	**–**	–
Income tax	**–**	(1 554)
Profit/loss	**180**	(7 889)

Note 18 Inventory

Accounting policy
Cost is calculated using the FIFO cost formula for cartons, filling machines and spare parts.

Inventory

2023

EUR 1 000	Raw materials	Work in progress	Finished goods	Total
Cost 31.12	27 621	93 456	82 424	**203 502**
Write down 01.01	3 755	19	7 100	**10 874**
Realised	(291)	–	(424)	**(715)**
Write down	93	–	1 060	**1 153**
Write down per 31.12.	3 558	19	7 736	**11 313**
Carrying amount 31.12	24 063	93 437	74 688	**192 188**

2022

EUR 1 000	Raw materials	Work in progress	Finished goods	Total
Cost 31.12	34 579	84 954	78 549	**198 082**
Write down 01.01	(307)	–	5 142	**4 835**
Realised	308	–	(615)	**(308)**
Write down	3 754	19	2 573	**6 347**
Write down per 31.12.	3 755	19	7 100	**10 874**
Carrying amount 31.12	30 824	84 934	71 449	**187 208**

Note 19 Trade receivables and other current assets

Accounting policy
Trade and other receivables that are held to collect contractual cash flows only and the contractual cash flows are solely principal and interest are measured at amortised cost using the effective interest method, less any impairment. Short-term receivables are measured at nominal values reduced by appropriate allowances for expected credit losses.

Accounts receivables which are subject to non-recourse factoring are classified as instruments held to collect contractual cash flows and for sale and are measured at fair value through other comprehensive income until they are derecognised.

See Note 1 for non-derivative financial instruments accounting policy.

Impairment of financial assets
The loss allowance for expected credit losses is mostly related to individual assessments and is recognised for financial asset measured at amortised cost or fair value through OCI, contract assets under IFRS 15, lease receivables under IFRS 16 and certain written loan commitments and financial guarantee contracts. Loss allowance is assessed at each reporting day. Loss allowances for trade receivables, contract assets and lease receivables that do not contain a significant financing component are measured at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables, contract assets and lease receivables that do contain a significant financing component are measured at an amount equal to the lifetime expected credit losses including interest revenues. When there is no objective evidence of impairment, interest revenues are calculated based on gross carrying amount, otherwise interests are calculated based on the net carrying amount. The amount of the loss is recognised in profit or loss. In case of changes to expected credit losses in a subsequent period, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

Trade receivables

EUR 1 000	2023	2022
Accounts receivable, gross	**115 000**	106 243
Allowances	**(4 758)**	(4 045)
Carrying amount 31.12	**110 243**	102 197

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

2023

EUR 1 000	Gross carrying amount	Loss rate	Expected credit loss
Current	96 131	3.3%	3 218
Up to 7 days	7 863	–	–
Up to 30 days	4 292	0.3%	13
30-60 days	2 228	0.3%	6
60-90 days	1 102	0.1%	1
Over 90 days	3 383	44.9%	1 519
Total	115 000	4.1%	4 758

2022

EUR 1 000	Gross carrying amount	Loss rate	Expected credit loss
Current	84 354	2.9%	2 443
Up to 7 days	8 422	-	-
Up to 30 days	3 677	0.3%	11
30-60 days	2 558	6.6%	169
60-90 days	1 416	2.0%	29
Over 90 days	5 815	24.0%	1 395
Total	106 243	3.8%	4 045

Movement in the allowance for expected credit losses of trade receivables

EUR 1 000	2023	2022
As at 1.1	**4 045**	4 231
Business combinations (note 27)	**-**	802
Change in provision for expected credit losses	**473**	(721)
Change in write-off	**(98)**	(16)
Foreign exchange movement	**337**	(251)
Carrying amount 31.12	**4 757**	4 045

Other current assets

EUR 1 000	2023	2022
Project income earned, not invoiced	**44 643**	39 195
Prepaid support	**1 832**	2 129
Contract assets	**46 475**	41 324
Prepayments and accrued expenses	**20 519**	14 476
V.A.T. receivable	**20 820**	24 639
Accrued income tax receivables	**6 238**	5 382
Financial instruments	**1 064**	999
Finance leasing receivable short term	**1 971**	2 362
Current investments of shares	**-**	4 829
Other current receivables	**16 632**	15 202
Carrying amount 31.12[1]	**113 720**	109 214

[1] Contract assets consist of prepaid rebates to customers which will be offset against contracted future sales of cartons and closures. Total of prepaid support was EUR 5 143 thousand in 2023 and EUR 5 904 thousand in 2022. Based on customer knowledge and experience of very few losses, the credit risk related to prepaid support is considered insignificant.

Note 20 Equity and shareholders information

Elopak ASA was established with share capital of NOK 376 906 620 (EUR 50 155 321) and the total number of shares outstanding for Elopak ASA is 269 219 014, each with a face value of NOK 1.4 (EUR 0.19). At December 31, 2023, the company has a share capital of NOK 376 532 338 (EUR 50 104 463) and the total number of shares outstanding for Elopak ASA is 268 951 670, each with a face value of NOK 1.4 (EUR 0.19).

Treasury shares / Share-based bonus

Elopak ASA's ordinary general meeting on May 11, 2023 approved a share buy-back program for the repurchase of up to NOK 37 690 662, meaning up to 26.9 million shares at nominal value of NOK 1.40/share. The shares acquired under the share buy-back program will be used to meet the Company's obligations towards employees who participate in the Company's long-term incentive plan. As of December 31, 2023, the balance of treasury shares is 267 344. The treasury share capital is EUR 51 thousand and the treasury share premium is EUR 545 thousand.

Dividend

The Board approved a dividend of NOK 0.86 per share for the financial year 2022 on May 12, 2023. The dividend payment was EUR 19 634 thousand based on 269 219 014 outstanding shares, of which EUR 11 747 thousand was paid to Ferd AS. The Board of Directors will propose to the Annual General Meeting a dividend of NOK 1.46 per share for 2023.

Share capital

2023

Number of shares	Ordinary shares issued	Treasury shares	Ordinary shares outstanding
Shares at 1.1	269 219 014	(5 519)	269 213 495
Treasury shares purchased	–	(410 540)	(410 540)
Treasury shares re-issued	–	148 715	148 715
Shares at 31.12	269 219 014	(267 344)	268 951 670

2022

Number of shares	Ordinary shares issued	Treasury shares	Ordinary shares outstanding
Shares at 1.1	269 219 014	–	269 219 014
Treasury shares purchased	–	(170 000)	(170 000)
Treasury shares re-issued	–	164 481	164 481
Shares at 31.12	269 219 014	(5 519)	269 213 495

Basic and diluted earnings per share

(EUR 1 000, except number of shares)	2023	2022
Profit attributable to Elopak shareholders	**67 061**	10 856
Issued ordinary shares at beginning of period, adjusted for share split in the period	**269 213 495**	269 219 014
Effect of shares issued	**(62 416)**	(3 024)
Weighted-average number of ordinary shares in the period	**269 151 079**	269 215 990
Basic and diluted earnings per share attributable to Elopak shareholders (in EUR)	**0.25**	0.04

The Group's top 20 shareholders

Shareholder's name	Total shareholding
Ferd AS[1]	60.04%
Nippon Paper Industries Co., Ltd.	5.00%
Pareto Asset Management AS	4.24%
Boldhaven	3.46%
Folketrygdfondet	3.29%
Fidelity International	2.82%
Artemis Investment Management LLP	2.19%
Pictet Asset Management Ltd.	1.14%
Oddo BHF Asset Management S.A.S.	1.08%
Arctic Fund Management AS	0.93%
DNB Asset Management AS	0.91%
Allspring Global Investments LLC	0.82%
Skagen AS	0.79%
Indépendance et Expansion AM S.A	0.66%
GW&K Investment Management, LLC	0.63%
UBS Asset Management (Switzerland)	0.58%
T D Veen AS	0.43%
Clearstream Banking SA	0.41%
MFS Investment Management	0.40%
Wenaasgruppen AS	0.38%

[1] Elopak ASA is a subsidiary of Ferd AS and is consolidated within their consolidated financial statements which can be found on their website.

The Executive team own directly, or indirectly the following number of shares in the Group

Executive team	Total number of shares
Thomas Körmendi, CEO	396 105
Bent Axelsen, CFO	203 833
Patrick Verhelst, Chief Marketing Officer	61 562
Wolfgang Buckhremer, Chief Technology Officer	78 638
Ivar Jevne, EVP Packaging and Procurement	239 432
Stephen Naumann, EVP Region Europe North, India and CIS	190 055
Finn Tørjesen, EVP Region Europe South and MENA	79 816
Lionel Ettedgui, EVP Region Americas	95 553
Nete Bechmann, Chief Human Resource Officer	35 447
Dag Grönevik, EVP Equipment and Service	9 660
Total	1 390 101

Note 21 Employee retirement benefit plans

Defined contribution plans
The Group operates defined contribution pension plans where the plans are held separately from those of the Group in funds under control of trustees. The only obligation of the Group is to make the specified contributions.

Defined benefit plans
The Group also runs pension plans that grant the employees a right to defined future benefits. The benefits are mainly dependent on years of service, the level of salary at age of retirement and size of contributions from the national insurance. The obligations are partly covered through insurance companies. Elopak has unfunded retiree medical insurance plans for certain of its employees located in the United States.

Pension liability

EUR 1 000	2023	2022
Defined benefit obligations	**(2 502)**	(2 668)
Net pension liability	**(2 502)**	(2 668)

Pension expense

EUR 1 000	2023	2022
Defined benefit plans net	**(99)**	(84)
Defined contribution plans	**(9 996)**	(9 597)
Total pension expense	**(10 095)**	(9 681)

Defined benefit plans are subject to actuarial calculations. The estimated pension cost for pension benefit plans in 2023 is EUR 99 thousand and in 2022 is EUR 84 thousand.

Note 22 Interest-bearing loans and borrowings

Accounting policy
See Note 1 for non-derivative financial instruments accounting policy.

Interest-bearing loans and borrowings

	2023		2022	
EUR 1 000	Available	Utilised	Available	Utilised
Current liabilities to financial institutions	**56 857**	**19 333**	57 073	21 682
Non-current liabilities to financial institutions	**400 000**	**224 433**	400 000	304 033
Total		**243 767**		325 715

Repayment profile

EUR 1 000	2023	2022
2023	**-**	21 682
2024	**19 333**	-
2025	**225 000**	305 000
2026	**-**	-
Total	**244 333**	326 682

Weighted average interest rates on long-term loans

	2023			2022	
EUR 1 000	Rate	In Ccy	In EUR	In Ccy	In EUR
EUR	**4.11%**	**225 000**	**225 000**	305 000	305 000
Total			**225 000**		305 000

The values above are gross amounts excluding amortised borrowing costs.

The long-term loans are drawn under a EUR 400 000 thousand multi currency revolving credit facility. The facility is available until May 2025. Elopak has started a process to refinancing the long-term loan financing and will aim to have concluded the refinancing in the first half of 2024. Amounts are shown net of prepaid transaction costs. Changes to the Groups debt profile reflect changes in the functional currency of entities within the Group.

Elopak has a Supply Chain Financing programme towards the largest suppliers to take advantage of supplier cash discounts and optimize working capital.

Accounts receivables factoring facilities

EUR 1 000	Available	2023	Available	2022
Non-recourse	180 141	**45 010**	179 275	41 823
Total		**45 010**		41 823

Elopak factors its receivables in the ordinary course of business.

Note 23 Other current liabilities

EUR 1 000	2023	2022
Provisions	**3 343**	681
Accrued expenses	**70 330**	70 547
Derivatives (Note 25)	**8 231**	4 268
Prepaid from customers	**38 636**	25 932
Total	**120 540**	101 429

Note 24 Capital management

Elopak's level of capital and how this is managed relates closely to the company's risk profile and the company's ability to withstand turbulent times. The main objectives when Elopak assess their capital management is to minimize financing costs, while maintaining adequate liquidity and flexibility for short-term liquidity needs and M&A activities. The policy is to maintain unutilised and available liquidity of 40% of utilised debt. Elopak's financial guiding is to pay out dividends equal to 50% - 60% of adjusted net profits.

All financing activities are managed by the central Treasury at the parent company level. The capital needs of Elopak subsidiaries are mainly covered by granting internal loans or by equity injection where applicable. The short-term liquidity needs of Elopak group companies are managed at group level through the Elopak internal bank and cash-pooling. The financial guiding also targets constantly that the company reduces its gearing ratio and to be ~2.0x EBITDA on a mid-term basis.

The financial covenants under Elopak's Revolving Credit Facility are limited to a maximum gearing ratio (Net Interest Bearing Debit/EBITDA) of 4.75 and to hold a minimum equity of EUR 100 million at all times.

Note 25 Financial risk management

Accounting policy
The Group enters into derivative financial instruments to manage its exposure to interest rate, foreign exchange rate and raw material risk arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship. The Group designates certain derivatives as either hedge of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), or hedge of highly probable forecast transactions or hedge of foreign currency risk of firm commitments (cash flow hedges).

At inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Balance sheet management
The Group manages the balance sheet to ensure a healthy financial position and liquidity. This is done through an annual budgeting process followed by performance management and forecasting updates to ensure adequate financial flexibility and liquidity for the company. The Group’s main bank covenants, especially the net interest bearing debt/ EBITDA, are monitored closely on a continuous basis to ensure compliance at all times.

Financial risk policy
The Group is exposed to market risk, credit risk and liquidity risk. Risk management activities are governed by appropriate policies and procedures. Risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. There have been no significant changes in the management of risks related to financials during the period.

CATEGORIES OF FINANCIAL RISK TO OPERATIONAL BUSINESS

1. Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, commodity price risk and interest rate risk. Elopak buys derivatives to manage market risks and seeks to apply hedge accounting to manage volatility in profit or loss. Hedge accounting is applied to all currency and commodity derivatives, while interest rate derivatives are not subject to hedge accounting.

Derivatives

	December 31, 2023			December 31, 2022		
EUR 1 000	Assets	Liabilities	Total	Assets	Liabilities	Total
Currency derivatives	**904**	**7 398**	**(6 494)**	747	1 280	(534)
Commodity derivatives	**31**	**2 408**	**(2 377)**	–	3 318	(3 318)
Interest derivatives	**3 650**	**2 105**	**1 545**	7 063	–	7 063
Total	**4 585**	**11 911**	**(7 326)**	7 810	4 598	3 212

The full fair value of a derivative is classified as "Other non-current assets or "Other non-current liabilities" if the remaining maturity of the derivative is more than 12 months and as "Other current assets" or "Other current liabilities", if the maturity of the derivative is less than 12 months. The fair value estimation of derivative financial instruments has been arrived at by applying a level 2 valuation methodology which uses inputs other than unadjusted quoted prices for identical assets and liabilities, with changes in fair value are therefore recognized in the income statement. No other material financial assets or liabilities are measured at fair value through profit or loss.

Where eligible, derivatives used for hedging are designated in cash flow hedge accounting relationships.

Currency risk

Elopak's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities, financing of foreign operations and the Group's net investments in foreign subsidiaries.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
Currency	2023	2022	2023	2022
BGN	**241**	222	**246**	238
CAD	**96 376**	22 928	**64 044**	95 182
CHF	**4 800**	4 337	**4 771**	4 252
CZK	**62 929**	57 588	**62 821**	68 479
DKK	**2 809 965**	2 494 348	**2 889 442**	2 403 598
DZD	**-**	-	**-**	4 577
EUR	**86 393**	4 910	**750 783**	3 910
GBP	**32 760**	26 313	**32 821**	27 076
HUF	**863 797**	638 998	**449 243**	603 176
NIS	**-**	8	**9**	-
JPY	**2 814 818**	4 091 538	**6 493 463**	2 077 533
MXN	**66 521**	65 240	**62 304**	65 645
NOK	**2 537 714**	2 093 232	**2 548 400**	2 089 246
PLN	**79 545**	47 729	**78 552**	51 036
RUR	**1 889 323**	1 344 703	**1 888 924**	1 344 978
SAR	**-**	-	**-**	3 274
SEK	**260 590**	193 612	**274 466**	194 541
TND	**-**	-	**-**	57
UAH	**-**	-	**-**	-
USD	**63 043**	86 368	**83 515**	51 649

Foreign exchange risk from operating activities such as salaries and personnel tax are managed by hedging transactions that are highly probable to occur within periods out 18 months by entering foreign currency contracts.

The Group employs a layering policy in which the nearest calendar quarter is hedged up to 90% with coverage decreasing in steps to 15% at 18 months out.
Currency exposures related to purchase of filling machines are hedged at a one-to-one basis (100% coverage at the specified date of payment).

Hedge accounting is applied to all currency derivatives, except for cross-currency interest rate swaps which are recognised as financial income or financial expense in profit or loss. Hedge accounting is designated at the date of recognition of the hedged item, however the derivatives are due at the date of expected payment. At designation, the fair value of the hedging derivatives is recycled from Hedge reserve in equity to the hedged item (i.e. filling machine recognised in inventory) and to profit or loss to the same accounting line and at the same time as the hedged item is recognised to profit or loss.

Outstanding derivatives

Nominal amount

EUR 1 000	December 31, 2023		December 31, 2022	
Currency	Ccy	EUR	Ccy	EUR
CAD	**7 749**	**5 292**	-	-
EUR	**(89 952)**	**(89 952)**	(72 633)	(72 633)
JPY	**10 358 989**	**66 264**	9 461 714	67 267
NOK	**388 197**	**34 536**	255 426	24 294
USD	**(27 740)**	**(25 104)**	(24 231)	(22 718)
Total nominal value		**(8 965)**		(3 790)
Total fair value		**(6 494)**		(534)

Positive numbers represent purchases.

Interest risk

Elopak's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. To manage this risk, the Group maintains a portion of its borrowings at fixed rates of interest by entering interest rate swaps. These swaps are designated to hedge underlying debt obligations; however, they are not subject to hedge accounting.

Outstanding derivatives

Notional amounts and fair values

		December 31, 2023		December 31, 2022	
EUR 1 000	Currency	Notional EUR	Fair value	Notional EUR	Fair value
Interest	EUR	**150 000**	**1 545**	120 000	7 063
Total			**1 545**		7 063

Positive numbers represent purchases.

Commodity price risk

Elopak's operating activities require a continuous supply of aluminium and polyethylene. Based on a 12-month forecast of requirements the Group manages the commodity price risk by hedging the purchase price of the commodity with the use of commodity price swaps. Hedge accounting is applied for all commodity derivatives. As per December 31, 2023 the hedged amount of Polyethylene derivatives is 42% of expected purchase for the next 12 months.

Outstanding derivatives

Notional amounts and fair values

	December 31, 2023		December 31, 2022	
EUR 1 000	Metric Tonnes	Fair value	Metric Tonnes	Fair value
Polyethylene	**15 000**	**(2 408)**	13 000	(2 576)
Aluminum	**3 960**	**31**	8 400	(743)
Total		**(2 377)**		(3 318)

Positive numbers represent derivative assets.

Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates (for foreign exchange contracts), commodity prices (for commodity swaps) and interest rates (for interest rate swaps) with all other variables being held constant. The impact on the Group's equity is due to changes in the fair value of derivatives designated as cash flow hedges.

Numbers are before tax

	December 31, 2023			December 31, 2022	
EUR 1 000	Movement	Effect on profit	Effect on equity	Effect on profit	Effect on equity
Foreign exchange derivatives	+5%	**(5 022)**	**(10 872)**	(1 414)	(8 222)
	(5%)	**(2 597)**	**(427)**	213	1 638
Commodity swaps	+5%	**-**	**1 604**	-	1 461
	(5%)	**-**	**(1 604)**	-	(1 461)
Interest rate swaps	+1%	**4 417**	**-**	2 010	-
	(1%)	**(4 642)**	**-**	(2 093)	-

Positive numbers represent derivative assets

2. Liquidity risk

Elopak's objective is to maintain a balance between continuity of funding, and flexibility through the use of bank loans and overdraft facilities.

The maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments is summarised below. The tables only show balance sheet items classified as financial instruments and do not include other balance sheet items affecting liquidity, such as inventories. Also, off-balance sheet items such as unused credit facilities are not included. The derivative instruments may be settled gross or net with the relevant protocol being reflected in the tables.

Contractual maturities of financial liabilities, including estimated interest payments

Non-derivatives financial liabilities

2023

EUR 1 000	Carrying value	< 1 year	1-3 years	3-5 years	> 5 years	Total contractual maturities
Loans and borrowings (Note 22)	243 767	19 333	224 433	-	-	243 767
Accounts payable	127 847	127 847	-	-	-	127 847
Other liabilities	162 765	113 111	16 851	12 969	19 834	162 765
Total	534 379	260 291	241 285	12 969	19 834	534 379

Derivatives financial instruments

2023

EUR 1 000	Carrying value	< 1 year	1-3 years	3-5 years	> 5 years	Total contractual maturities
Foreign exchange	7 398	5 823	1 575	-	-	7 398
Interest rate swaps	2 105	-	-	1 318	787	2 105
Commodities	2 408	2 408	-	-	-	2 408
Total	11 911	8 231	1 575	1 318	787	11 911

Non-derivatives financial liabilities

2022

EUR 1 000	Carrying value	< 1 year	1-3 years	3-5 years	> 5 years	Total contractual maturities
Loans and borrowings (Note 22)	325 715	32 760	319 451	-	-	325 715
Accounts payable	124 038	124 038	-	-	-	124 038
Other liabilities	165 105	78 108	28 708	18 847	39 442	165 105
Total	614 859	234 906	348 159	18 847	39 442	614 859

Derivatives financial instruments

2022

EUR 1 000	Carrying value	< 1 year	1-3 years	3-5 years	> 5 years	Total contractual maturities
Foreign exchange	1 280	951	330	-	-	1 280
Commodities	3 318	3 318	-	-	-	3 318
Total	4 598	4 269	330	-	-	4 598

The fair value of all financial assets and liabilities approximates their carrying value. The fair value estimation of derivative financial instruments has been arrived at by applying a level 2 valuation methodology which uses inputs other than unadjusted quoted prices for identical assets and liabilities

3. Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Elopak has adopted a policy of only being exposed to credit-worthy counterparties, based upon independent credit analysis for all counterparties, where available. In the cases where this is not available, Elopak uses other publicly available financial information and its own trading records to assess creditworthiness. Outstanding receivables are monitored regularly.

4. Hedge accounting

Cash flow hedge accounting is applied to hedges of foreign currency risk and commodity price risk. The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair values of cash flow hedging instruments related to hedged transactions that have not yet occurred. Movements in the cash flow hedge reserve are detailed in the table below:

Contracts

	2023			2022		
EUR 1 000	Opening position	Movement	Closing position	Opening position	Movement	Closing position
Commodity price hedges	**(3 318)**	**942**	**(2 377)**	5 303	(8 621)	(3 318)
Currency hedges	**(176)**	**(2 872)**	**(3 048)**	142	(318)	(176)
Tax effect	**737**	**413**	**1 150**	(1 230)	1 967	737
Total	**(2 758)**	**(1 517)**	**(4 275)**	4 215	(6 972)	(2 758)

The movement in the hedge reserve includes gains/(losses) transferred from the cash flow hedge reserve into the income statement during the period. Foreign exchange forwards and commodities hedge maturities are disclosed in note 25.2. Liquidity Risk, which is representative of when the hedge reserve in equity will be recycled to the statement of comprehensive income. These are included in the following line items in the income statement.

Movement in hedge reserve

EUR 1 000	2023	2022
Cost of goods sold	**(1 673)**	(7 790)
Other operating expenses	**(1 829)**	(569)
Net financial items	**(5 518)**	–
Total	**(9 020)**	(8 359)
Movement in hedge reserve due to changes in fair values	**(10 537)**	1 387
Total	**(1 517)**	(6 972)

Due to Elopak hedging policy, hedges are entered into based on highly probable future transactions, either per transaction or by applying base layers. All hedges have a hedge ratio 1:1 and hedge in-effectiveness related to differences in timing of settlement in 2023 and 2022 was insignificant and is not recognised directly to profit and loss.

Carrying amount of financial asset and liabilities

December 31, 2023

		Categories				Fair value measurement using			
EUR 1 000	Notes	Fair value through profit and loss (FVPL)	Fair value through other comprehensive income (FVOCI)	Financial instruments at amortized cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level2)	Significant unobservable inputs (Level 3)	Total instruments measured at fair value
Assets									
Derivatives	25	3 660	925	–	**4 585**	–	4 585	–	**4 585**
Finance lease receivable	16, 19	–	–	7 084	**7 084**	–	–	–	**–**
Trade receivables	19	–	–	110 243	**110 243**	–	–	–	**–**
Other current assets	19	–	–	116 944	**116 944**	–	–	–	**–**
Cash and cash equivalents		–	–	13 308	**13 308**	–	–	–	**–**
Total		3 660	925	247 579	**252 164**	–	4 585	–	**4 585**
Liabilities									
Liablities to financial institutions	25	–	–	243 767	**243 767**	–	–	–	**–**
Derivatives	25	5 451	6 460	–	**11 911**	–	11 911	–	**11 911**
Trade payables, and other payables		–	–	266 576	**266 576**	–	–	–	**–**
Total		5 451	6 460	510 343	**522 253**	–	11 911	–	**11 911**

Carrying amount of financial asset and liabilities

December 31, 2022

EUR 1 000	Notes	Categories: Fair value through profit and loss (FVPL)	Categories: Fair value through other comprehensive income (FVOCI)	Categories: Financial instruments at amortized cost	Categories: Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Fair value measurement using: Significant observable inputs (Level2)	Fair value measurement using: Significant unobservable inputs (Level 3)	Fair value measurement using: Total instruments measured at fair value
Assets									
Derivatives	25	7 121	689	–	**7 810**	–	7 810	–	**7 810**
Finance lease receivable	16, 19	–	–	8 227	**8 227**	–	–	–	**–**
Trade receivables	19	–	–	102 197	**102 197**	–	–	–	**–**
Other current assets	19	–	–	113 018	**113 018**	–	–	–	**–**
Cash and cash equivalents		–	–	25 883	**25 883**	–	–	–	**–**
Total		7 121	689	249 325	**257 135**	–	7 810	–	**7 810**
Liabilities									
Liablities to financial institutions	25	–	–	325 715	**325 715**	–	–	–	**–**
Derivatives	25	550	4 048	–	**4 598**	–	4 598	–	**4 598**
Trade payables, and other payables		–	–	245 417	**245 417**	–	–	–	**–**
Total		550	4 048	571 132	**575 731**	–	4 598	–	**4 598**

Fair value of financial assets and financial liabilities are measured using different levels of input.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Note 26 Change in obligations from financial activities

2023

EUR 1 000	Interest-bearing loans and borrowings (Note 22)	Lease liabilities (Note 14)	Total
1.1	325 715	90 674	**416 390**
Cash Flows			
Proceeds of loans from financial institutions	1 087 304	–	**1 087 304**
Repayment of loans from financial institutions	(1 174 598)	–	**(1 174 598)**
Interest expense to financial institutions	(11 303)	–	**(11 303)**
Lease payments	–	(18 359)	**(18 359)**
Non-cash effects			
Interest expense	11 605	6 566	**18 171**
Net additions lease liabilities	–	22 639	**22 639**
Other non-cash items	5 033	–	**5 033**
31.12	243 756	101 520	**345 276**
Current	19 333	23 096	
Non-current	224 433	78 424	

2022

EUR 1 000	Interest-bearing loans and borrowings (Note 22)	Lease liabilities (Note 14)	Total
1.1	183 853	80 604	**264 457**
Cash Flows			
Proceeds of loans from financial institutions	1 178 067	–	**1 178 067**
Repayment of loans from financial institutions	(1 030 217)	–	**(1 030 217)**
Interest expense to financial institutions	(5 658)	–	**(5 658)**
Lease payments	–	(19 770)	**(19 770)**
Non-cash effects			
Interest expense	5 258	4 575	**9 833**
Net additions lease liabilities	–	25 266	**25 266**
Other non-cash items	(5 588)	–	**(5 588)**
31.12	325 715	90 674	**416 390**
Current	21 682	17 139	
Non-current	304 033	73 536	

Note 27 Business combination

Accounting policies

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Determining whether a particular set of assets and activities is a business should be based on whether the integrated set is capable of being conducted and managed as a business by a market participant.

Business combinations are accounted for according to IFRS 3 using the acquisition method, also called purchase price allocation (PPA). The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value at acquisition date according to IFRS 13, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill arises in a business combination when the fair value of consideration transferred exceeds the fair value of identifiable assets acquired less the fair value of identifiable liabilities assumed. Goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units and tested subsequently for impairment.

Acquisitions of GLS Elopak

Company	Principal activity	Date of business combination	Percentage owned	Acquiring entity
GLS Elopak	Trading and manufacturing	May 13, 2022	50%	Elopak BV (49.5%) Elopak UK Limited (0.5%)

Elopak and GLS signed on April 28, 2022 an agreement in which the two companies will have 50% ownership of a newly formed company, GLS Elopak. The completion date (closing) took place May 13, 2022. The agreement provides Elopak with exposure to variable returns and power to affect the returns from GLS Elopak, which means that Elopak will have control of GLS Elopak in accordance with IFRS 10 and will consolidate the company as a subsidiary in Elopak's financial statements. GLS Elopak will leverage the respective expertise, assets and networks of Elopak and GLS to capitalize on the significant consumer demand in India. The company is being established to manufacture and process high-quality fresh and aseptic packaging solutions, which are designed to ensure that liquid food is safe and accessible to consumers across the globe. The company will cater to both fresh and aseptic segments with applications such as dairy, plant-based drinks, juice, water and liquor.

The transaction is recognized as a business combination in accordance with IFRS 3 and the acquisition date is May 13, 2022.

The acquisition-date fair value of the total consideration transferred was EUR 12 793 thousand in cash. Transaction costs of EUR 340 thousand were expensed and are included in other operating costs. If the transactions had occurred January 1, 2022, GLS Elopak would have contributed EUR 73 thousand revenue and a loss of EUR 292 thousand before tax. From acquisition date to reporting date GLS Elopak has contributed EUR 5 217 thousand revenue and a loss of EUR 713 thousand before tax.

Fair values of the identifiable assets in GLS Elopak at acquisition date

EUR 1 000	2022
ASSETS	
Non-current assets	
Development cost and other intangible assets	29
Deferred tax assets	1
Property, plant and equipment	10 462
Total non-current assets	10 492
Current assets	
Inventory	550
Other current assets	797
Cash and cash equivalents	8 419
Total current assets	9 766
Total assets	20 258
Non-current liabilities	
Deferred tax liability	624
Total non-current liabilities	624
Current liabilities	
Current liabilities to financial institutions	
Trade and other payables	1 106
Other current liablities	124
Total current liabilities	1 230
Total liabilities	1 854
Total identifiable net assets at fair value	18 404
Non-controlling interest (at share of identifiable net assets)	9 202
Purchase consideration	12 793
Goodwill arising from acquisition	3 591
Purchase consideration	
Cash consideration paid	12 793
Total consideration	12 793

Provision for deferred tax is made for the difference between acquisition cost and acquired tax base in accordance with IAS 12. Offsetting entry of this non-cash deferred tax is goodwill. The remaining goodwill comprises the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognized.

None of the goodwill recognized is deductible for income tax purposes.

Analysis of cash flows on acquisition

EUR 1 000	2022
Net cash acquired with the subsidiary	8 419
Cash paid	12 793
Net cash flow from acquisition (included in investing activites)	(4 374)

Acquisitions of Naturepak

Company	Principal activity	Date of business combination	Percentage owned	Acquiring entity
Naturepak Beverage Packaging Co Ltd	Trading and manufacturing	March 29, 2022	100%	Elopak BV (99%) Elopak UK Limited (1%)

Elopak Arabia Holding Company acquired 100% of the voting shares of Naturepak Beverage Packaging Co Ltd on March 29, 2022. Naturepak Beverage is the leading provider of fresh liquid carton and packaging systems in the MENA region with local production facilities in Morocco and Saudi Arabia, which will be integrated into Elopak's global production network. Present in 16 countries, Naturepak Beverage has an annual production capacity of 2.7 billion cartons across various product sizes and its customers are global blue chip FMCG players and strong regional champions. The acquisition will reinforce Elopak's position in the region and is an important milestone in management's ambitions to target 2-3% organic revenue growth, deliver inorganic opportunities and grow its global footprint by entering new geographies.

The transaction is recognized as a business combination in accordance with IFRS 3 and the acquisition date is March 29, 2022.

The acquisition-date fair value of the total consideration transferred was EUR 85 383 thousand in cash. Transaction costs of EUR 2 110 thousand were expensed and are included in other operating costs. If the transactions had occurred January 1, 2022, Naturepak would have contributed EUR 7 765 revenue and EUR 917 profit before tax. From acquisition date to reporting date Naturepak has contributed EUR 33 422 thousand revenue and a loss of EUR 2 527 thousand before tax.

Fair values of the identifiable assets in Naturepak Beverage Packaging Co Ltd at acquisition date

EUR 1 000	2022
ASSETS	
Non-current assets	
Development cost and other intangible assets	26 794
Property, plant and equipment	11 162
Right-of-use assets	50
Deferred tax asset	1 459
Other non-current assets	446
Total non-current assets	39 910
Current assets	
Inventory	1 480
Trade receivables	4 881
Other current assets	2 644
Cash and cash equivalents	1 495
Total current assets	10 500
Total assets	50 410
Non-current liabilities	
Deferred tax liability	7 789
Non-current lease liabilities	32
Other non-current liabilities	2 371
Total non-current liabilities	10 192
Current liabilities	
Current liabilities to financial institutions	713
Trade and other payables	3 921
Current lease liabilities	47
Other current liablities	3 652
Total current liabilities	8 333
Total liabilities	18 525
Total identifiable net assets at fair value	31 885
Purchase consideration	85 383
Goodwill arising from acquisition	53 498
Purchase consideration	
Cash consideration paid	85 383
Total consideration	85 383

Provision for deferred tax is made for the difference between acquisition cost and acquired tax base in accordance with IAS 12. Offsetting entry of this non-cash deferred tax is goodwill. The remaining goodwill comprises the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognized.

None of the goodwill recognized is deductible for income tax purposes.

Analysis of cash flows on acquisition

EUR 1 000	2022
Net cash acquired with the subsidiary	1 495
Cash paid	85 383
Net cash flow from acquisition (included in investing activites)	(83 888)

Note 28 Shares in subsidiaries and joint ventures

The following companies are consolidated as subsidiaries in Elopak Group

Company	Percentage owned	Year of acquisition	Country	Principal activity
Elopak AB	100%	1961	Sweden	Trading
Elopak B.V.	100%	1968	Netherlands	Manufacturing
Elopak GmbH	100%	1968	Germany	Trading and manufacturing
Elopak SpA	100%	1981	Italy	Trading
Elopak Oy	100%	1982	Finland	Trading
Elopak Systems AG	100%	1984	Switzerland	Trading
Elopak Denmark A/S	100%	1988	Denmark	Trading and manufacturing
Elopak GesmbH	100%	1989	Austria	Trading
PrJSC Elopak Fastiv	100%	1994	Ukraine	Trading and manufacturing
Elopak S.A.	100%	1994	Poland	Trading and service
Elopak Israel AS	100%	1998	Norway	Holding
Elopak Canada Inc.	100%	2000	Canada	Trading and manufacturing
Elofill GmbH	100%	2000	Germany	Holding
Elopak s.r.o.	100%	2001	Czech Republic	Trading
Elopak UK Ltd	100%	2004	United Kingdom	Trading
Elopak BS d.o.o	100%	2017	Serbia	Service
Elopak Kft.	100%	2006	Hungary	Trading
Elopak EOOD	100%	2009	Bulgaria	Trading
Elopak Tunisie SARL	100%	2017	Tunisia	Trading
Elopak Egypt LLC	100%	2017	Egypt	Trading
Elopak Algerie SARL	49%	2018	Algeria	Trading
Elopak Arabia Holding Company LLC	100%	2022	Saudi Arabia	Holding
Elopak Packaging Company LLC	100%	2022	Saudi Arabia	Trading and manufacturing
Elopak Morocco SAS	100%	2022	Morocco	Trading and manufacturing
GLS Elopak	50%	2022	India	Trading and manufacturing

The percentage owned represents the voting stake.

The following joint ventures are accounted for in accordance with the equity method

Company	Percentage owned	Year of acquisition	Country	Principal activity
Lala Elopak S.A. de C.V.	49%	1998	Mexico	Trading and manufacturing
Impresora Del Yaque	51%	2007	Dominican Republic	Trading and manufacturing
Elopak Nampak Africa Ltd	50%	2020	Kenya	Trading

The percentage owned represents the voting stake.

Note 29 Related parties

Transactions with key management

Related party transactions and balances

EUR 1 000	Transaction values for the year ended December 31 2023	Transaction values for the year ended December 31 2022	Balance outstanding as of December 31 2023	Balance outstanding as of December 31 2022
Joint Ventures				
Sales of goods and services	**7 606**	4 877	**5 033**	1 200
Purchase of goods and services	**36 865**	35 781	**3 075**	2 394
Dividends received	**2 018**	–	**–**	–
Associates				
Sales of goods and services	**82**	69	**–**	–
Purchase of goods and services	**1 777**	1 198	**23**	26
Loan and related interest	**–**	–	**818**	836

All amounts are excl. VAT

Board of Directors: annual compensation and number of shares owned

Related party transactions and balances

EUR 1 000, except number of shares	Compensation earned December 31 2023	Compensation earned December 31 2022	Number of shares December 31 2023	Number of shares December 31 2022
Dag Mejdell, Chairperson	**45**	–	**56 000**	–
Trond Solberg	**50**	–	**–**	–
Sanna Suvanto-Harsaae	**43**	43	**14 285**	14 285
Sid Johari	**40**	40	**17 857**	17 857
Anna Belfrage	**48**	48	**–**	–
Anette Bauer Ellingsen	**13**	15	**1 071**	1 071
Håvard Grande Urhamar	**5**	–	**–**	–
Marianne Groven	**–**	1	**–**	–
Cornelia Ann O Neill Kormeseth	**–**	–	**–**	–
Erland Fretheim	**–**	–	**370**	370
Magne Johan Hamarstrøm	**–**	–	**–**	–
Jo Olav Lunder[1]	**21**	65	**–**	107 142
Erlend Sveva[2]	**8**	15	**1 071**	1 071

[1] Left his position as Chairperson May 11, 2023
[2] Left his position as Board member August 30, 2023

Other related party transactions

Loans to employees were EUR 19 thousand in 2023 and EUR 24 thousand in 2022. No guarantees have been provided. None of the Board Members or the CEO have executive loans or guarantees in the company.

Note 30 Fees to external auditors

PWC was elected as the principal auditor since 2019, while some Group companies are audited by other audit firms.

Expensed fees

Year to date ended December 31, 2023

EUR 1 000	Audit fee	Other assurance services	Tax services	Other non-audit services	Total
PWC	(878)	(34)	(2)	(96)	**(1 010)**
Others	(230)	(3)	(113)	(89)	**(435)**
Total	(1 108)	(37)	(115)	(185)	**(1 445)**

Year to date ended December 31, 2022

EUR 1 000	Audit fee	Other assurance services	Tax services	Other non-audit services	Total
PWC	(840)	(33)	(7)	(42)	**(922)**
Others	(117)	(3)	(118)	–	**(238)**
Total	(957)	(36)	(125)	(42)	**(1 159)**

All amounts are excl. VAT

Note 31 Subsequent events

The Board will propose to the Annual General Meeting a dividend of NOK 1.46 per share for 2023.

Note 32 Financial climate impact

Sustainability Framework
Elopak manages the risks related to sustainability. Climate risks, such as the rapidly changing regulatory environment and physical risks are integrated parts of the sustainability framework.

We focus our efforts on monitoring global developments concerning sustainability and/or packaging, such as the EU Taxonomy framework, the Corporate Sustainability due diligence directive, and the EU Packaging & Packaging Waste Directive. See Recycling and recyclability, Appendix: EU Taxonomy, and Appendix: Double materiality assessment for more details. The EU Directive 2019/904, also known as Single Use Plastic Directive requires that all single use plastic closures that encompass the carton closures must remain attached during its use, which will come into effect as of July 3, 2024.

At present, Elopak is subject to Plastic Product Tax in the UK from 2022 and Spain from 2023. The implementation in Italy is delayed and will not take effect until mid-2024. We will assess developments of Plastic Product Tax in other countries as relevant. As EU Member States have competence on tax, they may change scope, define payer, or decide if the levy will be paid from national budget, meaning no imposition of plastic tax. It has been assessed that the Plastic Product Tax will have no impact on the outcome of impairment testing.

On 5 January 2023, the Corporate Sustainability Reporting Directive (CSRD) entered into force in the EU. Elopak has a reporting requirement for the year commencing on January 1, 2024 and is developing internal polices and procedures to meet the CSRD requirements. There is no current impact on the financial statements.

Since the first draft of the EU Packaging and Packaging Waste Regulation (PPWR) was issued by the EU Commission in November 2022, Elopak has been closely following its developments. Though both the EU Parliament and EU Council issued negotiating positions in 2023, the contents of the regulation remain under discussion until its text is published. While Elopak is continuing to follow the PPWR and its impacts to packaging value chains, there is no impact for the financial statements.

Elopak sustainability program
Elopak's Group strategy is managed through an annual business planning process where the company defines some key priorities. Each business unit defines its Must-Win-Battles, which are granulated down to individual targets for employees. This structure entails the entire organization and strategic approach, including the sustainability program. Read more about Elopak's Group strategy in our annual report.

The sustainability program is an embedded part of the overall group strategy, and responsibilities for various sections are placed throughout all business units. The Group Leadership Team (GLT) is the overall steering committee of the program and reviews the performance on a quarterly basis. The Board of Directors is overall responsible for strategy approval and implementation.

Our sustainability program consists of targets divided into our material topics. The targets are linked to specific strategic initiatives owned by relevant business areas. Specific KPIs are defined to measure and report progress and continuously adapted to reflect our ambitions, some of which refer to the GRI framework or CSRD; others are more specific to our industry and hence self-defined. See Our performance for more details.

Climate Risk
A full climate risk assessment of material adverse physical impacts to the business from climate change was completed in 2022 in accordance with TCFD (Task Force on Climate-related Financial Disclosures), a framework organization to publicly disclose climate-related risks and opportunities.

The climate risk is categorized into Physical impacts such as extreme weather, floods or droughts and sea level rise and Transition impacts from potential changes in climate policy and market outlooks. In order to comprehensively map and analyze risks and opportunities associated with climate change, information and insights are obtained on the following three parameters: Impact, likelihood and time horizon. A combination of these parameters provides an overall assessment of which risk and opportunities are especially relevant for Elopak.

Financial climate impacts
Based on the sustainability framework, the defined sustainability program targets and the result of the climate risk assessment, Elopak has considered the impacts of climate change in preparing the 2023 consolidated annual financial statements. The table below summarizes the climate risk financial impact assessments.

Climate risk	Annual Impact (EUR million)	Time horizon	Category
Regulatory risk: Competition from other low-carbon packaging alternatives	More than 80	short	revenue
Regulatory risk: Changing landscape for packaging regulations	More than 80	short	revenue
Opportunity: Offering low-carbon and circular alternatives	More than 80	short	revenue
Opportunity: Rising costs related to CO_2	Less than 20	short	revenue
Regulatory risk: Constrained access and price fluctuations for low-emission materials	Between 5 and 20	short	cost
Physical risk: Extreme storm events disrupting direct operations for up to one week	Less than 5	medium	cost
Regulatory risk: Technological developments for carton recycling require investment and/or product development	More than 20	medium	cost
Physical risk: Chronic droughts or water shortages in areas of direct operations or upstream value chain	Between 5 and 20	long	cost
Physical risk: Wildfires impacting raw material volumes in the upstream value chain	Between 5 and 20	long	cost

Four risks/opportunities are considered to have a potential of increased revenues at a short time horizon while five risks are considered to have a risk of costs at short, medium or long time horizons. Long time horizon varies from up to 2030 for regulatory risks and until 2100 for physical risks.

Impact on capital expenditure commitments:

- Targets related to reduced emissions are mainly met by replacing old production line components with new, more energy-effective components. Most of the replaced parts are already fully depreciated.
- Due to the Single Use Plastic Directive the existing Caps lease contracts were reassessed in 2022 with a reduced useful life in preparation for the changing legislation. Elopak has signed a contract for Tethered Cap lines and is expecting to expand the offering of tethered cap solutions to customers during 2023 and 2024. Additionally, Elopak has assessed that the existing lease contracts for separable cap lines should be fully depreciated before the tethering requirement will be in place and has therefore reassessed the respective leases, see Note 14 for further information.

Recognition and measurement of impairments:
Impairments are mainly identified and recognized by determining the recoverable amount based on value in use, which means that the item is measured as a present value of discounted future cash-flows. These cash flows are based on expected revenues, result and capital expenditures in the CGU of which the item is operating within. The climate risk financial impact assessment concludes that the potential of revenues is by far higher than the risk of costs and that the revenues is likely to occur earlier than the costs. In the case that Elopak is faced with increased cost related to the climate risks, this will over time be passed on to the customers, similar to what other packaging companies are expected to do when faced with the same climate challenges. Based on this, we consider the risk of impairment related to climate risk to be low.

Recognition and measurement of provisions and disclosures surrounding contingent liabilities:
Elopak has not identified future costs or losses that meets the definition of provision or contingent liabilities under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Inventory is measured at cost and written down to the extent that expected sales price less cost of sales is lower than cost. Inventory items related to sale of cartons and closures have a high turnover, hence it is not expected to be negatively impacted by future climate risk costs. Filling machines and spare parts for filling machines have a lower turnover in inventory, however climate risk assessments have not concluded a specific risk related to these machines.

Besides the specific assessments mentioned above, no financial climate impacts have been identified as material to the 2023 consolidated Annual Financial Statements or the alternative performance measures (APMs).

Elopak ASA financial statements

Elopak ASA

Statement of profit and loss

EUR 1 000	Note	2023	2022
Total revenues	2	**622 983**	574 580
Raw material expenses		**(527 074)**	(508 825)
Payroll expenses	3, 4	**(43 235)**	(38 190)
Depreciation, amortization and impairment	5, 6	**(11 691)**	(11 206)
Other operating expenses		**(35 430)**	(33 856)
Total operating expenses		**(617 430)**	(592 077)
Operating profit		**5 554**	(17 497)
Financial income and expenses			
Share of net income from subsidiaries and joint ventures	7, 8	**31 731**	40 728
Reversal / write-down of financial fixed assets	8	**(2 183)**	(13 017)
Financial income	9	**19 243**	15 100
Financial expenses	9	**(20 429)**	(980)
Net financial items		**28 361**	41 832
Profit before tax		**33 915**	24 335
Income tax	10	**1 616**	(818)
Profit		**35 530**	23 517
Allocation of net profit			
Transfer from / to other equity		**597**	1 496
Proposed dividend		**34 933**	22 021
Total allocation	11	**35 530**	23 517

Statement of financial position

EUR 1 000	Note	December 31 2023	December 31 2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	5	**38 200**	42 383
Deferred tax assets	10	**13 849**	12 468
Total intangible assets		**52 049**	54 851
Land, buildings and other property	6	**478**	485
Plant and machinery	6	**3 237**	2 561
Equipment, tools, office machines etc	6	**66**	50
Total fixed assets		**3 781**	3 097
Investments in subsidiaries	8	**305 182**	309 225
Loans to companies in the same group	12	**72 616**	78 532
Investment in joint ventures	8	**24 251**	24 251
Other non-current assets		**3 844**	2 665
Total financial fixed assets		**405 893**	414 674
Total non-current assets		**461 723**	472 622

EUR 1 000	Note	December 31 2023	December 31 2022
CURRENT ASSETS			
Inventory	13	**78 310**	90 777
Trade receivables	12	**10 559**	14 430
Other current assets	12	**105 449**	101 847
Total receivables		**116 009**	116 278
Cash and cash equivalents		**216**	14 982
Total current assets		**194 534**	222 036
Total assets		**656 257**	694 658

Statement of financial position

EUR 1 000	Note	December 31 2023	December 31 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital (268 951 670 shares at NOK 1.4)	14, 11	**50 105**	50 155
Other paid-in capital	11	**70 550**	69 952
Total paid-in equity		**120 655**	120 106
Retained earnings	11	**44 958**	43 704
Total equity		**165 613**	163 811
LIABILITIES			
Non-current liabilities			
Pension liabilities	4	**2 071**	2 206
Non-current liabilities to financial institutions	15	**224 433**	304 033
Other non-current liabilities		**3 680**	330
Total non-current liabilities		**230 184**	306 568

EUR 1 000	Note	December 31 2023	December 31 2022
Current liabilities			
Current liabilities to financial institutions		**17 045**	19 977
Trade payables	12	**86 078**	81 157
Public duties payable		**14 378**	13 694
Taxes payable	10	**-**	-
Provision dividend	11	**34 933**	22 021
Other current liabilities	12	**108 026**	87 430
Total current liabilities		**260 461**	224 280
Total liabilities		**490 645**	530 848
Total equity and liabilities		**656 257**	694 658

Skøyen, April 10, 2024
Board of Directors in Elopak ASA

This document is signed electronically

Dag Mejdell
Chairperson

Trond Solberg
Board Member

Anna Belfrage
Board Member

Sid Johari
Board Member

Sanna Suvanto-Harsaae
Board Member

Håvard Grande Urhamar
Board Member
(employee representative)

Anette Bauer Ellingsen
Board Member
(employee representative)

Thomas Körmendi
CEO

Statement of cash flows

EUR 1 000	Note	2023	2022
Profit before taxes		**33 915**	24 335
Depreciation, amortization and impairment fixed assets	5, 6	**11 691**	11 206
Depreciation, amortization and impairment financial assets	5, 6	**2 183**	13 017
Net unrealized currency gain / loss to equity		**(1 733)**	(6 967)
Dividend received	8	**(31 731)**	(40 728)
Cash flow from profit before tax		**14 325**	862
Taxes paid	10	**(710)**	(2 251)
Change in trade receivables		**3 871**	(191)
Change in other receivables		**(3 602)**	(11 876)
Change in inventories		**12 467**	(15 275)
Change in trade payables		**4 921**	(2 522)
Change in other liabilities		**20 884**	13 536
Change in net pension liabilities		**(178)**	(182)
Net cash flow from operations		**51 977**	(17 900)

EUR 1 000	Note	2023	2022
Purchase and disposal of non-current assets	5, 6	**(8 191)**	(6 199)
Sale of non-current fixed assets	5, 6	**23**	–
Dividend received	8	**31 731**	40 728
Capital changes subsidiaries	8	**4 658**	(95 607)
Change in other non-current investments		**(1 179)**	(1 967)
Net cash flow from investing activities		**27 042**	(63 045)
Dividend paid	11	**(19 634)**	(19 623)
Change in current liabilities to credit institutions		**(2 932)**	6 301
Change in non-current loans and liabilities		**(70 333)**	91 238
Purchase of treasury shares		**(885)**	–
Net cash flow from financing activities		**(93 784)**	77 916
Net cash flow		**(14 766)**	(3 028)
Liquidity pr 1.1		**14 982**	18 000
Liquidity pr 31.12		**216**	14 982

Notes to the parent company financial statements

Note 01 Significant accounting policies

General information
The financial statement has been prepared in accordance with the Norwegian Accounting Act, in accordance with Norwegian accounting standards and generally accepted accounting principles in Norway. All numbers are presented in EUR 1 000 unless otherwise stated.

Elopak ASA, including subsidaries and shares in joint ventures as listed in note 8, are consoliated in the group financial statement for Elopak ASA.

The accounting and presentation currency is EUR, as the majority of underlying transactions are in Euro.

Significant accounting policies

Valuation and classification of assets and liabilities
Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Other non-current liabilities, as well as current liabilities, are valued at nominal value.

Foreign currency
All monetary balance sheet items denominated in foreign currencies are translated into EUR at the exchange rate prevailing at the balance sheet date. Currency derivatives are valued in the balance sheet at fair value on the balance sheet date.

Revenue
Sale of goods
Revenue is recognized when it is earned, i.e. when both the risk and control have been mainly transferred to the customer. This will normally be the case when the goods are delivered to the customer. The revenue is recognized with the value of the remuneration at the time of transaction.

Sale of services
Revenue is recognized when it is earned, i.e. when the claim to remuneration arises. This occurs when the service is performed, as the work is being done. The revenue is recognized with the value of the remuneration at the time of transaction.

Cost of sales and other expenses
In principle, cost of sales and other expenses are recognized in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

Inventories
Inventory is stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs. Finished goods and work in progress also include a proportion of manufacturing overheads based on normal operating capacity that have been incurred in bringing the inventory to its present location and condition. Cost is calculated using the FIFO cost formula for cartons, filling machines and spare parts. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Receivables
Trade receivables and other receivables are recognized at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

Intangible fixed assets
Expenses relating to the development of intangible assets, including research and development expenses, are capitalized when it becomes

probable that the future economic benefits arising from the assets will accrue to the company, and the cost of the assets can be reliably measured.

Intangible assets with a limited economic life are amortised on a systematic basis. Intangible assets are written down to the recoverable amount if the expected economic benefits are not covering the carrying amount and any remaining development costs.

Shares in subsidiaries and joint ventures
Subsidiaries and joint ventures are carried at cost. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Received dividends are recognized as financial income.

Pensions
Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions. Payments made to public retirement benefit schemes are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit plans, the cost of providing benefits is determined using actuarial valuations at each reporting date. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The plan asset or pension liability recognized in the statement of financial position consist of the net present value of the defined benefit obligation, unrecognized past service cost, and fair value of plan assets.

Income taxes
Tax expenses are matched with operating income before tax. Tax related to equity transactions, e.g. group contribution, is recognized directly in equity. Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Cash and cash equivalents
Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

The statement of cash flow
The statement of cash flow has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, liquid investments.

Note 02 Operating revenues

EUR 1 000	2023	2022
Sales revenue	**600 678**	556 571
Management and group services	**22 305**	18 009
Total	**622 983**	574 580

In 2023, intra-group sales transactions amounts to EUR 604 million (2022: EUR 538 million).

Geographical distribution of operating revenues

	2023	2022
Europe	**579 692**	512 558
Asia, Middle East	**2 937**	6 722
Africa	**14 880**	34 077
America	**25 473**	21 224
Total	**622 983**	574 580

Operating revenues are specified according to the customer's location.

Note 03 Payroll expenses, number of employees, remuneration, loans to employees etc.

Payroll expenses, number of employees, remuneration, loans to employees etc.

Payroll expenses	2023	2022
Salary	**(20 651)**	(18 678)
Social security costs	**(3 369)**	(2 822)
Hired personnel from group companies	**(17 119)**	(14 839)
Pension cost (see note 4)	**(1 529)**	(1 495)
Other benefits	**(566)**	(355)
Total	**(43 235)**	(38 190)
Average number of FTE employees	**170**	159

Salaries and remunerations to the Group management	CEO	BoD
Salary (incl bonus)	(978)	
Other benefits	(47)	(285)

CEO is included in an annual bonus scheme. Targets are reviewed annually. The performance criteria are divided into shared and individual. Shared targets, accounting for 50%, reflects Elopak Group's strategic priorities, profitability, cash flow, foundational as well as ESG value drivers. Individual targets, accounting for 50%, is primarily based on financial, strategic and operational value drivers. In addition to the annual bonus scheme, CEO is also included in a long-term incentive scheme based on the value adjusted equity of Elopak Group.

Guidelines for remuneration of Group Leadership Team and Board Members are disclosed in the Remuneration Report which is presented on the Elopak website.

Fees to external auditors

	2023	2022
Audit fee	**(490)**	(449)
Other assurance services	**(34)**	(33)
Tax advisory services	**(2)**	(7)
Other non-audit services	**(96)**	(23)
Total	**(622)**	(512)

Note 04 Pension costs, pension assets and pension liabilities

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon"). The company's pension plan meets the requirements of this legislation.

All employees are part of a defined contribution plan. In addition, the company has agreed on a defined benefit plan, individually, with some former employees. The defined contribution plan for 2023 includes 174 employees (2022:167) with a cost of EUR 1 174 million compared to EUR 1 226 million in 2022.

Pension cost related to the defined benefit plan includes change of the present value of pension obligations and pension assets. Net pension liabilities are recorded as long-term debt.

Pension costs recognized in profit an loss

	2023	2022
Interest cost on projected benefit obligations	**(43)**	(32)
Return on plan assets	**–**	–
Accrued social security tax	**(7)**	(5)
Total pension costs recognized in profit an loss	**(49)**	(37)

Net pension obligations

	Funded and unfunded obligations	
	2023	2022
Present value pension obligations (incl. payroll tax)	**(2 071)**	(2 206)
Fair value of plan assets	**–**	–
Net pension obligations	**(2 071)**	(2 206)
Changes in estimates recognized directly in equity	**(44)**	(68)

Financial preconditions

	2023	2022
Discount rate	**2.60%**	2.40%
Expected salary increase	**3.50%**	3.50%
Social security escalation rate	**3.25%**	3.25%
Expected pension increase	**2.80%**	2.60%
Expected return on plan assets[1]	**–**	4.70%

[1] The pension scheme is unsecured; the secured pension fund expired from the actuarial valuation in 2022.

The actuarial assumptions for demographic factors and departure are based on the commonly used assumptions in insurance.

Note 05 Intangible assets

	Patents and sales rights	IT software	Total Intangible assets
Acquisition cost 01.01.2023	25 108	69 216	94 325
Additions	5 200	1 254	6 454
Disposals		(121)	(121)
Acquisition cost 31.12.2023	30 308	70 350	100 658
Accumulated amortization 31.12.2023	12 735	49 292	62 027
Accumulated impairment 31.12.2023		431	431
Carrying amount 31.12.2023	17 573	20 627	38 200
Current year amortization charge	2 272	8 416	10 689
Current year depreciation/write-down charge	2 272	8 416	10 689
Economic life	3-10 years	3-7 years	
Amortization %	10-33%	14-33%	
Amortization method	Linear	Linear	

The additions under patents relate to the development of a new filling machine platform. IT software additions are mainly related to an ongoing project for the implementation of a ERP system.

Expected profit from capitalized research and development cost exceed book values. The company have also expensed EUR 5 million as research and development costs in 2023 (2022: EUR 4 million).

Note 06 Fixed assets

	Land and buildings	Machinery and plant	Furniture, tools, office machines	Total fixed assets
Acquisition cost 1.1.2023	5 248	12 926	1 407	19 582
Additions	106	2 015	40	2 162
Disposals	(23)	(549)	(350)	(923)
Acquisition cost 31.12.2023	5 331	14 392	1 097	20 820
Accumulated depreciation 31.12.2023	4 853	11 155	1 030	17 038
Carrying amount 31.12.2023	478	3 237	67	3 782
Current year depreciation charge	114	865	23	1 002
Current year depreciation/write-down charge	114	865	23	1 002
Useful life	7 - 10 years	3 - 10 years	3 - 7 years	
Depreciation %	10-14%	10-33%	14-33%	
Depreciation method	Linear	Linear	Linear	
Operational leases:				
Duration	Over 10 years	3-6 years	1-2 years	
Annual rental amount off-balance sheet	2 836	2 419	103	
Total future lease obligation	51 128	8 036	167	

Note 07 Transactions with related parties

In 2023, dividends of EUR 31.7 million were recognized from subsidiaries and associated companies. In 2022 the same number was EUR 40.7 million.

See also notes 2, 8, 9, and 12 for more information regarding transactions and items with related parties.

Note 08 Shares and participations in other companies, etc.

Company	Percentage owned	Acquisition cost	Book value 2023	Equity 2023	Results 2023
Elopak Oy, Finland	100%	1 862	31	342	179
Elopak Denmark A/S, Denmark	100%	91 296	66 000	20 169	2 387
Elopak BV, Netherlands	100%	105 456	105 569	123 918	4 019
Elopak Fastiv, Ukraine	100%	2 289	2 285	10 693	365
Elopak SPA, Italy	100%	4 233	880	1 648	58
Elopak Systems AG, Switzerland	100%	13 560	13 560	14 526	(189)
Elopak Inc, USA	100%	47 405	47 405	42 086	8 119
Elopak Israel AS, Norway	100%	1 316	1 316	219	(8)
Elopak Canada Inc, Canada	100%	6 942	7 122	50 441	27 857
Elopak GsmbH, Austria	100%	6 227	5 273	3 615	728
Elopak S.R.O, Czechia	100%	197	197	135	64
Elopak UK Ltd, UK	100%	47 191	–	10 622	2 471
Elopak BS D.O.O Serbia	100%	160	160	341	97
Elopak AB, Sverige	100%	10 593	6 820	10 732	220
Elopak KFT, Hungary	100%	13	13	198	70
Elopak EOOD, Bulgaria	100%	3	3	128	7
Elopak Poland SA, Poland	100%	20 388	6 000	5 248	162
Elofill Gmbh, Germany	100%	42 215	42 538	49 371	584
Elopak Tunisie SARL, Tunisia[1]	100%	3	3	41	(5)
Elopak Egypt LLC, Egypt[1]	100%	6	6	52	2
Elopak Algerie SARL, Algeria	49%	–	–	1	1
Total shares, subsidiaries		401 356	305 183		
Envases Elopak S.A. de C.V., Mexico	49%	24 247	24 247	24 492	4 730
Elopak Nampak Africa Ltd, Kenya	50%	4	4	(258)	(14)
Total shares, joint ventures		24 251	24 251		
Total shares			329 433		

[1] Owned 50% directly, and 50% through wholly owned subsidiaries

The percentage owned is equal to the voting share percentage.

During 2023, Elopak ASA decreased the share capital in Elopak Oy Finland and distributed the reduction to Elopak ASA.

During 2023, Elopak ASA increased the share capital in Elopak Canada Inc, Elopak BV and Elofill Gmbh in order to represent the investment made to the share options schemes.

Dividends from subsidiaries and joint ventures of EUR 31.7 million in 2023 (EUR 40.7 million in 2022) have been recognized as financial income.

Impairment tests have been performed on those investments where the book value exceeds the equity in the company. No impairment has been made in 2023.

Note 09 Net other financial items

	2023	2022
Interest income from companies in the same group	**14 738**	10 732
Other interest income	**1 970**	795
Interest costs for companies in the same group	**(1 936)**	(1 465)
Other interest expenses[1]	**(16 802)**	2 672
Total interest income (+) / expense (–)	**(2 032)**	12 733
Net currency gain/loss[2]	**(460)**	3 469
Other financial income from enterprises in the same group	**42**	105
Other financial cost	**(1 499)**	(2 186)
Total other financial income / expense	**(1 457)**	(2 081)
Total other financial income	**19 243**	15 100
Total other financial expenses (incl. profit/loss on exchange)	**(20 429)**	(980)

[1] Gains on interest rate swaps are includes as a reduction of interest expense.
[2] Profit/loss on currency are presented net in the statement for profit and loss as part of other financial income.

Note 10 Income tax

Income tax expenses

	2023	2022
Tax cost payable outside Norway	**846**	2 251
Tax payable in Norway[1]	**(1 590)**	-
Change in deferred tax	**(872)**	(1 434)
Total tax cost	**(1 616)**	818
Profit before tax expenses	**33 915**	24 335
FX effect on deferred tax asset from 2021		2 251
Permanent differences	**4 346**	17 359
Change in temporary differences	**8 975**	(1 976)
Non-taxable dividend income	**(31 730)**	(41 114)
Translation difference	**(20 767)**	(8 700)
Differences recognized directly in equity[2]	**(2 209)**	(9 392)
This year's tax base	**(7 471)**	(17 237)

[1] Related to change in actuarial effects on pensions, change in cash flow hedges in equity, and share issuance cost taken net to equity.
[2] Tax payable in 2023 is related to an adjustment of taxes payable for 2020.

Overview of temporary differences

	2023	2022
Inventory	**2 744**	3 038
Goodwill	**3 938**	5 539
Fixed Assets	**17 821**	16 623
Provisions	**2 381**	4 866
Pensions	**2 071**	2 206
Fair value of hedging instruments	**7 316**	(3 243)
Temporary differences	**36 271**	29 029
Tax receivable on taxes paid outside of Norway	**–**	-
Tax losses carried forward	**26 681**	27 646
Total	**62 951**	56 675
Deferred tax asset	**13 849**	12 468

Explanation of why this year's tax expense does not amount to 22% of profit before tax

	2023	2022
Profit before taxes	**33 915**	24 335
22% tax on profit before tax	**7 461**	5 354
Tax effect of:		
Permanent differences (22%)[1]	**956**	3 819
Correction previous years	**(353)**	
Taxes paid outside Norway	**710**	2 251
Non-taxable dividend	**(6 981)**	(9 045)
Translation difference	**(4 216)**	(1 914)
Currency effect on deferred tax asset	**806**	353
Estimated tax expense (- income)	**(1 616)**	818
Effective tax rate as a percentage of profit before tax	**(4.8%)**	3.4%

[1] Includes non-deductible expenses as well as taxable income from NOKUS.

Note 11 Equity

Company	Share capital	Other paid-in capital	Other equity	Total equity
Equity 01.01.2023	50 155	69 952	43 704	163 811
This year's change in equity:				
Profit for the year	-	-	35 530	35 530
Dividend provision to shareholders	-	-	(34 933)	(34 933)
Own shares (267.344)	(50)	(537)	-	(587)
Currency effect dividend previous year	-	-	2 387	2 387
Provision for share-based bonus	-	1 480	-	1 480
Settlement of share-based bonus		(345)	47	(298)
Change in actuarial gains and losses for pensions	-	-	(44)	(44)
Change in cash flow hedge reserve	-	-	(1 733)	(1 733)
Equity 31.12.2023	50 105	70 550	44 958	165 613

Note 12 Balances with companies in the same group, etc.

Non-current loans to group companies

	2023	2022
Elopak GmbH	**59 000**	59 000
Elopak Canada Inc	**13 575**	14 063
Elopak South Africa	**41**	469
Elopak Morocco	**–**	5 000
Total	**72 616**	78 532

	Trade receivable		Other current assets	
	2023	2022	2023	2022
Elopak BV	**–**	–	**22 674**	19 323
Elopak BV branch office Spain	**–**	–	**–**	185
Elopak Canada	**–**	–	**80**	8 898
Elopak BS d.o.o.	**185**	138	**4**	2
Elopak Denmark AS	**–**	–	**68**	11
Elopak GmbH	**–**	–	**45 271**	50 938
Elopak Israel AS branch office	**253**	28	**–**	–
Elopak Poland S.A.	**–**	–	**6**	1
Elopak EOOD, Bulgaria	**1**	1	**–**	–
Elopak UK Ltd	**–**	–	**4 296**	4 088
Elopak Ukraine	**2 476**	4 224	**6**	3
Elopak Algeria	**–**	–	**13**	–
Elopak India	**–**	2 083	**–**	–
Elopak South Africa	**925**	917	**15**	15
Elopak Morocco	**4 014**	2 816	**154**	81
Elopak Czech	**–**	–	**–**	166
Elopak US	**–**	–	**147**	9
Intra-group positions	**7 855**	10 206	**72 736**	83 719
External positions	**2 705**	4 224	**32 713**	18 128
Total	**10 559**	14 430	**105 449**	101 847

	Trade payables		Other current liabilities	
	2023	2022	2023	2022
Elofill GmbH	**-**	-	**1 554**	2 542
Elopak AB	**390**	204	**2 443**	2 147
Elopak BV	**-**	-	**3 863**	2 867
Elopak BV branch office Spain	**-**	-	**477**	3
Elopak BV branch office France	**8**	11	**679**	617
Elopak Canada	**249**	24	**11 976**	403
Elopak BS d.o.o.	**73**	74	**83**	73
Elopak Denmark AS	**-**	-	**3 202**	1 906
Elopak Fastiv	**62**	36	**-**	-
Elopak Gesmbh	**21**	-	**3 728**	5 647
Elopak GmbH	**-**	-	**14 334**	12 280
Elopak Hungary	**-**	-	**227**	576
Elopak Inc.	**-**	-	**11 405**	19 402
Elopak Israel AS	**-**	-	**194**	219
Elopak OY	**4**	10	**403**	563
Elopak Poland S.A.	**(13)**	(114)	**5 110**	4 966
Elopak S.p.A	**-**	-	**2 081**	2 925
Elopak s.r.o.	**-**	-	**125**	1 135
Elopak EOOD, Bulgaria	**-**	-	**126**	114
Elopak Systems AG	**-**	-	**8 504**	8 187
Elopak UK Ltd	**-**	-	**23**	-
Intra-group positions	**794**	246	**70 535**	66 572
External positions	**85 284**	80 911	**37 491**	20 857
Total	**86 078**	81 158	**108 026**	87 429

Note 13 Inventory

	2023	2022
Raw materials	**15 109**	22 603
Semi-finished products	**24 035**	24 853
Filling Machines	**10 894**	15 087
Finished goods	**28 271**	28 234
Total	**78 310**	90 777

Note 14 Share capital and shareholder information

The share capital is NOK 376 906 620, equivalent to EUR 50 155 321 consisting of 269 219 014 shares at face value NOK 1.40 pr share.

Elopak ASA owned 267 344 treasury shares at 31.12.2023. Elopak ASA is listed on Oslo Stock Exchange – Euronext.

Shareholders holding 1% or more of the total 269.219.014 shares issued as of 31 December 2023 are according to information from Euronext:

Name	Number of shares	Holding (%)
Ferd AS	161 465 870	59.98%
Nippon Paper Industries Co., Ltd.	13 460 950	5.00%
Folketrygdfondet	8 841 209	3.28%
Pareto Asset Management AS	6 493 703	2.41%
The Bank of New York Mellon SA/NV	6 246 681	2.32%
The Northern Trust Comp	5 826 388	2.16%
Brown Brothers Harriman (Lux.) SCA	3 840 758	1.43%
J.P. Morgan SE	3 000 000	1.11%
Bank Pictet & Cie (Europe) AG	2 705 095	1.00%
Total	211 880 654	78.70%

The Executive team own directly, or indirectly the following number of shares in the Group

Executive team	Total number of shares
Thomas Körmendi, Chief Executive Officer (CEO)	396 105
Bent Axelsen, Chief Financial Officer (CFO)	203 833
Patrick Verhelst, Chief Marketing Officer (CMO)	61 562
Wolfgang Buckhremer, Chief Technology Officer (CTO)	78 638
Ivar Jevne, EVP Packaging and Procurement	239 432
Stephen Naumann, EVP Region Europe North and India	190 055
Finn Tørjesen, EVP Region Europe South and MENA	79 816
Lionel Ettedgui, EVP Region Americas	95 553
Nete Bechmann, Chief Human Resource Officer (CHRO)	35 447
Dag Grönevik, EVP Equipment and Service	9 660
Total	1 390 101

Note 15 Other non-current liabilities

The external long-term loans are drawn under a EUR 400 million multi-currency revolving credit facility. The facility is available until 23.05.2025.

Non-current liabilities to financial institutions

	2023	2022
EUR	**225 000**	305 000
Total	**225 000**	305 000

Amounts are shown net of prepaid transaction costs, which explains the difference against liabilities in the balance sheet.

As of 31.12.23, Elopak ASA has met all covenants related to the syndicate loan facility.

Note 16 Guarantee obligations

	2023	2022
Guarantees issued for subsidiaries and associated companies	**13 124**	16 050
Other guarantees	**1 785**	2 010
Total	**14 909**	18 060

Note 17 Commitments and contingencies

	2023	2022
Commitments for acquisition of goods	**25 702**	18 692
Total commitments	**25 702**	18 692

See also description of lease obligations in note 6.

Note 18 Financial risk management

Currency risks
Elopak ASA's currency exposure are limited because purchases and sales are made mainly in the same currency (EUR).

According to the hedging strategy, Elopak ASA has rolling hedges over 18 months, which secure 90% of the exposure in the 1st quarter and thereafter falls linearly each quarter to 15% in the 6th quarter. The hedges are based on expectations future cash flows for purchases.

Elopak ASA is registered as a borrower for the group's long-term loan facility of Euro 400 million (see note 15).

Larger purchases of machinery and equipment are also secured in full from the time of ordering. Elopak mainly uses forward contracts by hedging. This kind of instrument is best suited for Elopak based on an assessment of cost and administration.

Nominal values

	2023		2022	
Currency	Ccy	EUR	Ccy	EUR
CAD	7 749	5 292		
EUR	(89 952)	(89 952)		
JPY	10 358 989	66 264	9 462	67
NOK	388 197	34 536	255	24
USD	(27 740)	(25 104)		
Total nominal value		(8 965)		91
Total fair value		(6 494)		796

Positive numbers represent purchases

Elopak ASA has also entered into forward contracts on behalf of subsidiaries, where an external position is reflected towards subsidiaries. This gives no net exposure, and these contracts are therefore not reflected in the matrix above.

At the end of 2023, the fair value of Elopak ASA's currency derivatives amounts to a liability of EUR 6.5 million (a liability of EUR 0.5 million in 2022).

Interest rate risk
As mentioned under currency risk, Elopak ASA is registered as a borrower for the group's long-term loan facility of EUR 400 million (see note 15). The loan has a floating interest rate. The company's interest rate risk is mainly related to movements in the interest rate on the external loan. To manage this risk, Elopak ASA has entered into interest rate swap agreements.

Outstanding derivatives

	2023		2022	
Currency	Nominal value	Real value EUR	Nominal value	Real value EUR
EUR	150 000	1 545	120 000	7 063
Total		1 545		7 063

Positive values represent an asset.

Credit risk

Elopak actively uses available credit risk assessment services. Through its business model, Elopak ASA has limited external credit exposure. There is no history of losses on accounts receivable. There is no significant risk associated with guarantees issued.

Commodity price risk

Elopak ASA's business needs ongoing supplies of aluminium and polyethylene. Based on 12 months' expected consumption included Elopak ASA commodity price contracts to manage this risk.

Outstanding derivatives

	2023		2022	
	Tons	Real value EUR	Tons	Real value EUR
Aluminium	**3 960**	**31**	8 400	(743)
Polyethylene	**15 000**	**(2 408)**	13 000	(2 576)
Total		**(2 377)**		(3 319)

Positive values represent an asset ; negative values represent a liability

Note 19 Subsequent events

The Board will propose to the Annual General Meeting a dividend of NOK 1.46 per share for 2023.

Responsibility statement

We confirm to the best of our knowledge that the consolidated financial statements for the period January 1 to December 31, 2023 have been prepared in accordance with IFRS adopted by the EU as well as additional disclosure requirements in the Norwegian Accounting Act, and gives a true and fair view of the Elopak Group's assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the Board of Directors' Report includes a fair review of significant events that have occurred during the financial year and their impact on the financial statements, any significant related parties transactions and a description of the principal risks and uncertainties for the financial year.

Elopak Group
Consolidated Financial Statements

Skøyen, April 10, 2024
Board of Directors in Elopak ASA

This document is signed electronically

Dag Mejdell Chairperson	Trond Solberg Board Member	Anna Belfrage Board Member	Sid Johari Board Member
Sanna Suvanto-Harsaae Board Member	Håvard Grande Urhamar Board Member (employee representative)	Anette Bauer Ellingsen Board Member (employee representative)	Thomas Körmendi CEO

To the General Meeting of Elopak ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Elopak ASA, which comprise:

- the financial statements of the parent company Elopak ASA (the Company), which comprise the statement of financial position as of 31 December 2023, the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Elopak ASA and its subsidiaries (the Group), which comprise the statement of financial position as of 31 December 2023, the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 10 April 2019 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Group's business activities are largely unchanged compared to last year. *Customer contracts – Point in time vs over time* has the same characteristics in 2023, and consequently has been an area of focus also for this year's audit. We have not identified regulatory changes, transactions or other events that qualified as new key audit matters this year.

Key Audit Matters	How our audit addressed the Key Audit Matter
Customer contracts – Point in time vs over time	
Most of the Group's revenues and profits are derived from customer contracts for sale of cartons. The Group recognises revenue upon transfer of control of a performance obligation. Revenue is recognised over time in situations where the customer simultaneously receives and consumes the services provided, or where goods are produced without alternative use and the Group has an enforceable right to payment for work performed. Whether transfer of control is satisfied over time or at a point in time rely on complex assessments of accounting, contractual terms, and legal regulations in each country the Group operates. Due to this complexity, we assessed this to be a key audit matter. We refer to note 3 Revenues, to the consolidated financial statements, where management explains their accounting policies for revenue recognition.	We understood, evaluated, and tested internal control activities related to whether the transfer of control is satisfied over time or at a point in time. We tested management's assessment of whether the cartons had alternative use and whether there was an enforceable right to payment by way of sampling new and amended customer contracts. This included testing whether customers' specifications for printing and labelling are defined in the customer contract. If so, this resulted in the view that no alternative use of such cartons was deemed possible. It also included testing of whether the contracts contained cancellation provisions and whether legal regulations in the relevant countries allowed cancellation. If so, this resulted in the view that an enforceable right to payment existed. Revenue for cartons with no alternative use should be recognised over time. We tested whether such cartons had been appropriately recognised over time by sampling whether finished goods were included in inventory. We found no material errors through our testing. Finally, we considered the adequacy of disclosures in the notes and found them appropriate.

Other information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Elopak ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Annual_Report_2023_Elopak_ASA_ESEF.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to

Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 10 April 2024
PricewaterhouseCoopers AS

Vidar Lorentzen
State Authorised Public Accountant

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To the Board of Directors of Elopak ASA

Independent report regarding Elopak ASA's Greenhouse Gas Statement

We have undertaken a limited assurance engagement in respect of Elopak ASA's (the Company) Greenhouse Gas (GHG) Statement for the year ended 31 December 2023 (Sustainability Matter) included in the company's chapter *ESG metrics* in the Annual Report 2023 on page 148 (Sustainability Information), comprising the table "Science-based targets and 3rd party verified" and the Explanatory Notes in the methodology statement in Appendix on pages 196-202.

The applicable criteria against which the Greenhouse Gas Statement has been evaluated is the Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (Criteria), applied as explained in the methodology statement on pages 196-202 in appendix to the Annual Report 2023.

Management's Responsibility

Management is responsible for the preparation of the GHG Statement in accordance with the applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG Statement that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a conclusion on the GHG Statement based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE)

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3410 – “Assurance Engagements on Greenhouse Gas Statements” issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG Statement is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the management’s use of the Criteria as the basis for the preparation of the GHG Statement, assessing the risks of material misstatement of the GHG Statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included

- Making inquiries of the persons responsible for the GHG Statement;
- Obtaining an understanding of the process for preparation and reporting the GHG Statement, including relevant internal controls;
- Performing limited substantive testing on a selective basis of the GHG Statement to test - whether data had been appropriately measured, recorded, collated and reported;
- Considering the disclosure and presentation of the GHG Statement;
- Performing analytical procedures and inquiries to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to Elopak ASA’s operations.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Elopak ASA’s GHG Statement for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the Criteria.

Oslo, 10 April 2024

PricewaterhouseCoopers AS

Vidar Lorentzen
State Authorised Public Accountant

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Alternative Performance Measures (APMs)

The Group prepares and reports its consolidated financial statements in accordance with International Financial Reporting Standards as issued by the IASB and as endorsed by the EU (IFRS). In addition, the Group presents several Alternative Performance Measures (APMs).

In accordance with European Securities and Market Authority (ESMA) guidelines dated May 10, 2015, an APM is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). It should be noted that these measures do not have any standardized meaning prescribed by IFRS and therefore are not necessarily comparable to the calculation of similar measures used by other companies. The APMs are regularly reviewed by the Group's management. The APMs are reported in addition to but are not substitutes for the Group's consolidated financial statements, prepared in accordance with IFRS.

The APMs provide supplementary information to measure the Group's performance and to enhance comparability between financial periods. The APMs also provide measures commonly reported and widely used by investors, lender, and other stakeholders as an indicator of the Group's performance. These APMs are among other, used in planning for and forecasting future periods, including assessing our ability to incur and service debt including covenant compliance. APMs are defined consistently over time and are based on the Group's consolidated financial statements (IFRS).

Organic revenue
Organic revenue is a measure of revenue adjusted for currency effects and effects of acquisition and disposal of operations. The Group presents this APM because management considers it to provide useful supplemental information for understanding the Group's revenue development over time for comparability purposes.

EBITDA
EBITDA is a measure of earnings before interest, taxes, depreciation, amortization, and impairments. The Group presents this APM because management considers it to provide useful supplemental information for understanding the overall picture of profit generation in the Group's operating activities and for comparing its operating performance with that of other companies.

Adjusted EBITDA
Adjusted EBITDA is a measure of EBITDA adjusted for certain items affecting comparability (the Adjustment items) and further including the Group's share of net income from joint ventures (continued operations) presented as part of financial income and expenses. The Group presents this APM because management considers it to be an important supplemental measure for understanding the underlying profit generation in the Group's operating activities and comparing its operating performance with that of other companies.

Adjusted profit attributable to Elopak shareholders
Adjusted profit attributable to Elopak shareholders represents the Group's profit attributable to Elopak shareholders adjusted for certain items affecting comparability, taking into account the Adjustment items, related estimated calculatory tax effects based on a 24% statutory tax rate and excluding historical share of net income from joint ventures that have been discontinued. The Group presents this APM because management considers it to provide useful supplemental information for understanding the Group's profit attributable to Elopak shareholders and for comparability purposes with other companies.

Adjusted basic and diluted earnings per share (Adjusted EPS)
Adjusted EPS represents adjusted profit attributable to Elopak shareholders divided by weighted average number of ordinary shares – basic and diluted. Elopak presents adjusted basic and diluted earnings per share because management considers it to be an important supplemental measure for understanding the Group's underlying profit for the year (period) on a per share basis and comparing its profit for the year (period) on a per share basis with that of other companies in the industry.

Net debt
Net debt is a measure of borrowings (including liabilities to financial institutions before amortization costs and including lease liabilities) less cash and cash equivalents for the period. The Group presents this APM because management considers it as a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking into account cash and cash equivalents within the Group's business that could be utilized to pay down outstanding borrowings. Net debt is also used for monitoring the Group's financial covenants compliance by management.

Net debt/adjusted EBITDA (Leverage ratio)
Leverage ratio is a measure of net debt divided by adjusted EBITDA. The Group presents this APM because management considers it as a useful indicator of the Group's ability to meet its financial obligations. Net debt/adjusted EBITDA is also used for monitoring the Group's financial covenants compliance by management.

Organic revenue

EUR 1 000	2023	2022	Change YoY
Total revenue and other operating income	**1 132 187**	1 023 853	10.6%
Currency effect	**10 449**	–	–
Acquisition and disposal effect	**(22 370)**	–	–
Organic revenue	**1 120 266**	1 023 853	9.4%

EUR 1 000	2022	2021	Change YoY
Total revenue and other operating income	1 023 853	855 265	19.7%
Currency effect	(28 569)	–	–
Acquisition and disposal effect	(38 640)	–	–
Organic revenue	956 644	855 265	11.9%

Adjusted EBITDA

Items excluded from adjusted EBITDA

	Year ended December 31	
EUR 1 000	2023	2022
Impairment fixed and long-term assets Ukraine	**–**	4 189
Impairment short term assets Ukraine	**–**	2 146
Onerous contracts	**(100)**	100
Transaction costs	**–**	2 888
Total adjusted items	**(100)**	9 322
Calculatory tax effect[1]	**24**	165
Total adjusted items net of tax	**(76)**	9 487

[1] Calculatory tax effect on adjusted items at 24%

Reconciliation of EBITDA and adjusted EBITDA

	Year ended December 31	
EUR 1 000	2023	2022
Operating profit	**102 778**	41 774
Depreciation, amortization and impairment adjusted	**61 332**	63 938
Impairment fixed and long term assets Ukraine	**–**	4 189
EBITDA	**164 111**	109 901
Total adjusted items with EBITDA impact	**(100)**	5 133
Share of net income from joint ventures (continued operations)[2,3]	**6 855**	4 378
Adjusted EBITDA	**170 867**	119 412

[2] Share of net income and impairment on investment from joint ventures included in adjusted figures
[3] See reconciliation of net income from joint ventures

Adjusted profit attributable to Elopak shareholders

	Year ended December 31	
EUR 1 000	2023	2022
Profit attributable to Elopak shareholders	**67 061**	10 856
Discontinued operations	**1 339**	23 622
Items excluded from adjusted EBITDA net of tax	**(76)**	9 487
Adjusted profit	**68 324**	43 965

Net debt and leverage ratio

	Year ended December 31	
EUR 1 000	2023	2022
Bank debt[1]	**225 000**	305 000
Overdraft facilities	**19 333**	21 682
Cash and equivalents	**(13 308)**	(25 883)
Net debt	**231 025**	300 799
Lease liabilities	**101 520**	90 674
Net debt	**332 545**	391 473
Leverage ratio[2]	**1.9**	3.3

[1] Bank debt is excluding amortised borrowing costs of EUR 967 thousand as of December 31, 2023 and EUR 567 thousand as of December 31, 2022
[2] Leverage ratio is calculated based on last twelve months adjusted EBITDA of EUR 170 867 thousand as of December 31, 2023 and EUR 119 413 thousand as of December 31, 2022.

Adjusted earnings per share

	Year ended December 31	
EUR 1 000, except number of shares	2023	2022
Weighted-average number of ordinary shares	**269 151 079**	269 215 990
Profit attributable to Elopak shareholders	**67 061**	10 856
Adjusted profit	**68 324**	43 965
Basic and diluted earning per share (in EUR)	**0.25**	0.04
Adjusted basic and diluted earning per share (in EUR)	**0.25**	0.16

Reconciliation of net income from joint ventures

	Year ended December 31	
EUR 1 000	2023	2022
Lala Elopak S.A. de C.V.	**4 730**	2 665
Impresora Del Yaque	**2 139**	1 824
Elopak Nampak Africa Ltd	**(14)**	(112)
Total share of net income joint ventures	**6 855**	4 378

ESG metrics

Planet data
GHG Emissions

		2020	2021	2022	2023	2023 vs 2020
SCIENCE-BASED TARGETS AND 3RD PARTY VERIFIED						
Scope 1 Total[1]	ton CO_2e	7 472	6 588	5 974	**4 731**	(37%)
Scope 1 GHG Emission Breakdown	ton CO_2	7 382	6 568	5 920	**4 688**	(36%)
Scope 1 GHG Emission Breakdown	ton CH_4	6	6	5	**5**	(14%)
Scope 1 GHG Emission Breakdown	ton N_2O	6	4	5	**4**	(40%)
Scope 2 Total (market-based approach)	ton CO_2e	1 075	1 054	858	**987**	(8%)
Scope 2 (location-based approach)	ton CO_2e	27 288	24 587	20 440	**22 013**	(19%)
Scope 3 part of Science Based Targets	ton CO_2e	541 857	556 338	498 413	**545 085**	0.6%
Scope 3 -Category 1: Purchased goods and services, raw materials	ton CO_2e	386 952	382 309	364 901	**351 790**	(9%)
Scope 3 -Category 1: Purchased goods and services, waste	ton CO_2e	14 387	13 551	13 153	**15 545**	8%
Scope 3 -Category 1: Total	ton CO_2e	401 339	395 860	378 054	**367 335**	(8%)
Scope 3 -Category 6: Business Travel, Travel air	ton CO_2e	848	598	2022	**3485**	311%
Scope 3 -Category 6: Business Travel, Travel car	ton CO_2e	743	800	768	**642**	(14%)
Scope 3 -Category 6: Total	ton CO_2e	1 591	1 398	2 790	**4 126**	159%
Scope 3 -Category 4: Upstream transportation and distribution	ton CO_2e	21 834	20 104	22 716	**19 716**	(10%)
Scope 3 -Category 9: Downstream transportation and distribution, not under Elopak's control	ton CO_2e	22 755	21 053	23 412	**23 688**	4%
Scope 3 -Category 4 & 9: Total	ton CO_2e	44 588	41 157	46 128	**43 404**	(3%)
Scope 3 -Category 11: Use of sold products	ton CO_2e	76 801	101 280	54 856	**109 042**	42%
Scope 3 -Category 13: Downstream leased assets	ton CO_2e	17 537	16 643	16 584	**21 176**	21%
Scope 3 -Category 11 & 13: Total	ton CO_2e	94 339	117 923	71 440	**130 219**	38%
Total Emissions (All scopes included in Science based targets)	ton CO_2e	550 404	563 981	505 245	**550 802**	-

[1] Scope 1 total represents CO_2, CH_4 and N_2O recalculated to CO_2 equivalents

The GHG Statement is reported based on the Greenhouse Gas Protocol. Methodology is provided in Appendix: Sustainability methodology. PwC has provided limited assurance on GHG scope 1-3 for 2023

		2020	2021	2022	2023	2023 vs 2020
Total emissions scope 1, 2 and 3						
Scope 1 Total[1]	ton CO_2e	7 472	6 588	5 974	**4 731**	(37%)
Scope 1 GHG Emission Breakdown	ton CO_2	7 382	6 568	5 920	**4 688**	(36%)
Scope 1 GHG Emission Breakdown	ton CH_4	6	6	5	**5**	(14%)
Scope 1 GHG Emission Breakdown	ton N_2O	6	4	5	**4**	(40%)
Scope 2 Total (market-based approach)	ton CO_2e	1 075	1 054	858	**987**	(8%)
Scope 2 (location-based approach)	ton CO_2e	27 288	24 587	20 440	**22 013**	(19%)
Scope 1 + Scope 2 marked based	ton CO_2e	8 547	7 642	6 832	**5 718**	(33%)
Scope 3 Total	ton CO_2e	734 935	751 111	686 274	**719 918**	(2%)
1. Purchased goods and services	ton CO_2e	451 020	445 006	438 859	**417 921**	(7%)
2. Capital goods	ton CO_2e	2 622	4 499	6 774	**7 902**	201%
3. Fuel and energy related activities	ton CO_2e	2 931	3 045	2 582	**2 845**	(3%)
4. Upstream transportation & distribution	ton CO_2e	27 202	21 983	27 549	**23 929**	(12%)
5. Waste generated in operations	ton CO_2e	301	196	301	**278**	(8%)
6. Business travel	ton CO_2e	1 591	1 398	2 790	**4 126**	159%
7. Employee commuting	ton CO_2e	1 668	1 707	1 796	**1 831**	10%
8. Upstream leased assets	ton CO_2e					
9. Downstream transportation & distribution	ton CO_2e	25 272	28 771	28 042	**28 728**	14%
10. Processing of sold products	ton CO_2e					
11. Use of sold products	ton CO_2e	76 801	101 280	54 856	**109 042**	42%
12. End-of-life treatment of sold products	ton CO_2e	124 681	123 636	102 324	**99 481**	(20%)
13. Downstream leased assets	ton CO_2e	17 537	16 643	16 584	**21 176**	21%
14. Franchises	ton CO_2e					
15. Investments	ton CO_2e	3 307	2 946	3 815	**2 658**	(20%)
Total Emissions (All scopes)[1]	ton CO_2e	743 482	758 754	693 107	**725 636**	(2%)
GHG Emission Intensity	g CO_2e/ produced carton	0.70	0.68	0.60	**0.50**	(29%)

Scope 1 total represents CO_2, CH_4 and N_2O recalculated to CO_2 equivalents

		2020	2021	2022	2023	2023 vs 2020
Consumption per energy type						
Electricity	MWh	85 701	90 060	88 047	**89 961**	(84%)
Natural gas	MWh	30 628	26 802	22 120	**14 134**	(77%)
Propane	MWh	7 188	6 907	6 861	**7 024**	(100%)
Heating oil	MWh	601				667%
District heating	MWh	5 661	7 997	5 053	**4 610**	(100%)
Burning waste	MWh	950	-	-		136%
Wood	MWh	2 900	763	3 803	**2 239**	(100%)
Pellets	MWh			1		
Diesel	MWh		48	669	**75**	
Total energy consumption	MWh	133 629	132 577	126 554	**118 043**	(12%)
Energy Intensity	kWh/1000 cartons produced		11.78	11.07	**10.28**	
Raw materials purchased (liquid packaging board, aluminium and polymers)	ton	380 741	340 852	351 526	**368 111**	(3%)
% from renewable sources (by weight)	%	87%	85%	84%	**82%**	(5%)
% from recycled sources (by weight)	%	-	-	-	**-**	
% renewable or recycled content materials in Elopak cartons in Europe	%	83%	83%	83%	**81%**	(3%)
% fully renewable fresh milk cartons in Europe	%	18%	22%	30%	**30%**	69%
Certified materials						
% certified or controlled (according to FSC standards) fibers used in production	%	100%	100%	100%	**100%**	-
% FSC certified cartons sold, excl. JVs	%	63%	64%	60%	**55%**	(12%)
% FSC certified cartons sold, Europe	%	74%	74%	79%	**80%**	8%
% purchased from certified sources (by weight)	%	55%	50%	49%	**43%**	(21%)
Waste generated	ton		31 144	32 660	**35 852**	
Raw and coated board, paper	ton		29 509	31 243	**34 279**	
Hazardous	ton		289	218	**229**	
Electric and metal	ton		72	73	**49**	
Plastic	ton		827	654	**803**	
Other	ton		447	472	**491**	
Water consumption	m^3	43 056	43 136	44 649	**60 704**	41%

People data

Our employees

	Europe	Americas	MENA	Total
Total number of employees	1614	319	86	**2019**
Female	363	51	8	**422**
Male	1248	268	75	**1591**
% Female	22%	16%	9%	**21%**
% Male	78%	84%	91%	**79%**
Line management, multiple levels	205	26	15	**246**
Female	36	9	3	**48**
Male	168	17	12	**197**
% Female	18%	35%	20%	**20%**
% Male	82%	65%	80%	**80%**
2nd level management	44	7	1	**52**
Female	13	3	1	**17**
Male	31	4	-	**35**
% Female	30%	43%	100%	**33%**
% Male	70%	57%	-	**67%**
Top management	9	1	-	**10**
Female	1	-	-	**1**
Male	8	1	-	**9**
% Female	11%	-	-	**10%**
% Male	89%	100%	-	**90%**
Management (all levels)	258	34	16	**308**
Female	50	12	4	**66**
Male	207	22	12	**241**
% Female	19%	35%	25%	**21%**
% Male	80%	65%	75%	**78%**
Board of directors				**7**
Female				**3**
Male				**4**
% Female				**43%**
% Male				**57%**

	Europe	Americas	MENA	Total
Permanent hired	1587	313	86	**1982**
Female	355	50	8	**410**
Male	1227	263	75	**1565**
Temporary hired	18	3	-	**21**
Female	6	1	-	**7**
Male	12	2	-	**14**
Total full time equivalents	1550	315	86	**1953**
Full time employees	1495	314	86	**1895**
Female	298	50	8	**356**
Male	1196	264	78	**1538**
Part-time employees	81	2	-	**83**
Female	51	1	-	**52**
Male	30	1	-	**31**
Average age all employees	47	49	40	**47**
Average age female	44	47	48	**45**
Average age male	46	49	40	**46**
Age distribution female employees	363	51	8	**422**
Below 30	40	5	1	**46**
30-50	202	22	4	**228**
Over 50	121	24	3	**148**
Age distribution male employees	1250	268	78	**1596**
Below 30	133	14	10	**157**
30-50	563	123	58	**744**
Over 50	554	130	10	**694**
Top management	9	1	-	**10**
Below 30	-	-	-	**-**
30-50	-	-	-	**-**
Above 50	9	1	-	**10**

	Europe	Americas	MENA	Total
2nd level management	44	7	1	52
Below 30	-	-	-	-
30-50	17	3	-	20
Above 50	27	4	1	32
Line management, multiple levels	205	26	15	246
Below 30	3	1	-	4
30-50	100	14	13	127
Above 50	102	11	2	115
Number of hires	123	21	22	166
Number of hires - female	35	7	2	45
Number of hires - male	87	14	18	119
% hires - female	28%	33%	9%	27%
% hires - male	71%	67%	82%	72%
Hires per age				
Below 30	41	6	6	53
30-50	60	7	16	83
Above 50	22	8	-	30
Number of terminations	172	18	5	195
Number of terminations - female	33	5	2	40
Number of terminations - male	139	13	3	155
% terminations - female	19%	28%	40%	21%
% terminations - male	81%	72%	60%	79%
Voluntary turnover	5.3%	4.4%	3.8%	5.1%
Voluntary Turnover - female	4.5%	10.0%	25.0%	5.5%
Voluntary Turnover - male	5.5%	3.4%	1.4%	5.0%
Voluntary turnover pr age group				
Below 30	9.5%	11.2%	11.3%	9.7%
30-50	4.0%	2.6%	3.5%	3.8%
Above 50	5.9%	5.5%	-	5.7%

	2020	2021	2022	2023
Training and development				
Total number of course completions	5 300	5 700	7 000	**6 700**
Number of unique employees receiving training	1 700	1 700	1 767	**1 944**
Number of hours of training				
Number of hours of training - male	3 797	2 763	3 149	**9 631**
Number of hours of training - female	2 099	934	1 065	**1 515**
Total number of hours of training	5 914	3 718	4 218	**11 145**
Average number of hours (pr all employees in company)	3	1.8	1.9	**5.5**
Average number of hours - male	2	1.7	1.8	**6.1**
Average number of hours - female	5	2.0	2.3	**3.6**
Training Code of Conduct				
Total number of employees that have completed training	1198	1429	1778	**1898**
Percentage of employees that have completed training	56%	68%	93%	**94%**
Percentage of top management that have completed training		100%	100%	**100%**
Percentage of level 2 management that have completed training		89%	98%	**100%**
Percentage of line managers that have completed training		88%	98%	**99%**
Reported concerns				
Number of reported concerns		3	6	**5**
Development				
% of employees that have completed performance dialogues	22%	76%	64%	**86%**
Elopak Net Promoter Score			5.0	**8.6**
Health and safety				
Fatalities due to work related injuries				
Number	-	-	-	**-**
Rate	-	-	-	**-**

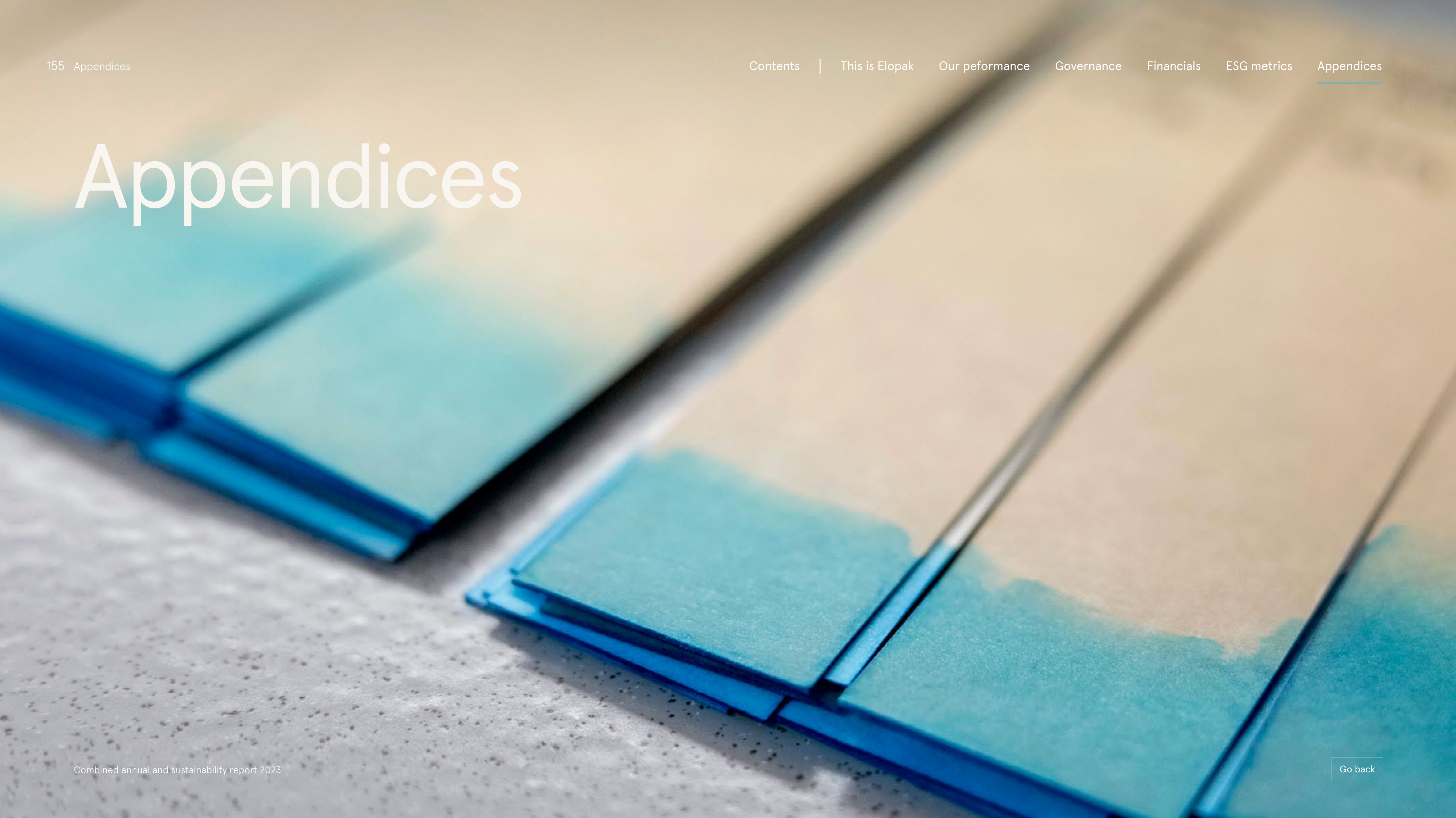
	2020	2021	2022	2023
High-consequence work-related injuries (without fatalities)				
Number	–	1	–	**–**
Rate	–	0.28	–	**–**
Recordable work related injuries				
Number	25	27	22	**15**
Rate	6.9	7.5	5.6	**3.8**
Number of hours worked				
Hours	3 645 189	3 585 276	3 894 074	**3 900 283**
Not employees (contractors)				
Fatalities due to work related injuries				
High-consequence work-related injuries (without fatalities)				
Recordable work related injuries			1	**4**
Sickness rate				
Absence due to sickness in the Elopak Group	3.9%	4.0%	4.3%	**4.2%**
Labor Rights				
% of workforce covered by local bargaining agreements	28%	51%	51%	**61%**
Basic salary ratio				
Ratio basic salary Women to men – Elopak ASA Norway				**81%**

	2020	2021	2022	2023
Responsible supply chains				
% of all raw material suppliers (by spend) signed, accepted or demonstrated conformance to Elopak Global Supplier Code of Conduct		100%	95%	**97%**
% of all suppliers (by spend) signed, accepted or demonstrated conformance to Elopak Global Supplier Code of Conduct		80%	80%	**75%**
% of all suppliers (by spend) assessed for environmental or social impact		73%	75%	**77%**
Proportion of spending on local suppliers[1]			28%	**29%**
New significant suppliers that were screened using environmental criteria[1]			100%	**100%**
New significant suppliers that were screened using social criteria[1]			100%	**100%**

[1] Operation India not included in the assessments

Restatements

		2021 published	2021 adjusted	Change 2021	2022 published	2022 adjusted	Change 2022
Error in 2022 statement. Incorrect calculation of emissions from closures in Americas							
Scope 3 part of Science Based Targets	ton CO_2e	548 778	556 338	7 561	490 770	498 413	7 642
Scope 3 -Category 1: Purchased goods and services, raw materials	ton CO_2e	374 749	382 309	7 561	357 258	364 901	7 642
Scope 3 -Category 1: Total	ton CO_2e	388 300	395 860	7 561	370 412	378 054	7 642
As the volume of small size Roll Fed cartons has grown significantly, we have updated the volume figure used in the calculations. We are now using volume of 1 liter equivalents for the Roll Fed volume.							
GHG Emission Intensity	g CO_2e/ produced carton	0.63	0.68	0.05	0.56	0.60	0.04
Energy Intensity	kWh/1000 cartons produced	10.30	11.78	1.48	9.81	11.07	1.26



Appendices

Risk factors and responses

This section provides an overview of what we consider to be Elopak's main risk factors and sets out the related response and mitigating measures.

Elopak ASA has purchased and maintains a Directors and Officers Liability Insurance. The insurance covers directors and officers and any employee acting in a managerial capacity at Elopak ASA, subsidiaries in which Elopak owns a stake greater than 50%, and our joint ventures. The insurance policy is managed by a reputable insurer with an appropriate rating.

Risk type	Risk factor	Description	Response
People risks	Corruption and business partner risk	Operations in countries associated with high risk of corruption. Working with business partners operating in these markets, including third party representatives, Elopak is exposed to corruption and integrity risks. Potential consequences include reputation loss; fines; contractual, litigation and reputational risk; loss of licenses; and suspension or closure of operations.	Training and implementation of Elopak's global compliance program, the Code of Conduct and its supplementary policies and procedures. For further information see chapter 'Business conduct'.
	Human and labor rights risk	Exposure to human rights risks with presence in high risk countries throughout the value chain. Potential consequences include reputation loss; fines; contractual, litigation and reputational risk; loss of licenses; and suspension or closure of operations.	For further information see chapter 'Corruption and business partner integrity'.
	Capability risk	Internal capability constraints linked to new skillset requirements, infrastructure, and an aging workforce, a heated labor market, post pandemic trends and inflation, all showcase a risk of knowledge and resource drain.	Expand our talent pipeline and enhance succession planning. Arrange activities aimed to ensure employee retention and attraction. Foster a strong culture of leadership and focus on continuous improvements of our infrastructure.

Risk type	Risk factor	Description	Response
Planet risks	**Transition impact: Low carbon packaging alternatives (risk and opportunity)** Impact: High Time Horizon: Short	Offering low carbon, circular alternatives to packaging is an important measure to keep up with consumer trends and political requirements. Efforts to decarbonize PET bottles, including the use of 100% recycled PET, replacing PET by bio-based alternatives, or designing bottles for reuse to prolong product longevity. These present both transition risks and opportunities which may affect Elopak's revenue.	The company has invested in an innovation program to further improve our packaging solutions. We aim to succeed in scope 3 emission reductions mainly through supplier engagement.
	Transition impact: Changing landscape for packaging regulations Impact: High Time Horizon: Short	Regulation is becoming a key driver to push companies to adopt sustainable values and behaviors in their businesses. The EU may lead, but other countries are likely to follow. This is a transition risk which may affect Elopak's revenue.	Elopak has a long history of developing sustainable packaging solutions and is committed to continue improving the sustainability credentials of our cartons, which are designed for recycling. While new requirements may bring challenges, the company is well fitted to tackle any requirements presented by additional sustainability requirements and developments.
	Transition impact: Technological developments for carton recycling require investment and/or product development Impact: High Time Horizon: Medium	The collection, sorting and recycling infrastructure for cartons is a bottleneck for the whole industry. Implementation of technological developments are needed to ensure cartons are recycled at scale. This is a transition risk which may impact Elopak's costs.	Elopak has a long history of developing sustainable packaging solutions and is committed to continue improving the sustainability credentials of our cartons, which are already designed for recycling. We work to increase consumer and policy makers awareness.
	Transition impact: Constrained access and price fluctuations for both high and low emission raw materials (risk and opportunity) Impact: High Time Horizon: Short-Medium	The rising cost of carbon emissions is intended to induce the transition away from carbon intensive fuels and towards the application of less carbon intensive alternatives. This increasing cost is directly applied to the packaging material value chain, potentially making carton packaging more cost competitive. This is both a transition risk and an opportunity which may affect Elopak's revenue and costs.	The company has invested in an innovation program to further improve our packaging solutions. Furthermore, we utilize supplier qualification and seek to diversify our use of renewable materials, evaluating alternative materials and assessing our pricing strategy on a regular basis.

Risk type	Risk factor	Description	Response
Planet risks (continued)	**Physical impact: Chronic droughts or water shortages in areas of direct operations or upstream value chain** Impact: Medium Time Horizon: Long	This is a physical climate risk which may impact Elopak's costs. It is already an issue today, as plants have experienced days with indoor air temperature being higher than 40°C. The facilities in India, Saudi Arabia and Morocco have the highest exposure. The main impact of this risk factor is in Elopak's downstream value chain, such as for juice and dairy producers (risk of reduced access to products).	Elopak's plants perform local risk assessments and work to understand customer risk assessments. We diversify our range of carton offerings through access to new markets and an increased geographical footprint.
	Physical impact: Wildfires impacting raw material volumes in the upstream value chain Impact: Medium Time Horizon: Long	Data suggests that climate change will strongly increase the likelihood of forest fires, with the potential to impact access to paperboard. A study in Finland found an increased probability of forest fire danger days by 56-75% for 2010–2029 and 71-91% for 2080–2099. This is a physical climate risk which may impact Elopak's costs.	Elopak aims to understand suppliers' risk assessments and develop a common understanding of mitigation approaches. Supplier responses include forest monitoring activities and geographical diversification.
	Physical impact: Extreme storm events disrupting direct operations for up to one week Impact: Medium Time Horizon: Long	For the facilities in northern Europe, including those in the Netherlands and Denmark, the frequency of rainfall extremes is projected to increase by 45% in a 2°C temperature rise scenario. For locations such as Ukraine and Eastern Canada, the probability of extreme rainfall also increases by 37% and 55% respectively. This is a physical climate risk which may impact Elopak's costs or lead to reduced revenues.	Elopak's plants perform local risk assessments and aim to understand supplier's risk assessments. We are developing a common understanding of mitigation approaches. Supplier responses include alternative transport route planning.

Risk type	Risk factor	Description	Response
Profits risks	**Raw material and energy – short term availability and price**	Elopak is mainly exposed to boards, plastic resin, aluminium foil and energy which is sourced from third party suppliers. The cost and availability of these resources fluctuate with economic, weather and industry conditions. Instability of supply chains, variability in demand/supply balance, and geopolitical uncertainties may impact the company and, worst case, its ability to supply customers.	For some customer agreements Elopak has mechanisms, adjusting pricing based on the cost fluctuations of certain raw materials and energy. To manage pricing volatility in Europe, Elopak also has a hedging strategy for LDPE, aluminium and energy. Elopak's global footprint reduces risk of energy price movements and supply, and external expertise is leveraged to manage energy price risks in key locations. Planning of inventory and changing suppliers are part of risk reduction measures, in addition to proactively identifying and qualifying alternative suppliers.
	Market dynamics – consumption	Downward pressure in dairy and juice consumption can be observed. The uncertainty around economic recovery in certain areas, may impact market dynamics and consumption. Consumption trends have shifted from convenience to affordability, while health and wellness remain top priorities.	Elopak has strong and long-lasting customer relationships and enough breadth of portfolio and market exposure to mitigate midterm market volatility. Mid- to long term, Elopak's growth strategy is a mix of conventional product-focused growth (i.e. expand the market for the Pure-Pak® solution globally), while at the same time pursuing innovation, growth and additional value by expanding the boundaries of our traditional markets.
	Cyber security risk	Elopak is vulnerable to security breaches. Elopak may not be able to prevent cyberattacks, such as phishing and hacking, or prevent breaches caused by employee error. If such events occur, unauthorized persons may access or manipulate confidential information, destroy data or systems, or cause interruptions in operations of Elopak and/or third parties.	Elopak has cyber security measures to safeguard its data and operations, which also incorporate its employees as critical factors. Elopak has increased several security measures, constantly monitoring safeguards and has a continuous improvement approach to combat cybercrime. Elopak has an insurance policy covering consequences of cybercrime, but these may not cover unlimited consequences.

Risk type	Risk factor	Description	Response
Profits risks (continued)	Geopolitical and market presence risk	Some of the countries in which Elopak operates are subject to political, social, and economic instability that may affect business performance.	Elopak monitors and assesses material risks in all geographical areas that are relevant to business operations. Corruption risks are managed through compliance and ethics mandatory training and process for integrity due diligence (IDD) of our business partners. For the extraordinary situation in Ukraine, a dedicated risk response team is working on managing and mitigating risks, continuously assessing the impact on Elopak's people, business and assets, in line with the company’s risk management principles.
	Investment and integration	New investments involve various risks, such as compliance with new laws, value chains, employee recruitment and retention as well as failing to achieve anticipated results.	Throughout the investment process and integration, Elopak is committed to high quality and adequate risk assessment and does not hesitate to engage experts to provide external support when necessary. Elopak’s Board and Management closely monitor all significant investment assessments and decisions. Elopak typically requires the sellers in acquisitions to indemnify the Elopak Group against certain undisclosed liabilities.
	Inflation rates and capital cost	Higher capital costs lead to a decline in cash flows, which places higher requirements on operating margins. Elopak’s working capital has grown significantly, which impacts cash generation, and may impact the ability to finance growth, pay dividends and achieve investment grade ratings if the company were to issue bonds.	Elopak continuously works on ensuring efficient cash generation with a focus on managing operating capital, CAPEX spend and profitability to ensure sufficient funding of operations and delivering solid cash generation to both debt and equity investors. Continued focus on profitability through strategy execution and business performance is key to delivering a solid return on investments, with expectations to return on capital increasing with rising underlying interest rates.

Double materiality assessment

Our double materiality assessment is based on an established baseline which is updated annually. We follow the methodology from the Corporate Sustainability Reporting Directive (CSRD) and include input from internal and external stakeholders.

The Board is accountable for the management of material impacts, risks and opportunities (IRO). The day-to-day management of the double materiality assessment, strategy, targets, KPIs and reporting, is handled by the line organization and is embedded into regular business processes, such as the annual business planning process where all business areas define their main goals and objectives for the upcoming year.

In 2022, Elopak conducted a climate risk and opportunity assessment based on the framework of the Taskforce on Climate-Related Financial Disclosures (TCFD). In 2023 this was further evaluated in combination with identified impacts in the assessment, following the framework of the CSRD. The identified risks and opportunities are included in the corporate risk assessment presented in the previous chapter (under 'planet').

The process was divided into four phases of various activities to identify significant topics according to the principles of double materiality.

1. Understand

Mapping of activities, business models and value chain

Review relevant existing documentation

2. Identify

Conduct interviews with internal and external stakeholders

Identify and classify impacts, risks and opportunities

3. Evaluate

Establish scoring methodology and employ on IROs to define inside-out and outisde-in effects

4. Decide

Determine threshold values and anchor themes throughout the organization

Implement into strategy and reporting framework

As part of phase one we developed impact pathways to identify Elopak's impact on sustainability matters, which may also effect the company over time. This was undertaken according to the following steps:

Value-chain description

Activities and practices, as well as established policies related to the relevant topics

Outcome

Possible direct consequences (incl financial)

Impact

Consequential positive or negative impact on environment or society (identified on sub-topic-level where relevant)

Classification of impact

Classifying type of impact (actual or potential), direction of impact (positive or negative) and time horizon

A similar approach was used to identify financial effect pathways:

1. Environmental, social and governance risk/ opportunity identification
2. Business impact (direct consequences)
3. Financial impact (financial consequences)
4. Classification of risks and opportunities

A full register of impacts, risks and opportunities for Elopak was established, which forms a framework for regular updates. The table below summarizes the ESRS topics and sub-topics identified in the double materiality assessment performed in 2023.

Material ESRS topics	ESRS sub topics
E1: Climate change (high impact)	E1: Energy E1: Climate change adaptation E1: Climate change mitigation
E2: Pollution (medium impact)	E2: Pollution of air E2: Pollution of soil
E4: Biodiversity and ecosystems (high impact)	E4: Impacts on the extent and condition of ecosystems
E5: Resource use and circular economy (high impact)	E5: Resource outflows related to products and services E5: Waste
S1: Own workforce (high impact)	S1: Working conditions S1: Equal treatment and opportunities for all
S2: Workers in the value chain (high impact)	S2: Working conditions S2: Other work-related rights
G1: Business conduct (high impact)	G1: Corporate culture (linked to corruption and bribery and protection of whistleblowers)

UN Sustainable Development Goals

Elopak works in accordance with the UN Sustainable Development Goals (SDGs). The 17 goals, with a total of 169 targets, cover key areas to ensure people can thrive and prosper on our planet. This fits well with Elopak's global approach to sustainability and our vision: "Chosen by people, packaged by nature".

Our approach to the SDGs forms the basis of our materiality assessment and includes the below evaluations, carried out in collaboration with key stakeholders:

1. Which of the SDGs can our business and supply chain impact positively?
2. Which of the SDGs can our business and supply chain potentially impact negatively?
3. Which of the SDGs represent a risk to our business and supply chain if not successful?
4. What will our company do differently in order to impact the SDGs positively?
5. What is the potential indirect effect on other SDGs?

Based on these evaluations, we identified four key SDGs for Elopak. In this report, we set out progress on the relevant targets for the below goals.

Goal 8
Decent work and economic growth

We create work for many people in our business and supply chain. Historically, we have had a strong focus on labor and ethical practices in our company. We now further increase this focus throughout our supply chain and build the skills and employability of our employees.

Goal 12
Responsible consumption and production

We are dependent on renewable natural resources, and the way we source fiber is a great opportunity for Elopak to contribute to sustainable forests. We have targets for sourcing certified raw materials and helping improve recycling in all steps of our value chain.

Goal 13
Climate action

We take urgent action to combat climate change and its impact. Elopak is fully aware of our responsibility in the global increase of greenhouse gas emissions. We work to reduce our emissions from our operations and supply chain, and with ambitious Science-Based Targets in place, we commit to reducing our impact further.

Goal 17
Partnerships for the goals

We cannot achieve the SDGs working alone, and we have been working with suppliers and customers to reduce emissions and the use of raw materials. Strong international coopera-tion is needed now more than ever to ensure that countries have the means to recover from the pandemic, come back stronger and achieve the SDGs.

Stakeholder engagement

Stakeholder engagement is a key part of the double materiality assessment. Our engagement includes frequent contact with key stakeholders, and Elopak focuses on qualitative interviews rather than quantitative data. The input from various stakeholders helps us prioritize topics of key strategic importance. Various external partners and associations provide valuable input and increase our level of knowledge in several areas.

The table below shows Elopak's stakeholder engagement.

Key stakeholder groups	How we interact	Key topics and concerns	How we respond
Customers/retailers	· Frequent meetings and desk-studies of websites · Structured interviews	· Raw material sourcing and potential negative impacts · Circularity · Climate · Product development	· Ensure use of renewable raw materials to reduce the stress on scarce and finite natural resources, as well as working to certify raw materials and verify all suppliers · Ensure recyclable products and initiatives to increase consumer awareness and foster recycling of products after use · Reduce GHG emissions · Innovate packaging to ensure offering of the most sustainable package · Ensure sourcing of materials through sustainable supply chains
Suppliers	· Frequent meetings and desk-studies of websites · Structured interviews	· Climate and decarbonization · Forestry and biodiversity · Circularity	· Joint initiatives with suppliers to understand key risks and drivers, and projects to reduce GHG emissions across the value chain · Joint initiatives to understand risks and drivers, and ensure certification of raw materials · Ensure recyclable products and initiatives to increase recycling of products after use
Shareholders/ investors	· Frequent meetings	· Systematic approach to ESG issues · Setting ambitious targets and reporting on progress	· Ensure a systematic approach through consistent work across all business units and benchmarking and reporting in line with relevant market standards · Setting scientific targets with third party approval and continuously improving our sustainability reporting

Key stakeholder groups	How we interact	Key topics and concerns	How we respond
Financial institutions	· Frequent meetings	· Systematic approach to ESG issues · Setting ambitious targets and reporting on progress	· Ensure a systematic approach through consistent work across all business units and bench-marking and reporting in line with relevant market standards · Setting scientific targets with third-party approval, and continuously improving our sustaina-bility reporting
Employees	· Frequent meeting with different departments · Surveys · Frequent engagement through initiatives · Townhall meetings, information sharing	· Safety · Health and well-being · Environmental performance of products	· Systematically work to improve safety and reduce injuries · Systematically work to maintain and improve employees' competence, development, and motivation · Reduce GHG emissions internally and across the value chain · Innovate packaging to ensure offering of the most sustainable package
Government/regulators	· Engagement through associations · Desk studies	· Packaging related laws and regulations · Circularity · Climate and decarbonization · Nature	· Ensure recyclable products, advocacy and initiatives to increase consumer awareness and foster recycling of products after use · Reduce GHG emissions · Maintain good collaboration with industry peers in various associations
NGOs and associations	· Frequent meetings · Memberships with various organizations · Structured interviews	· Transparency · Nature · Circularity · Climate · Labor- and human rights · Responsible sourcing, raw material sources	· Ensure a systematic approach through consistent work across all business units as well as benchmarking and reporting in line with relevant market standards · Ensure certification of raw materials · Ensure recyclable products and initiatives to increase consumer awareness and foster recy-cling of products after use · Reduce GHG emissions across the value chain · Ensure sourcing of materials through sustainable supply chains
Local communities around our main sites	· Various local engagement depending on site · Sponsoring of various local activities	· Safety · Good place to work	· Systematically work to improve safety and reduce injuries · Systematically work to maintain and improve employees' competence, development and motivation

Description of all material topics

Issues considered material, must be correctly addressed, and governed through policies, targets, action plans and metrics. The following section describes our approach, policies and action plans for each of our material topics.

People

Our workforce

Securing a safe and attractive workplace is maintained through a systematic approach in various stages of the employee lifecycle.

Our focus is to ensure fair working conditions and terms of employment for our workforce, fair and equal remuneration, and to secure a safe and healthy workplace where we can be at our best. Our policies, processes and promises are based on our vision and mission, as well as our employer value proposition. We continuously work on improving our workplace through effective HR processes from attracting talent to offboarding, and initiatives such as surveys, workshops and other conversations with employees.

Safety

Safety is a core value at Elopak and is considered in every process and every activity undertaken. We are committed to ensuring a safe working environment for our workforce that protects people and property. Compliance with regulations, local requirements, and company and industry standards supports our journey towards our zero-incident vision.

Approach

At any workplace, incidents are a risk. Our responsibility to our employees is to make their environment as safe as possible by being in control of hazards through clever technical solutions and a safety focused culture. We aim to identify hazards early and mitigate the related risks as much as possible.

Several corporate level governance initiatives have been designed and implemented to address hazards, such as our 'Corporate Safety Policy' and 'Safety Standard'. We strive to reach our workplace safety goals through a culture of safety that encompasses rigorous on procedures for our equipment, our facilities and our program. Our Key Performance Indicators (KPIs) are implemented across the company with detailed information in case of an incident. Through our 'Safety Network', we seek to analyze all incidents and gather information about how to reduce the triggering risk.

We are all responsible for safety at Elopak, from managers to individuals, meaning it is essential that information regarding safety is accessible to all employees. For this reason, we extensively discuss safety issues and incidents with our local 'Safety Network' and are developing standardized information from our communications department that is available in all relevant languages. Understanding risk is equally important when building a safety culture. We host an annual 'Safety Week' to raise awareness and reflect on how everyone can contribute to the safe operation of our organization. This reinforces employee understanding of individual risk and of our common responsibilities towards one another.

Elopak has developed a 'Safe by choice' program, designed to focus on individual choices for safety at the workplace. Together with our 'Golden safety rules', which address the most common hazards for our employees in operations, we have almost eliminated several common sources of risk. The success of these programs has prompted us to explore ways to expand our guidelines to also encompass several secondary risks.

The 'Safe by choice' program also features regular surveys on our sites, the results of which deliver valuable insights as to our strengths, weaknesses, and development needs. We use these insights to help us with local workshops and address specific risks locally, which our corporate guidelines might otherwise fail to address fully.

Together our 'Golden safety rules', 'Safe by choice' program, and local reporting provide comprehensive and mutually supporting guidance, while enabling us to identify and respond to emerging hazards on an ongoing basis. This three pronged approach provides us with valuable insight into other HR related activities, and we combine the benefits of the safety specific programs with other culture building programs across Elopak. Our workforce is our most important resource, which is broadly and deeply reflected in our programs.

We expect our managers, at both a corporate and local level, to lead by example. We have four principles that all managers must follow to support a safer working environment: Role modeling, Influencing, Engagement and Felt Leadership.

Our guidelines, routines, and best practices are available to all employees through various materials, such as nano learnings in all Elopak languages.

Moving forward

Our long term strategy focuses extensively on safety, and, in turn, a culture of safety. We will continue work on our 'Golden safety rules', 'Safe by choice' program, and the improvement of locally applicable safety standards through continued surveys and dialogue with employees.

Go back

Labor rights

Approach

Elopak respects all applicable laws, rules, regulations, and industry standards concerning working hours, minimum wages, and rules related to the working environment in line with human rights as defined by the United Nations. We respect the freedom of employee association and the right to collective bargaining agreements. Our aim is to follow local mid-market remuneration practices in all the countries where we are represented, including minimum wages and employer's liability insurance. This main principle is valid for all of Elopak's fully owned entities.

Sustainable labor and working conditions are maintained with various policies, procedures, guidelines, and training available to all employees as set out in the relevant chapters of this report. As a guarantee to ensure our workers' rights, a whistleblower channel is accessible to all our employees, enabling them to report anonymously.

Moving forward

We will continue to maintain close relationships with the local work councils, unions and the European Works Council, as well as monitor key operational metrics.

Health, wellbeing, culture and engagement

Approach

A safe and healthy working environment is increasingly important to Elopak. Together, managers, team leaders, human resources and health, safety and environment (HSE) work to continuously deliver improvements. Several programs promoting health are in place. One example is our flexible work policy; other examples include local arrangements for promoting and reimbursing certain health activities. We also host programs for individual coaching, and collective programs for departments. When traveling, employees are under our group-wide travel insurance program 'Duty of Care', which includes travel assistance worldwide, 24/7.

Learning and development opportunities are critical to building a company that is attractive to work for and do business with. We uphold a holistic approach to developing a wide range of skills, some of which include technical training, machine operation, safety, leadership and more.

Dedicated communication activities are an important tool for reaching different internal stakeholders and uniting our people across borders. All above mentioned activities are based on fostering a culture based on our Promises; 'Empower', 'Unite' and 'Accelerate'.

Performance is measured on a regular basis; through companywide people surveys which results are followed up by action plans, annual performance dialogues between management and employees, as well as follow-up of individual performance and development goals.

With a tighter labor market, we understand that attraction and retention are more important than ever. This is why our overarching objective remains to strengthen our employer brand, a metric that we measure with our eNPS score.

Moving forward

Elopak will continue to measure and follow up on a healthy and motivating working environment, reducing absences and evaluating relevant activities. As we have seen a slight rise in absence during 2023, we will evaluate our benefits practices to implement improvements to both physical and psychological factors.

Over the course of 2024, we will continue to follow up on local action plans from our People survey and integrate the valuable tools from the full survey into our leadership platforms.

We have invested in increased communication activities with managers, team leaders and employees to strengthen our culture. These will be maintained with the help of our appointed 'Culture Champions'.

To ensure continued learning and development, leadership training will be extended; we will also continue our global graduate program.

Business conduct

Elopak's vision is to be "chosen by people, packaged by nature." How we deliver this vision is just as important as what we deliver. This means that we are committed to acting responsibly and with integrity everywhere we operate and to ensure that we comply with applicable laws and regulations. Responsible business conduct is the foundation for our license to operate and the basis for earning the trust of our stakeholders. In 2023, Elopak focused on mitigating risk with joint venture partners and reducing the risk of breaching corruption regulations and human rights violations. Further, in 2023, we conducted a double materiality assessment in preparation for the European Union's Corporate Sustainability Reporting Directive (CSRD).

Approach

Elopak has a risk-based approach to compliance. An annual ethics and compliance risk assessment is conducted for the Elopak Group, where identified risks are evaluated and mitigated where appropriate. The risks considered are e.g., bribery and corruption, business partner integrity, sanctions, fair competition, and human rights.

The ethics and compliance risk assessment is continuously monitored and updated when changes or circumstances require updates to the risk picture. Group Legal and Compliance, together with the Compliance Network, conduct the risk assessment which is reviewed by the Ethics and Compliance Council and the Management team before being presented to, and approved by, the Board of Directors.

Elopak's Code of Conduct outlines our commitments and requirements for applying ethical business practices and compliance. The Code of Conduct is approved by the Board of Directors, and it represents a framework for managing responsible business conduct in Elopak through expected personal and business conduct. The Code of Conduct sets out key principles within various ethics and compliance areas and is supplemented by policies and procedures outlining how these principles are operationalized in the

organization. Supporting documentation includes guidance on anti-corruption and bribery, business partner integrity, human rights, conflict of interest, gifts and hospitality, anti-money laundering, fair competition, insider trading, and sanctions and trade compliance.

The Code of Conduct and supporting policies and procedures are implemented in our business through Elopak's compliance program. The compliance program is managed by Group Legal and Compliance and led by the Chief Legal and Compliance Officer, who has a direct and independent reporting line to the Board Audit and Sustainability Committee.

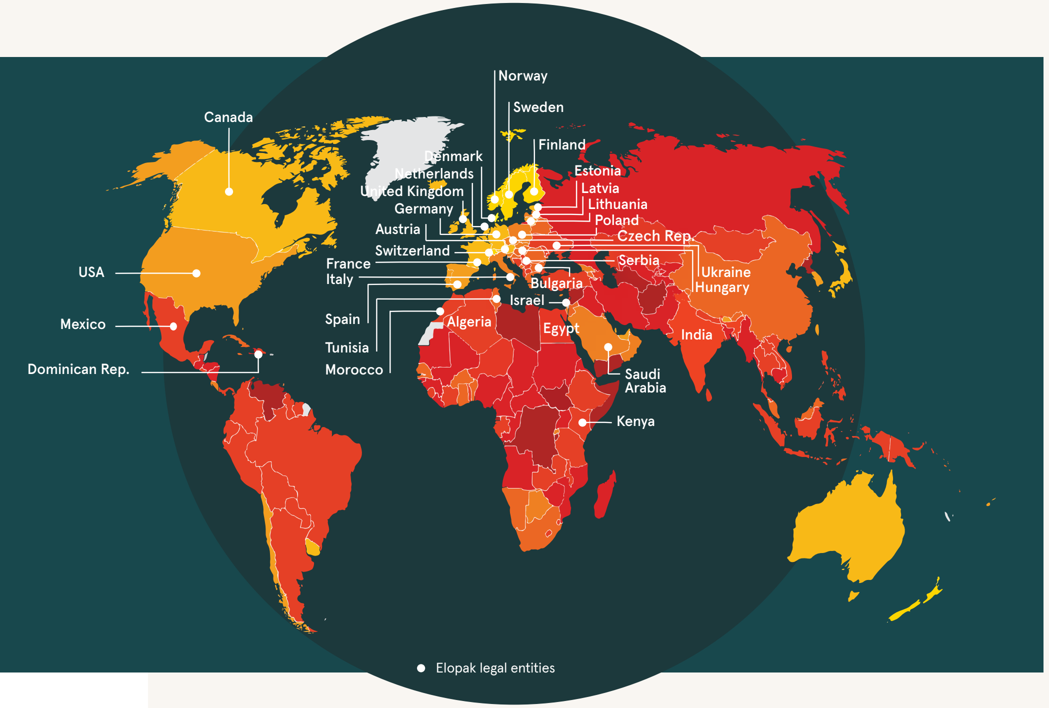
Compliance risk management

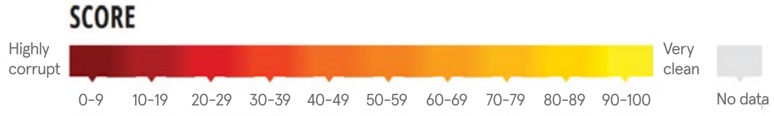
Elopak identified the following key ethics and compliance risks which we sought to address in 2023: corruption, human rights violations, and joint venture partner integrity. We continued our work from 2022 on these topics through awareness building, new trainings and with an on-site visit to our joint venture partner in India. Our Code of Conduct training was revamped and included in our onboarding procedures.

Figure 1: Country presence for Elopak's legal entities in 2023

Corruption Risk Picture

Country	Score	Country	Score
Denmark	90	Czech Republic	57
Finland	87	Italy	56
Norway	84	Poland	54
Sweden	82	Saudi Arabia	52
Switzerland	82	Bulgaria	45
Netherlands	79	Hungary	42
Germany	78	Tunisia	40
Canada	76	India	39
Estonia	76	Morocco	38
United Kingdom	71	Serbia	36
France	71	Algeria	36
Austria	71	Ukraine	36
USA	69	Dominican Republic	35
Israel	62	Egypt	35
Lithuania	61	Mexico	31
Spain	60	Kenya	31
Latvia	60		





From Transparency International, Corruption Perception Index 2023

Speaking up about unethical behavior
In May 2023, we initiated a campaign to strengthen our speak up culture by empowering managers and human resources in Elopak to handle concerns related to unethical behavior in a unified manner. In June, we followed up by targeting all employees, with the objective to inform about the duty to speak up, what to report and how to report.

The campaign included training and awareness activities through a townhall meeting, news and insights on the intranet, and digital screens at our local sites. Handouts were given to managers and human resource representatives as a guide on their additional responsibility, including a guide to all employees on speaking up about misconduct. A series of videos were shared reflecting real life scenarios related to a hostile working environment and the importance of reporting concerns.

Corruption and business partner integrity

Elopak operates legal entities in more than 30 countries, of which many have scores on internationally recognized indexes that indicate high inherent corruption risks. Corruption risks, including bribery, facilitation payments, gifts and hospitality, and conflicts of interest can lead to and/or be perceived as corruption. These risks are managed through mandatory training and awareness building in the Code of Conduct and its supporting documents, such as the process for integrity due diligence (IDD) of our business partners, anti-corruption policy, gifts and hospitality procedure and conflict of interest procedure.

Transparency International's Corruption Perception Index (CPI) measures how corrupt each country's public sector is perceived to be. The CPI is the most widely used global corruption ranking in the world. The CPI scores for the countries in which Elopak is present are outlined in the figure on the previous page. Findings from the monitoring of corruption risk for Elopak in 2023 identified the need for continued focus of site-specific challenges, relevant partnerships and the facilitation of risk-based training and awareness.

Please see the section 'Human rights' for information on our most significant risks and how we work.

Ethics and compliance training, awareness, and communication

Training, awareness, and communication are key elements of Elopak's compliance program to ensure our employees know what to do and how to respond to risk-related situations. In 2023, our efforts included:
- Code of conduct
  - E-learning course covering key topics, including anti-corruption, business partner integrity, and human rights, as well as employee confirmation of compliance with the principles outlined in the Code of Conduct training. All members of the Management team and Board of Directors successfully completed the training
  - In-person training course covering the same abovementioned topics
  - Course included in the employee onboarding process

- E-learning courses: Risk-based training to applicable target groups on topics covering; business partner integrity, speaking up about misconduct (See 'Speaking up about unethical behavior' on the next page), anti-corruption, and human rights
- In-person training: Interactive sessions covering how to handle reported concerns, as well as dilemma training on pertinent compliance topics with the Management team
- Guidance and hand-outs: Pamphlets with a specific focus on speaking up about ethical misconduct
- Intranet: Clear information and guidance on applicable ethics and compliance topics. The intranet was used to share news and insights on ethics and compliance, such as Code of Conduct, business partner integrity and speaking up about misconduct. Awareness was dedicated to specific topics, such as celebrating the UN's international days for anti-corruption and human rights and understanding how this applies to Elopak
- Training of business partners: Face-to-face interactive sessions with key personnel in our Indian joint venture on important compliance topics.

Speaking up and reporting ethical misconduct

Elopak is committed to building a culture of trust where employees are comfortable to ask questions and report any suspected breaches of our Code of Conduct, internal policies and procedures, and/or laws and regulations. We have multiple channels where employees can report concerns, normally through their direct manager, but also through members of Human Resources or Group Legal and Compliance, or our externally managed whistleblower helpline. Confidentiality and protection of the individuals reporting concerns, incidents, violations, or suspected violations are critical to building and maintaining trust in our reporting channels. Elopak does not tolerate retaliation against anyone who speaks up in good faith. In 2023, we ran a speak up campaign internally, focusing on what to speak up about and how to report, including how to handle reported concerns.

Data privacy and protection

Elopak takes data protection seriously and has implemented various standards relating to the processing of personal data as well as adopting appropriate security measures to protect personal data against loss, misuse, unauthorized access, theft, alteration, disclosure, or destruction. The operational responsibility for data protection has been delegated to the Global Data Protection Officer and Local Data Protection Coordinators in cooperation with General Managers of the legal units to ensure compliance and to avoid unacceptable risks. Elopak employees are only to use Elopak approved Artificial Intelligence (AI) Chat Assistant/Bots and a chapter has been included in the governing document 'Acceptable use of IT-tools – end-users', which all employees need to sign as part of their employment contract. Mandatory training is needed to use the AI Chat Assistant/Bots.

Moving forward

In 2024, based on our ethics and compliance risk assessment and country risk factors, we plan to continue our work to mitigate inherent high risk for corruption and business partner integrity, as well as to promote fair competition and expand upon our work to ensure good understanding of confidentiality.

Our compliance work is closely connected to our work on corporate culture. In Elopak, we believe in the saying "how we behave is who we are." This implies responsibility for our actions. In 2024, we will continue to promote a culture based on integrity and ethical standards and foster an open culture where everyone feels comfortable voicing their ideas and concerns. To monitor our efforts on this front, we plan to conduct an internal survey on ethics and compliance during 2024.

Human rights

Elopak respects and supports internationally recognized human rights and labor standards, including those outlined in the International Bill of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work (Core Labor Standards). Some of Elopak's own operations, our supply chain, and business relationships are based in countries associated with high inherent political, corruption and human rights risks, and thus, human and labor rights are material topics for us.

Freedom House[1] is an independent organization dedicated to the expansion of freedom and democracy around the world. 'Freedom in the World' is their annual global report, rating people's access to political rights and civil liberties in 210 countries and territories from 0 (not free) to 100 (free). The map below reflects the 2023 global freedom status for the countries in which Elopak had legal units in 2023.

Approach

Our approach to supporting human rights in our work is based on the UN Guiding Principles on Business and Human Rights and follows the OECD Due Diligence Guidelines for Responsible Business Conduct. Human rights concerns are comprehensive in scope and require a holistic approach across multiple business areas. At Elopak, we strive to integrate human rights considerations into our global business processes; in our own operations, our supply chain and our business relationships.

Commitment and governance

To meet our commitments, we have embedded human rights considerations in our global compliance program. Ethics and compliance risks, including actual or potential negative human rights impacts, are identified and assessed with the Compliance Network and then reported to our Ethics and Compliance Council, which is made up of senior management members. The Chief Legal and Compliance Officer reports regularly to the Board Audit and Sustainability Committee and the Board of Directors. Further information on Elopak's governance model can be found in the Governance section in this report.

Policies and procedures

Elopak's key commitments to human rights considerations can be found in our Code of Conduct. The Code of Conduct outlines our commitment to responsible business conduct and is applicable for our employees, those who act on behalf of or represent Elopak, the Management team, and the Board. It is an ethical compass for upholding Elopak's values and promises in our daily work. The Code of Conduct is available on our website.

Our Human Rights Policy is founded on Elopak's existing commitment to respecting human rights, as described in our Code of Conduct, and aligned with international principles and requirements. The Policy is the starting point for how we manage human rights risks. Key documents supporting the Policy include our Business Partner Procedure (which outlines the integrity due diligence process and country risk assessment), Anti-corruption Policy, Strategic Sourcing Policy (including supplier qualification requirements), Responsible Supply Chain Procedure, Global Supplier Code of Conduct, and General Terms and Conditions of Purchase (GTCs). Regular updates to our governing documents are part of internal processes to maintain our document management system.

Identify, prevent and mitigate negative human rights impact

Risk assessment
Elopak conducts regular human rights risk assessments. As part of this process, the organization collects information about human rights issues from all legal operating units, across business areas and purchasing categories to identify, classify and prioritize risks. The human rights questionnaire is based on the

[1] https://freedomhouse.org

provisions of UN Human Rights Treaties, ILO fundamental conventions and the UN Guiding Principles on business and human rights (UNGPs).

For any actual and potential negative human rights risks identified in our own operations, in our supply chain or business relationships, we seek to analyze the risk and further describe the impact through dialogue and workshops with representatives from the specific business area or unit. Furthermore, we seek to identify the rights holders and vulnerable populations impacted. We assess the severity of the impact – by evaluating scale, scope and irremediability – and the likelihood of occurrence, eventually giving us a risk score. The risk score, together with considerations related to country and purchasing category risks, constitutes the foundation for further due diligence and the identification of mitigating measures.

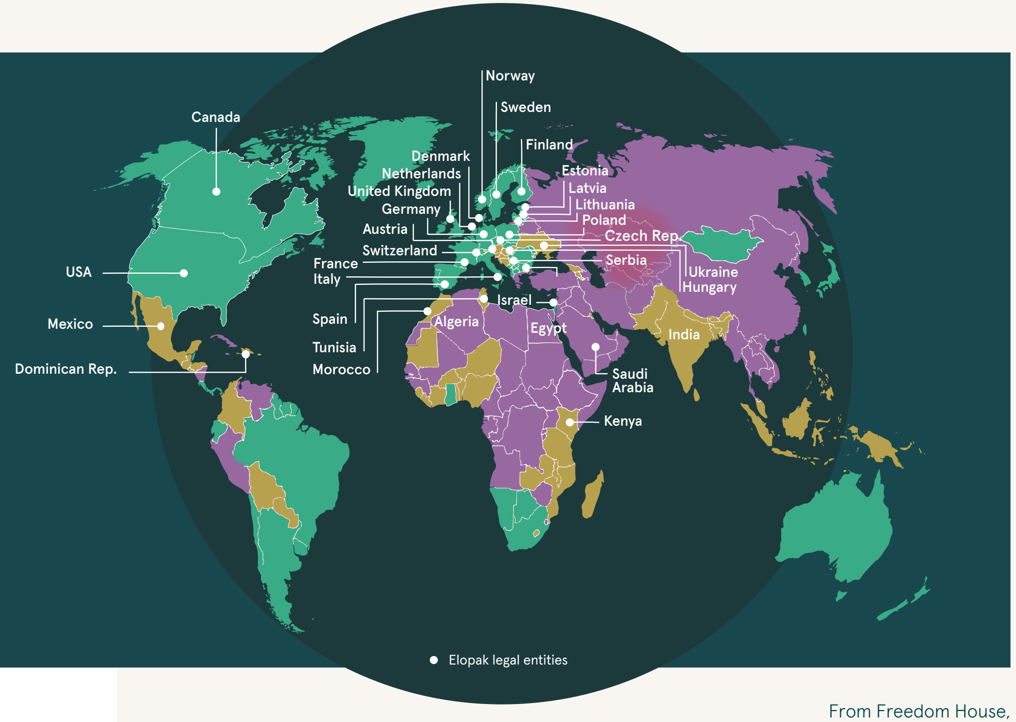
Identified, assessed, and prioritized risks

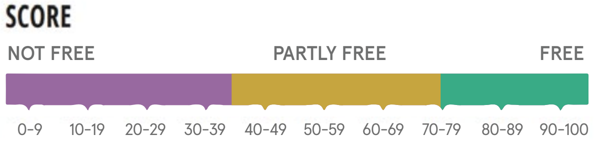
Based on specific priorities and experience from earlier due diligence, Elopak considers the most significant risk in the supply chain to be the risk of forced labor. This covers sectors within transport, cleaning and other basic services, where a core driver is the use of

Elopak country presence mapped with scores from the 2023 global freedom status by Freedom House.

Global Freedom Status

Country	Score	Country	Score
Finland	100	United States	83
Norway	100	Poland	81
Sweden	100	Bulagria	79
Canada	98	Israel	77
Denmark	97	Hungary	66
Netherlands	97	Dominican Republic	68
Switzerland	96	India	66
Germany	94	Tunisia	56
Estonia	94	Serbia	60
United Kingdom	93	Ukraine	50
Austria	93	Mexico	60
Czech Republic	92	Kenya	52
Spain	90	Morocco	37
Italy	90	Algeria	32
France	89	Egypt	18
Lithuania	89	Saudi Arabia	8
Latvia	88		





From Freedom House, Freedom in the World 2023 vulnerable persons, such as migrant workers. For our own employees, we consider the main risks to be related to health and safety. High temperatures in our manufacturing units, especially during the summer months, and performing manual labor with machinery that can result in workplace accidents.

We assess country risk factors which are based on human rights and corruption indexes[1] and purchasing category risk which is based on knowledge of human rights challenges in the different product categories and services in our supply chain. In 2021, we conducted a high-level review and risk assessment of our supply chain to identify key risk topics and our human rights due diligence priorities.

We also focus on selected areas and categories to address issues more efficiently with our suppliers. These have been identified considering their business criticality and spend level. They include direct suppliers, providing raw materials to our cartons and secondary packaging, and indirect suppliers, mainly related to logistics and transport, and plant investments. In addition to these aspects, further in-depth assessments consider the suppliers' activity or industry, considering factors such as level of manual work, use of unskilled labor, hazardous work, etc.

Prevent and mitigate

Responsible supply chain management
We work proactively with our suppliers to prevent and mitigate potential human rights violations. In Elopak, we continuously work to ensure our suppliers and sub-suppliers share our values and commitments within health and safety, business integrity, compliance and human rights. Consequently, we expect them to apply the same principles towards their own employees, suppliers, and sub suppliers in the delivery of goods and services to Elopak. This approach ensures the requirements are cascaded through the supply chain. The requirements are included in Elopak's Supplier Code of Conduct. As part of the supplier qualification and onboarding process, all new suppliers undergo a pre-qualification assessment including the Supplier Code of Conduct engagement. Read more about our approach in the chapter 'Responsible supply chain'.

Mitigating measures include adequate contractual clauses on responsible business conduct in supplier contracts. Contractual clauses can allow Elopak to require the contractual party to address and rectify violations of human rights or, if deemed necessary, terminate a contract. As part of contractual clauses with suppliers, we include audit rights which give us the possibility to verify their compliance with the commitments outlined in our Supplier Code of Conduct.

Human rights training and awareness
At Elopak, training, communication, and awareness-raising are a continuous process and a part of our preventive measures to mitigate human rights violations. Elopak key documents are published on our website and in our internal document management system, ensuring they are accessible to all employees and other important stakeholders. Human and labor rights, including diversity, equity and inclusion, are dedicated sections of the Code of Conduct and included in annual e-learning or in-person training, which is mandatory for all employees. In 2023, we introduced a new human rights e-learning course which was made available to all employees. Further e-learning courses covering topics on responsible business practices and speaking up and reporting concerns were also made accessible to employees. In December, we celebrated the UN's Human Rights Day by sharing news and insights on our intranet and facilitating human rights training for employees.

Read about our initiative to strengthen training and awareness of our grievance processes in the section 'Our performance'.

Engaging with unions and stakeholder engagement
Elopak values its ongoing dialogue with key stakeholders on environment, social and governance topics throughout the year. Our main stakeholders include customers, investors, banks, employees, unions, non-governmental organizations (NGOs), governments and national authorities. In Europe, we collaborate with unions and union members via the European Works Council (EWC). EWC represents the majority of our sites (regulated by law) and representatives from the Elopak Management hold bi-monthly meetings with the elected EWC Working Party. Additionally, an annual meeting is held where all members of the EWC are represented. Outside of

[1] Indexes include: (1) Freedom House: 2023 Global Freedom Status and (2) Transparency International's Corruption Perception Index 2023)

Europe, we have follow-up and separate dialogues with unions at each local site. 61% of our workforce is covered by local and/or national collective bargaining agreements.

Monitor, report and remediate negative human rights impact

Inspections, reviews, and audits
Third party ethical audits are conducted where deemed necessary. Throughout 2023, we have further improved our supplier qualification and due diligence framework by improving the integration of human rights considerations into our existing audit framework.

Reporting of concerns and grievance mechanisms
We are committed to building a speak up culture where employees are encouraged to raise concerns and report actual and suspected violations of unethical behavior. Grievances, or complaints, can be of any kind, including social and environmental issues. Through grievances, we can better understand our impact on individuals and groups, ensure that remediation and improvement actions are directed at the persons negatively impacted and will prevent and mitigate the current adverse effects and reduce the risk of causing similar negative effects in the future.

Concerns of misconduct or grievances are reported through defined internal channels or through our whistleblower helpline. The whistleblower helpline can be publicly accessed through https://www.elopak.com/the-elopak-whistleblowing-channel. The helpline is hosted by an independent external service provider and is confidential, anonymous, and available in multiple languages.

Remediation
We are committed to providing remediation for identified negative impacts or harm to people caused by our operations or through our supply chain. In instances where Elopak has identified a risk or implemented measures at a supplier which is not effective or does not meet our standards, we aim to define actions in collaboration with the supplier. As part of this collaborative approach, we include follow-up with supplier representatives for a suitable action plan, enhanced due diligence, supplier questionnaire, or we arrange for an audit.

External reporting
Pursuant to the UK Modern Slavery Act (2015) and the Norwegian Transparency Act (2022), Elopak annually reports on steps undertaken to ensure there is no slavery or human trafficking in the supply chain and reports on conducted human rights due diligence, respectively. These separate reports were combined in 2023 into the "Human and Labor Rights Transparency Statement 2022".

Moving forward

During 2023, we strengthened our human rights framework, which included a more extensive cross functional cooperation across departments and business units.

Going forward, we will continue developing our human rights framework and focus on training and awareness building. In 2024, we will work to further improve our supplier qualification and due diligence framework by including specific supplier capacity building within human rights and maturity assessments. We will also focus on strengthening the mapping and assessment of potential human rights violations in our supply chains to mitigate and manage these more effectively.

Throughout 2024, we will align human rights with reporting requirements related to e.g., the EU Corporate Sustainability Reporting Directive (CSRD).

Responsible supply chain

Annually we spend around EUR 835 million and work with more than 5000 suppliers globally, who deliver goods and services to Elopak required for the production of cartons and filling machines, and for goods both sold to customers and used internally to run our business effectively. Critical raw materials related to our cartons account for approximately 60% of our total purchase spend, consisting predominantly of boarlds, polymers, aluminium, inks and solvents.

Ensuring that we work with responsible and sustainable suppliers who share our values and commitment to responsible business conduct is crucial to reducing risk and avoiding adverse impacts on people, the environment, and society throughout our supply chain. Monitoring that our suppliers share our goals allows Elopak to better meet the demands and expectations of customers, end consumers, and other stakeholders.

Approach

Elopak's Responsible Supply Chain work follows a risk based approach, and combines values enshrined in the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct. We are committed to working with suppliers that meet our requirements, and we monitor their performance and compliance to mitigate any social and environmental risks in our supply chain.

Supplier Code of Conduct (SCoC) engagement is an integral part of our supplier onboarding process and is incorporated in our supplier contracts. We expect all our suppliers to respect and comply with the code, and to have an equivalent code and practice for their suppliers and sub suppliers.

Elopak conducts risk based integrity due diligence checks on our suppliers to ensure that their reputation, background, and abilities meet our standards as outlined in the SCoC. Significant and/or critical suppliers undergo

a more in depth assessment at least every two years through self assessments, third party assessments such as Ecovadis, follow up meetings, and on site audits for high risk suppliers.

Significant suppliers are direct suppliers providing raw material to our cartons and secondary packaging, as well as indirect suppliers mainly related to Logistics and transport as well as Plant Investments.

Where suppliers do not meet our standards, we work with them on corrective actions to better understand potential gaps and improvement areas. If Elopak identifies or becomes aware of non compliance, we actively engage with suppliers to agree on mitigating activities and a clear timeline for following these up. If the supplier does not show willingness or ability to improve or remediate the non compliance, we reserve the right to terminate the business relationship.

Through 2023 we have developed several nano-learnings in our online training platform directed at the Procurement Network. Among these topics is our Ecovadis platform and criticality assessment. The criticality assessment is outlined in our Strategic Sourcing Management Procedure.

Moving forward

In 2023 we undertook additional work to train the teams of our new operations and sites located in Morocco and Saudi Arabia, as well as our joint venture in India, and supported their integration into our procurement governing framework, including the supplier qualification and due diligence process.

Our focus and priority in 2024 is to continue this work and to better map and assess potential human rights violations in the supply chains of these operations to mitigate and manage these more effectively.

There are increasing reporting requirements, and in 2024 we will additionally need to report on the Canadian Forced Labor Act. We will ensure procurement reporting supporting the EU Corporate Sustainability Reporting Directive (CSRD).

A priority for improvement in 2024 is our supplier assessments program. Elopak will implement reviews of scope 3 upstream GHG emissions of key suppliers. We will also focus on further implementation of our Responsible Business Conduct requirements company wide through 2024.

Implementation of our updated audit framework, which includes specific Supplier Human Rights Capacity Building and Maturity assessments, will be continued in 2024.

Go back

Planet

Climate

While global warming – the emission of greenhouse gases into the atmosphere – represents the most urgent issue of the decade, there are several other areas where our planet is also under pressure. Six of the nine planetary boundaries are being crossed, and all nine are under stress, some to a greater extent than others. For Elopak, greenhouse gas (GHG) emissions remain the top priority.

As part of our commitment to fighting emissions, Elopak was among the first three companies in the world to have our net zero targets approved by the Science-based Targets initiative (SBTi) after the official launch of the net zero standard. This is the first framework for corporate net zero target setting to be directed by climate science.

Approach

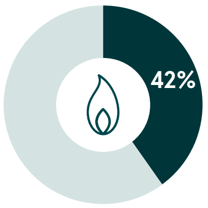
Working systematically to reduce greenhouse gas emissions since 2008, Elopak continues to make tangible progress. We have a science-based approach, following global frameworks such as the Greenhouse Gas Protocol and standards from the Science-based Targets initiative (SBTi).

In 2015 Elopak joined the RE100 campaign; since 2016, 100% of our electricity across our sites has been renewably sourced. In 2019, we were among the first companies to set scientific targets to reduce greenhouse gas (GHG) emissions in line with keeping global warming below 1.5 °C.

In 2021, Elopak took part in the net zero road test for the Science-based Targets initiative (SBTi) with 80 other companies. We updated our near-term targets in line with the new standard, and in 2022, we had our net zero targets approved. In 2023 we conducted a double materiality assessment in preparation for our CSRD reporting. In 2024 we will work extensively on our new goals and KPIs with our stakeholders.

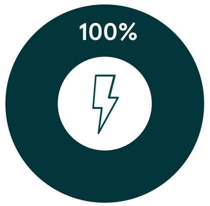
Our double materiality assessment confirms the commitment of each of our stakeholders to climate and emission reductions. This strengthens our motivation and drive to deliver on our targets.

Elopak's science-based targets



Scope 1
Natural gas, propane, heating, oil, waste incineration, wood

42% reduction by 2030



Scope 2
Electricity, district heating

Continue to purchase 100% renewable electricity

Scope 3
Business travel, transport, raw materials and filling machines

25% reduction across the value chain by 2030

Scope 1 emissions

Scope 1 emissions are direct emissions from Elopak's operations and can thereby be addressed directly by Elopak. Scope 1 includes emissions from burning of fuels for heat, burning fuels for propulsion and other direct emissions from our operations.

Scope 2 emissions

Scope 2 encompasses indirect emissions from purchased electricity. Elopak sources renewable electricity for all its sites.

For organizations to participate in the global response to climate change, renewable energy must be a major player in the energy supply mix. The competitiveness of renewable energy is increasing rapidly, and Elopak can play a role in sourcing electricity from renewable sources when practically possible. This increases demand for renewables in the grids we operate in, and thus incentivizes further development.

In some markets, it is difficult or impossible to source renewable power directly. The energy certificate system allows us to compensate for this, by purchasing energy certificates to cover 100% of Elopak's energy consumption; these certificates, in turn, incentivize the development of more renewable power.

Elopak is also exploring the feasibility of purchasing and installing solar panels on our own facilities, reducing the reliance on purchased power. The solar market has improved significantly, and the available solar cell formats are much more adaptable to our needs and the structural limitations of our plants.

RE100

In 2015, Elopak became the first packaging company and the first Norwegian company to join the RE100 campaign, committing to sourcing 100% renewable electricity from 2016 onwards for all sites where we have operational control. We were one of a limited number of companies in the RE100 campaign to reach this goal at an early stage. RE100 states that over 400 companies have committed to 100% renewable energy, of which 79 of the RE100 members (up 3 from 2022) have announced reaching 100% renewable electricity.

Scope 3 emissions

Scope 3 emissions are not produced by the company itself and are not the results of activities from assets owned or controlled by Elopak, but by those we are indirectly responsible for up and down the value chain. Scope 3 emissions include all emission sources that do not fall within the boundaries of scopes 1 and 2. A life cycle approach to the value chain is important in ensuring that all emissions associated with our products are considered.

Scope 3 emissions represent the largest group of emissions connected to Elopak, and we are exploring ways to minimize these emissions ourselves. This can be done by being more efficient in our products, thus requiring less raw material for each produced carton, or by changing the material mix. Sales of more environmentally friendly cartons are increasing as markets adapt, and this reduces our overall purchasing of high-CO$_2$ e-materials. We expect this trend to increase as markets develop further.

Elopak is working with suppliers throughout our value chain to reduce emissions. We follow our suppliers closely and use our position as a large purchaser to push for better, greener solutions.

Moving forward

Our roadmap to 2030 was established in 2019, and we regularly assess Elopak's progress. With our net zero targets we have raised the bar for our scope 3 emissions, and increased efforts are necessary to ensure this is the case for our entire value chain.

Conversations with our stakeholders whilst completing our double materiality assessment have provided valuable insights into our value chain, and prepare us to report on CSRD, local laws, and regulations.

All of our existing policies are being examined and refined to comply with CSRD, as are our goals and ambitions. Elopak takes pride in being at the forefront of climate engagement and will continue these efforts with new tools. Our roadmap for 2030 is in constant development, and substantial changes will be made throughout 2024 as our preparatory analyses for CSRD are integrated into our plans.

Scope 1

Our roadmap includes several concrete activities; more are in the works for the coming years. Elements now include:

- Replacing fossil-fired processes with electric alternatives
- Transferring energy used for production equipment and processes from gas to electricity
- Reducing waste through operational excellence
- Changing petroleum powered forklifts to electric

The potential impact of these initiatives exceeds our targets, and the financial and technological feasibility of these initiatives are subject to regular assessments.

Our Montreal project shows that there are still fossil fuel savings to be had at our various plants, and identifying new and innovative solutions is key for us to reduce our energy consumption.

Scope 2

Within scope 2, our target is to continue purchasing 100% renewable electricity. We also aim to reduce our overall electricity consumption to reduce our residual scope 2 emissions. We have identified some projects, and we encourage colleagues to contribute with ideas, such as through the operational excellence program, to reach these targets.

- Mapping and increasing energy efficiency at all plants
- Energy saving projects at all plants

Scope 3

Scope 3 emissions, which encompass the entire value chain, constitute the majority of our emissions. While we've already identified several key strategic initiatives, further structuring is necessary and will be an important project during 2024. These initiatives include:

- Minimizing transport: By optimizing end-to-end supply chain planning, we aim to reduce emissions associated with transportation.
- Transport mode evaluation: We're assessing and optimizing various transport modes wherever feasible.
- Exploring sustainable alternatives: Investigating market opportunities for replacing fossil fuels with biofuels or electrifying transport, with a long-term consideration of hydrogen.
- Filling machine efficiency: Optimizing the design and setup of filling machines to minimize emissions per filled carton.
- Technology adoption: Evaluating new technologies to reduce downtime, waste, and energy consumption in filling machines.
- Supplier collaboration: Working systematically with key raw material suppliers to lower material use and emissions related to their production.
- Low-carbon carton sales: Promoting sales of cartons with the lowest possible carbon footprint.
- Virtual meetings: Continuing to hold virtual and digital meetings to keep travel-related emissions low.

Nature

Nature is at the core of our business and, as such, is a core responsibility. Elopak's vision is "Chosen by people, packaged by nature".

Our responsibility to nature corresponds with our dependence on it. We are a company that uses nature and natural solutions to protect food for our customers, and access to premium and responsibly sourced raw materials is critical to the quality we wish to deliver. If our products are to be selected by some of the world's most stringent customers, our quality and sustainability commitments must be equally stringent.

This idea has been enforced worldwide. Especially in the EU, demands are becoming increasingly strict and ambitious – which we applaud. In 2023, we conducted a double materiality assessment to prepare ourselves for EU CSRD and national reporting schemes.

2023 was a year of great global change. After the COVID-19 pandemic, we have seen business travel increase as social interactions have normalized. At the same time, our

focus on environmental issues has increased. We seek to optimize our routines, strive to be more efficient in our production, and intend to be more creative in our research and development. We work to achieve our goals of reducing our scope 3 emissions by 25% by 2030 and to do our part to stay within reach of the Paris climate agreement.

This chapter will outline our approach to nature: our environmental, climate, and circularity ambitions.

Biodiversity

Biodiversity is a crucial aspect of our planet's health and wellbeing. It refers to the variety of life on Earth, including the diversity of species, ecosystems, and genetic diversity.

We recognize the importance of addressing biodiversity and have taken steps to establish a framework around the topic.

Approach

Production of our raw materials requires substantially more land, in particular for sourcing paperboard. The paper and forest products industry is faced with critical questions about its core resource, as climate change and biodiversity concerns affect forest usage. Against this background, Elopak has now identified biodiversity as a material topic in our double materiality assessment.

Our approach to biodiversity centers around sourcing raw materials certified to the highest standards. Our FSC™, ISSC plus, and ASI certifications remain crucial in this regard.

Elopak actively supports initiatives to protect forests and biodiversity. We are committed to combating illegal logging and deforestation, ensuring that all forestry behind our cartons adheres to responsible practices consistent with FSC™ standards.

Responsible extraction and utilization of our planet's raw materials are essential for resource sustainability. As part of a larger value chain, Elopak employs chain of custody certification systems for its primary raw materials, assessing risks and compliance with regulations and best practices within the broader value chain.

We have a consistent approach to certifications, which are integral to our policy on Responsible Sourcing of Paperboard, our Global Supplier Code of Conduct, and our Sustainability Program. The certifications are embedded in all relevant areas of the organization, including supply chain, production, design, marketing, and sales.

Collaboration is key. We work closely with our suppliers and engage with other stakeholders, including NGOs, alliances, industry associations, and customers, to ensure the credibility of our approach and the selection of certification schemes. Our goal is to certify products across all our markets. In our expansion into new markets—such as India, North Africa, and the Middle East—we actively work to identify and adopt relevant certification standards.

Moving forward

In 2024 we will assess the steps needed to establish a broader approach to the topic of biodiversity. This includes the development of policies, action plans and targets. We have over time established dialogues with major paperboard suppliers in order to understand their approach and strategy. This work will continue through 2024.

Elopak aims to use certified products in all our cartons, prioritizing paperboard, the main material in our cartons. We ensure all our factories are certified according to the FSC™ standard. Our bio-circular offering remains important in the European market, and we continuously evaluate the need to source certified aluminium.

Pollution

Pollution is a highlighted topic in our double materiality assessment. The assessment addresses pollution of soil, pollution of air and pollution of water as a result of value chain operations or direct operations.

Approach

Through our operations, we seek to minimize emissions to air, soil and water. This includes a commitment to reduce and keep hazardous waste at a minimum. Elopak has reported on waste and hazardous waste for many years. The reporting is done by category, and we have started reporting and tracking waste in our internal reporting system, 'Footprinter'.

Pollution is not an extensive material topic in the company's own operations, but we see that the company has an impact through the value chain. Pollution is a new material topic identified in the double materiality assessment. Elopak recognizes upstream sources of soil pollution from the sourcing of pigment binders, solvents and additives used for ink in production, as well as the sourcing of steel and bauxite through land-use intensive mining practices.

Elopak has a complex value chain, which also includes several transport links. Therefore, Elopak indirectly impacts pollution in both the upstream and the downstream part of the value chain.

There are pollution sources from transportation, from raw material suppliers and from processing units to Elopak's facilities. This is mainly in the form of SO_x and NO_x emissions. There are also pollution sources from the transportation from Elopak's facilities to consumers, retailers, and end users.

Moving forward

While our factories ensure local compliance on direct emissions to air, water and soil, Elopak needs to establish policies and a consistent corporate approach in this area. This includes creating a pollution policy that addresses upstream and downstream value chain, create action plans to implement the policy and establish targets for air and soil pollution. Furthermore, implement routines from our ISO 14001-certified factories to group level.

Water

Our production is not water intensive, and water was not considered as a material topic in our double materiality assessment.

Approach

Production of paperboard is said to be water intensive. We have regular meetings with our European board suppliers to understand their approach and strategy for water withdrawal and discharge water. During the meetings, we have been presented with their risk analysis and their mitigation plans. The suppliers are not located in water scarce areas, in fact flooding is considered a higher risk than surface or groundwater scarcity. Because a major portion of the water used is cleaned and discharged back after use, the net water consumption represents a minor portion of total water withdrawal.

Moving forward

In 2024 we will continue this supplier dialogue and approach our American suppliers in order to gain the same information and understanding.

Circularity

Circularity has two key aspects – renewability and recyclability. Key principles of circularity include efficient resource use through materials which can be renewed via a natural process or recycled into new products after use. Both of these principles ensure a sustainable and long-term use of resources, keeping materials in the loop as long as possible.

Renewability

Renewable materials sourced responsibly are crucial to maintaining the scarce resources of our planet. On average, 75% of our Pure-Pak® cartons are made from naturally renewable paperboard, sourced from northern hemisphere forests. The remaining fraction, mainly consisting of polymers, is also available as a renewable material through our bio-circular offering. Renewable raw materials are naturally replenished and have significantly lower greenhouse gas emissions than non-renewables. They can also help to ensure resource availability for future generations and reduce the burden of extracting fossil based and finite materials. Using renewable materials and waste/residue products from other processes contributes to a circular economy.

Approach

Our circularity approach is anchored in our sustainability program and is an important principle for Elopak. Clear KPIs with bonus incentives at the top executive level are in place to increase the sales of low impact cartons in Europe. Low-impact cartons include cartons where the polymer barriers are based on bio-circular feedstocks rather than the traditional fossil sources.

Elopak launched its first fully renewable carton in 2014, after which our offering expanded. We now offer bio-circular polymers based on biological waste of vegetable origin, which is considered low risk of indirect land use change (iLUC) impact. We aim to avoid the use of first-generation, crop based feedstocks or any feedstock of animal origin. Instead, we source from nonfood chain related sources, like Crude Tall Oil, a residue from the paper industry. We also ensure responsible practices behind all bio-circular raw materials through certifications.

Our 2023 Double Materiality Assessment as well as our engagement with stakeholders confirm the importance of circularity and renewability, and we remain committed to innovation and improvement.

Recyclability and recycling

The circularity of our cartons can be achieved through product design and efficient and reliable collection, sorting, and recycling systems.

Placing any product on the market requires taking responsibility for its whole life cycle – from design and use until end of life cycle. Our cartons are designed to be recyclable and have been recycled for decades. It is key for Elopak that the valuable raw materials applied to manufacture our cartons can be recycled and used to produce new and useful products.

Approach

Elopak's approach to recyclability and recycling starts with product development through which we strive to secure optimal conditions for material recycling. We know recyclable products depend on recycling infrastructure which includes collection, sorting and recycling, which is why we work closely with various stakeholders across the value chain to improve consumer awareness, local collection, and the efficient recycling of packaging waste.

The paper industry is committed to developing and periodically reviewing Design for Recycling (DfR) guidelines, providing producers of paper-based packaging with guidance to identify which materials are compatible with existing recycling processes, and how the recyclability of paper-based packaging can be optimized.

We do our best to share relevant data and be a constructive partner for key stakeholders across the value chain, to improve the tracking and measurability of our efforts.

Moving forward

The company has invested in a future innovation program to further improve our packaging solutions and believes that cartons have a natural place in the future low carbon circular economy.

As part of our work on circularity, we also engage with stakeholders across the value chain and actively take part of alliances and trade associations, and closely follow legislative developments. Ambitious and forward-looking regulation can boost innovation. Elopak has a long history of developing sustainable packaging solutions and is committed to continue improving the sustainability credentials of our cartons, which are already designed for recycling.

Europe

Elopak is a member of EXTR:ACT, the European association to increase the recycling of beverage cartons and similar fiber based multi material packaging. Elopak currently holds the Presidency of EXTR:ACT, where the company is represented by Inge Eggermont, Specialist Manager Sustainability. This association focuses on the technical process of multi material recycling from start to finish and works with the entire value chain to ensure fiber based multi material packaging is designed with the lifecycle in mind in order to be collected, sorted, recycled, and reused in varying markets. Supported by experts in different working groups, EXTR:ACT is driving many general and special projects in all stages of the value chain.

North America

Elopak plays an active role in the Carton Council of North America and the Carton Council of Canada for advancing access, recyclability, labelling, and upcycling of gable top materials. Upcycling means reusing materials in such a way as to create a product of higher quality and value than the original. These associations are also critical for keeping us up to date with key legislations.

India

While still a new market for Elopak, our subsidiary GLS Elopak started mapping the local recycling situation in India in 2022 with a focus on new governmental guidelines.

Read more about recycling on our website https://www.elopak.com/naturally-circular/easily-recyclable/.

Profit

Fair tax allocation

The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises set standards for responsible business conduct across a range of issues and is one of the guidelines Elopak supports and includes in our sustainability approach. The OECD Transfer Pricing Guidelines provide guidance on "the arm's length principle", which represents the international consensus on the valuation of cross-border transactions between associated companies. In order to secure a fair allocation of taxable income in the jurisdictions where Elopak has activities, we base our transfer price approach on the OECD guidelines. Elopak Group operates in Norway, which has enacted new legislation to implement the global minimum tax rules (OECD - Pillar Two). We expect to be subject to these rules in relation to our operation in multiple jurisdictions, with the newly enacted tax legislation in Norway effective from January 1, 2024. A draft tax policy has been prepared and will be presented for the Board for approval during 2024.

EU Taxonomy

The EU Taxonomy Regulation (Regulation 2020/852) entered into force on July 12, 2020. Since then, the EU has implemented several Delegated Acts to further expand the framework. Under the taxonomy regulation, large, public interest undertakings are required to report on the proportion of their economic activities that meet certain technical screening criteria.

About the EU Taxonomy

The EU taxonomy is a classification system that sets out a list of environmentally sustainable economic activities. It forms part of the EU's plan to scale up sustainable investment and implement the European Green Deal.

The taxonomy was developed in order to provide well-defined, harmonized criteria for when economic activities can be considered sustainable. It sets out robust, science-based technical screening criteria which activities need to comply with to be considered green. By providing this harmonized standard, the taxonomy aims to increase transparency; create security for investors; prevent greenwashing; help companies become more climate-friendly; mitigate market fragmentation; and help investors compare investments across Member States. This will help guide investments where they are most needed. By directing investments towards sustainable projects and activities across the EU, the taxonomy aims to help meet the EU's 2030 and 2050 climate and energy targets.

Taxonomy alignment can be broken down into five steps:

1. A company must have an eligible activity as described in one of the delegated acts.
2. The eligible activity should be assessed against technical screening criteria set out in the taxonomy's delegated acts.
3. The activity must make a substantial contribution to one or more of the climate and environmental objectives relevant to that activity.
4. The activity should not do significant harm to the other remaining activities.
5. The company should fulfill the minimum social safeguard standards based on OECD and UN guidelines.

EU Taxonomy in Elopak

Elopak's activities are not within the scope of the delegated acts, and therefore, not yet subject to the taxonomy regulations. However, we anticipate that the screening criteria for fiber-based packaging activities may be incorporated into the Delegated act in the future. Still, we find it important to support the implementation of the regulation, creating more transparency and comparability in a field that needs increased awareness and attention. Therefore, we have performed a taxonomy assessment during 2023, where we continued to define the scope and eligibility of our activities.

Elopak's activities have been mapped according to the activities defined in the Climate Delegated Act. Production of packaging materials and filling machines are not yet covered and thus categorized as non-eligible following the description stated in the regulation. The screening criterias for

activity C2.22 "Manufacture of plastic packaging goods" have been assessed. Elopak's cartons care about 85% fiber based and our interpretation of the EU taxonomy is that our activity does not match the definition of the activity. Elopak has previously assessed our activities against the criteria for food and beverage production as these are relevant for our customer's activities. However, as per the latest addition of sectors in the Environmental Delegated Act, food and beverage production were excluded and manufacturing of plastic packaging goods was added. The new changes are not within scope av Elopak's activities and we are therefore not yet subject to the taxonomy regulations. Still, we will closely monitor any new developments and strive to support the implementation of the regulation.

See Appendix: Sustainability methodology to read more about Elopak's taxonomy assessment.

Sustainability methodology

People

Our workforce

In 2023, there were 2 019 employees in the Elopak Group. Employee data presented in the report includes those employees from our wholly owned companies who are directly remunerated by Elopak. We do not include employees in joint ventures, as they are not registered in our global HR systems.

The majority of Elopak's employees are employed in the Netherlands 501 Denmark 309, Canada 281, Germany 235, Norway 177 and Ukraine 144. Employee data presented in the report is grouped into the following regions: Europe, Americas, and MENA (Middle East and North Africa). We terminated the contracts of employees in the divested Russian unit and removed them from our HR systems end of February 2023.

There are two types of temporary workers at Elopak; employees hired on a temporary contract and temporary workers hired through external agencies. We only register external workers in our HR systems if needing access to IT. At the end of 2023 there were 56 temporary workers from agencies registered. Elopak does not have any major seasonal variations in its workforce.

Elopak has the following levels of management in the organization:

- Top management – the group leadership team (GLT)
- Level two management – anyone reporting to a member of the group leadership team
- Other line management – anyone with responsibility for one or more employees at various levels in the organization

Employee life cycle

Performance management

The annual performance review process runs from December 1 to March 1. In the report, results are presented from the previous reporting year. Our standardized global performance review process run for all employees. However not all production workers use the digital tool for documenting this process yet.

Training hours

Reported training hours cover training registered in our global HR platform. Our operations around the world conduct local training activities, including mandatory training for production workers which is closely monitored locally. We distribute nano learnings on diverse topics such as IT security to all employees on a regular basis. We do not include local training and nano learning in the reported training hours. The calculations for the Code of Conduct training excludes employees on long term absence.

Employee engagement surveys

In 2022 we implemented a new tool for employee engagement surveys which include reference to external industry benchmarks. We present the results for employee engagement index and the inclusion index with reference to these benchmarks. Employee Net Promotor Score (eNPS) continue to be an important indicator for our employer brand, and we report development with reference to base line from 2022.

Voluntary employee turnover rate

We calculate the voluntary employee turnover rate as the number of permanent employees who have concluded their contract in the reporting period divided by the average headcount during the same.

Planet

GHG methodology statement

Environmental impact and reporting principles
Emission-related data are reported according to the Greenhouse Gas (GHG) Protocol, including the updated revisions of the GHG Protocol Scope 2 Guidance (2015). Since 2008, Elopak has published greenhouse gas emission accounts with third party verification of parts of the data. The scope of the verification has increased over the years. The 2023 verification is further described below.

Elopak has committed to cut greenhouse gas emissions in line with the strictest criteria set by the Science Based Targets (SBT) initiative. In 2021, Elopak set near-term science-based targets for each emission scope, in line with the new Net zero standard from SBTi. The near-term targets have a timeframe of 10 years (2020-2030).

Elopak reports according to the 'operational control' consolidation approach, which covers all Elopak's wholly owned market units and converting, Roll Fed, coating and filling machine plants worldwide. Elopak has two joint ventures – in the Dominican Republic and in Mexico. By reporting in line with the operational control consolidation approach, this means that these are excluded from scope 1 and 2 reporting. GHG emissions related to the joint ventures are reported under scope 3 in the category 15 – investments. The two production plants in the Dominican Republic and Mexico report their data in our online portal, Footprinter.

As Elopak is reporting according to the fixed base year approach (base year 2020), emissions sources from the new acquired plants are included with their calculated emissions in our 2020, 2021, 2022 and 2023 data. Emissions for 2023 are calculated for the full year. In cases where the new plants have not yet integrated the Elopak data structure, we specify the data sources and methodology for the emission calculations in the methodology section below.

Go back

For 2023 we are also including data from our subsidiary GLS Elopak in India (50% owner share, production started in 2022), as Elopak has operational control over the entity. Elopak's greenhouse gas data is reported in both CO_2 equivalents (CO_2e) and the separate greenhouse gases.

Scope and methodology

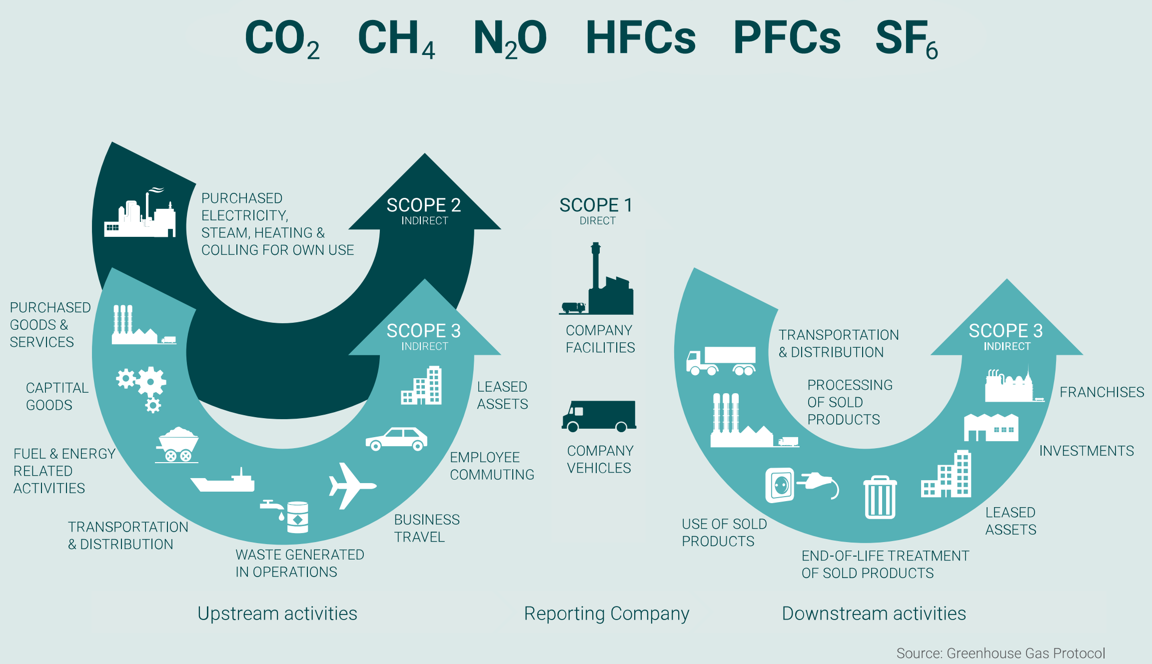
GHG emission intensity (g CO_2e/produced carton) is calculated as the sum of our total scope 1 and residual scope 2 emissions divided by the total number of cartons produced in all plants. Energy intensity (kWh/produced carton) is calculated by dividing the energy consumption in all production plants by the total number of cartons produced in all plants. For both intensity targets, we have used liter equivalent for Roll Fed volumes, as these volumes consists of a large portion of small sizes.

Emission factors

For 2023 reporting, all electricity emission factors (scope 2) were updated according to the latest 2023 International Energy Agency's (IEA) database. All site fuels (scope 1), district heating (scope 2), and business travel and transportation (scope 3) emission factors were also updated according to the latest 2023 DEFRA (UK Department for Environment, Food & Rural Affairs) emission factors. By updating all emission factors annually, we are more in line with market realities and emission factor developments. The emission factor used for the renewable electricity (market-based approach) is based on a Life Cycle Assessment study of the power plant and is 0.00219 (kg CO_2e/kWh). For other Energy Attribution Certificates (EAC), an emission factor of zero is applied.

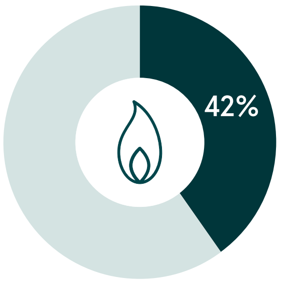
The carbon footprint of an average Elopak carton with PE (polyethylene) coating and closure is calculated by dividing the total sold volume in Europe on total calculated footprint. Historical numbers represent the actual organization per year and are not recalculated due to later acquisitions or divestments.

All data included in scope 1 and 2 emissions and the parts of scope 3 emissions that are included in our Science Based Targets, are third-party verified. One exception is that only Elopak controlled transport is audited.



Emissions are split in three scopes, 1, 2 and 3, as described in the figure above.

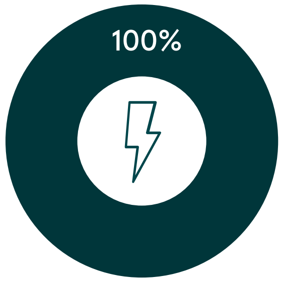
Elopak's science based targets



Scope 1

Natural gas, propane, heating, oil, waste incineration, wood

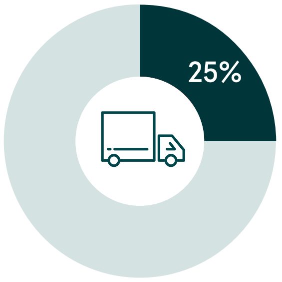
42% reduction by 2030



Scope 2

Electricity, district heating

Continue to purchase 100% renewable electricity



Scope 3

Business travel, transport, raw materials and filling machines

25% reduction across the value chain by 2030

Scope 1

Elopak's scope 1 emissions include all direct emissions in our facilities:

- Consumption of natural gas
- Consumption of propane
- Consumption of diesel
- Consumption of wood
- Consumption of pellets
- Car fleet

Elopak has committed to cut scope 1 (and residual scope 2) emissions by 42% by 2030 from a 2020 baseline. This by continuing to purchase renewable electricity for the entire consumption at all Elopak wholly owned sites. Elopak's scope 1 targets are in line with the 1.5°C pathway.

Scope 2

Elopak's scope 2 emissions include electricity and district heating, and Elopak's scope 2 targets are in line with the 1.5°C pathway.

Renewable electricity
Elopak utilizes the market-based allocation method for the scope 2 accounting. In 2023, Elopak utilized Guarantees of Origin (GOs) and International Renewable Energy Certificates (I-RECs) to cover the electricity consumption of the production and administrative facilities in Europe. For North America (Canada and the USA), Elopak utilized a similar system, Green-e certified (RECs). GOs, I-RECs and RECs are systems to trace the source of electricity produced. The purchase is based on actual electricity consumption at Elopak sites in 2023.

The European Energy Certificate System (EECS) is the official European system for RECs created to enable cooperation within the renewable energy market across borders. When the GO is used by a consumer, it is canceled in the system to prevent double counting. More renewable energy demand leads to more investment in renewable energy and less greenhouse gas emissions. Every country participating in the energy certificate system has a central organization that over-sees the national markets for GOs. In addition, the whole European system is overseen by the Association of Issuing Bodies. This ensures the credibility of the energy certificate system.

Scope 3

Elopak reports the total scope 3 emissions. Emissions in scope 3 category 1, Purchased goods and services related to materials wasted in production, have been included in Elopak's scope 3 Science Based Target. Elopak has increased the scope of the external scope 3 verification. For 2023, all scope 3 emissions included in Elopak's near-term target have been externally verified.

Below is a description of the methodology and assumptions made for the different categories.

Category 1 – Raw materials
To calculate the carbon footprint of our products, we use internal calculations, verified by a third party. We use an internal tool called DEEP (Dynamic Elopak Environmental Performance), which is a cradle-to-gate calculation that considers all emissions connected to the production of all raw materials, as well as Elopak's own operations, including final conversion and all transportation up to the delivery at Elopak's customers' gates. While all these steps are included in the DEEP tool for carbon footprinting of our products, only raw material emissions are included in scope 3 category 1 calculations since the other elements are included in other categories. The scope covers all Elopak's fully owned operations, plus GLS Elopak in India.

The methodology is in line with the ISO standards for Life Cycle Assessments (ISO 14040 and 14044). The Product Category Rules (PCR) for beverage cartons are followed where relevant for the carbon footprint calculation methodology (PCR Beverage Cartons 2011:04 Version 1.0), developed in accordance with ISO 14025:2006.

A description of our DEEP tool can be found here: https://www.elopak.com/annual-reports/documentation

Data sources

- Primary data is used for Elopak's own operations and the production of some raw materials.
- Internal production data is taken from Elopak's reporting tool, "Footprinter" (2023 data).
- Internal transport data is calculated based on reporting from Elopak's units (2023 data).
- Suppliers' primary data is used for key raw materials.
- Secondary data is sourced from LCA databases where this is relevant, such as EcoInvent, and studies for some of the raw materials, such as PlasticsEurope and the European Aluminium Association, as specified in the beverage carton PCR.

The emissions reported for 2023 related to scope 3 category 1, purchased goods and services (raw materials), have been calculated by Anthesis Consulting Group and verified by PWC.

Category 1 – Business goods and services
These emissions include upstream impacts associated with goods and services procured by Elopak during the reporting year, not included in other purchased goods calculations or other reporting categories. Emissions are estimated using Environmentally Extended Input-Output factors, based on Elopak's spend across different categories per year (Based on Elopak's spend cube). These are not included in the scope of our SBTs.

For the new plants in Morocco, Saudi Arabia and India, we have allocated their estimated share of spend based on their reported financial numbers in 2023.

Category 2 – Purchased capital items, capital goods

These are upstream impacts associated with capital items procured by Elopak during the reporting year, not included in other purchased goods calculations or other reporting categories. Emissions are estimated using Environmentally Extended Input-Output factors, based on Elopak's spend across different categories per year (Based on Elopak's spend cube). These are not included in the scope of our SBTs.

For the new plants in Morocco, Saudi Arabia and India, we have allocated their estimated share of spend based on their reported financial numbers in 2023.

Category 3 – Fuel and Energy-Related Activities
Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2. Calculated based on Elopak's annual

energy consumption using Transmission and Distribution and Well-to-Tank factors. These are not included in the scope of our SBTs.

Category 4 and 9 – Transportation and distribution
Elopak reports on emissions related to third-party transport. This reporting includes transporting all goods from suppliers' gates via Elopak to customers' gates. Whether the transportation is purchased and handled by Elopak, our suppliers, or customers, all data is gathered.

In Elopak, third-party transport is split into inbound, internal, and outbound. Inbound and internal transportation includes transportation of purchased raw materials and semi-finished products. Outbound transport includes all shipments of manufactured products to customers. We have used a ton-kilometer approach in estimating transport emissions, as it is a straightforward and consistent method. Furthermore, the input required for this approach is more readily available than the input required for the vehicle-kilometer approach. With the former, we do not need to have complete control over the loading of goods. This approach will most likely overestimate transport emissions and thus is a valid conservative approach.

For the new plants in Morocco, Saudi Arabia and India, we have used the same calculation methodology as for the other plants. The estimated tons transported is based on reported volume data and other logistic information available. The distances are calculated based on reported supplier and customer info. In cases where all information is not available, we have used a conservative estimate.

The emissions reported for 2023 related to scope 3 category 4, upstream and downstream transportation, and distribution (under Elopak's operational control), have been third-party verified by PWC. Emissions reported in category 9 (upstream and downstream transportation and distribution not under Elopak's operational control) has not been third-party verified.

Emissions related to WTW (Well to wheel) and WTT (Well to tank) have been calculated and are included in the scope of the SBT but was not included in the data published. These emissions are now included in both our reported numbers for 2023 and 2022, and our restated numbers for 2021 and 2020.

Category 5 – Waste generated in operations
This category includes downstream processing of waste coming from Elopak's factories and offices. The total tonnage of waste is multiplied by emissions factors for the processing of each waste type. These are not included in the scope of our SBTs.

Category 6 – Business travel
Elopak reports on emissions from business travel, both from flights and cars, by gathering data from all Elopak units through different portals. Due to the implementation of a new business travel management system, Elopak has improved the emission reporting from business travel flights in the past years.

One Elopak unit is still reporting business travel manually in the internal reporting system, Footprinter. All data from the new system and Footprinter is compiled and calculated to get information on the total emissions related to business travel in Elopak. The emissions reported for 2023 related to scope 3 category 6, business travel flights, have been third-party verified by PWC.

Category 7 – Employee commuting
Includes emissions from Elopak employees traveling to and from work. We also calculate the (optional) emissions associated with Elopak employees working at home. For employee commuting, we use estimated travel distances and modes from the UK National Transport Survey and emissions factors per transport type to estimate the impact per commuter-day. For calculating homeworking emissions, Anthesis' methodology is used to estimate the incremental emissions associated with each person-day of working from home (link to report).

In 2023 and 2022 it is assumed that the employees are working less from home compared to 2020 and 2021, but still more frequently than the years before the pandemic.

These emissions are not included in the scope of our SBTs.

Category 8 – Upstream leased assets
This is found in Elopak's spend cube. For 2021, 2022 and 2023, there were no upstream leased assets for Elopak.

Category 10 – Processing of sold products.
Not applicable for Elopak.

Category 11 and 13 – Filling machines in operation
Elopak produces and purchases filling machines and sells and leases these machines to customers. The use of sold and leased filling machines at customer sites is a part of Elopak's scope 3 emissions and is included in the near-term target. Leased machines are considered in Elopak's ownership, and hence consumption and emissions are calculated for one year. For machines sold, the emissions are calculated for the estimated lifetime of the machine, which in this approach is set to 20 years.

To calculate the emissions related to filling machines, Elopak maps all filling machines sold and leased using an internal CRM tool. Emissions are calculated per machine, considering consumption during operation and cleaning and applying relevant emission factors. Estimated operation time for all the filling machines was assumed. Assumptions and calculations are made in Elopak's Total Cost of Ownership (TCO) tool. IEA per-country electricity consumption factors are applied according to the customer's country. Factors for chemicals and transport are taken from Ecoinvent 3.4. Another key presumption is that current-year electricity factors are applied to the lifetime electricity consumption. i.e., no provision is made to estimate a future reduction in grid electricity emissions.

The emissions reported for 2023 related to scope 3 category 11 and 13, use of sold products and downstream leased assets (filling machines), have been calculated by Anthesis Consulting Group and verified by PWC.

Category 12 – End of life treatment of sold products.
Emissions associated with the processing of Elopak products at the end of life. Total sales for the reporting year are used, along with carton recycling statistics, to estimate the total tons of different materials (board, caps) going through different treatments every year. These totals are combined with emissions factors for the downstream processing of different materials. These emissions are not included in the scope of our SBTs. For countries where we do not have access to recycling statistics, we are assuming 50/50 share of incineration/landfill.

Category 14 – Franchises
Not applicable for Elopak

Category 15 – Investments
Scope 1 and 2 impacts of Joint Ventures where Elopak does not have operational control, calculated using the operational energy consumption of joint ventures reported in Footprinter. These emissions are not included in the scope of our SBTs.

Science Based Targets
Elopak has committed to cut scope 3 emissions by 25% by 2030 from a 2020 baseline. The scope 3 targets are in line with the "Well below 2°C" pathway as defined by SBTi. When setting internal emission targets for scope 3 in line with the SBTi guidance, we have calculated and evaluated the emissions related to each of the scope 3 categories. The criteria in the SBTi guidance for selecting categories in scope 3 to be included in the target are that the chosen categories must cover at least two-thirds of the total scope 3 emissions and that there must be an appropriate level of ambition.

Elopak's criteria to evaluate the significance of the scope 3 categories:

- They are significant in terms of contribution to emissions. No specific threshold was established, but this was considered in conjunction with the other criteria below.
- They are Integral to the function of the business.
- The data quality allowed for developing meaningful reduction initiatives.
- The potential was identified for developing a target to galvanize internal engagement in decarbonization (Ex: Category 6: Business Travel).

These criteria are regularly revised.

Categories 3, 7, 8, 10, and 14 are excluded from the scope 3 near term target, as these categories contribute to less than 0.5% of the total scope 3 emissions, hence not fulfilling criteria 1 above.

The emissions in scope 3 category 1, purchased goods and services, included in Elopak's SBT, are related to the raw materials used to produce cartons, closures, and coated boards sold to external customers. Production waste is also included. The remaining emissions in category 1 that are excluded from the near-term target are related to business goods and services. These emissions account for 9% of the total scope 3 emissions and are excluded based on evaluations of criteria 2 and 3 above. Emissions in category 2, purchased capital items, account for 1% of the total scope 3 emissions. These emissions are excluded from the near-term target based on evaluations of criteria 2 and 3 above. Emissions in category 12, End-of-life treatment of sold products, account for 15% of the total scope 3 emissions. This category accounts for a significant part of the total scope 3 emissions but based on evaluation of criteria 3 above and the 67% threshold set by the SBTi guidance, it is decided to exclude this category from the near-term target. Emissions in category 15, investments, are related to Elopak's joint ventures and account for 0.6% of the total scope 3 emissions. This category is excluded from the scope 3 near term target based on evaluation of criteria 1 above.

Some categories in scope 3 account for less than 0.5% of the total scope 3 emissions but are still included in the scope 3 near-term target. An example is category 6 business travel. This category is included based on the evaluation of criteria 4 above.

Bio-circularity

For calculations of % renewability, we consider the paperboard to be 100% renewable, although it may contain other minor non-renewable components. We base this assumption on ISO 14021 (allowing the minimum amounts). Further, we consider renewable PE sourced through a mass balance system to be 100% renewable. The calculations are based on Elopak's DEEP (Dynamic Elopak Environmental Performance) tool, further described below.

EU Taxonomy

Elopak's Taxonomy Assessment Methodology

Elopak has performed the taxonomy assessment using Celsia Taxonomy software solution. The methodology of taxonomy assessment has included the following steps:

Defining scope of assessment: Product – cartons for liquid food

Defining eligibility and relevant activities: A taxonomy-eligible activity means an economic activity that is included in the taxonomy regulation. The taxonomy regulation has not yet adopted explicit criteria for the minimum social safeguards beyond the references to the Organization for Economic Cooperation and Development (OECD) guidelines and UN Guiding Principles. Still, our understanding is that defined requirements on minimum social safeguards need to be placed on our company and the activities in question to assess activity-alignment. Elopak has therefore based compliance with minimum social safeguards on an assessment of several requirements derived from the process of due diligence on responsible business conduct as described in OECD's Guidelines for Multinational Companies and the UN Guiding Principles for Business and Human Rights. Please see below for the actual criteria. Minimum social safeguards criteria from the EU Taxonomy:

> **Does your company have a policy commitment on social responsibility including human rights, labor rights and anti-corruption – either as a stand-alone policy or integrated into other policies?**

Elopak has a code of conduct and a human rights policy available on our website.
In addition, we have internal policies on anti-corruption, anti-money laundering and sanctions and trade compliance, available for all employees.

> **Does your policy or code of conduct contain social responsibility requirements and/ or expectations towards suppliers and other key business partners?**

Elopak has a global supplier code of conduct and an internal business partner procedure. Incorporated in the business partner integrity due diligence process are requirements for how we assess country risk, including evaluation of sanctions and trade compliance, corruption, rule of law, and human rights.

Does your company have written procedures ensuring that you have an iterative process in line with OECD's due diligence process including mapping of risks for adverse negative impact on people, implementation of ceasing or preventive measures, tracking and reporting?

This process is described in our human rights policy.

Have you identified and assessed the salient risks, potential or factual, related to your taxonomy activity/ activities, covering your value chain? Also include an explanation of why these are your prioritized risks.

Our climate risk impacts are described in this report.

Can you provide information and documentation on the overall measures you have implemented to reduce, cease, or prevent the risks identified?

This is described in the climate risk impacts in this report and in the business risks chapter.

Do you have a whistleblower mechanism or similar in place, that is known and accessible for internal and external stakeholders?

Elopak has externally available information about our third-party hosted whistleblower helpline. It is also described in our code of conduct policy. Internally we have a speak-up policy and a whistleblower and internal investigation procedure available for all employees.

Do you track whether your policies and identified risks are properly managed through optimal implementation in your day-to-day business?

Elopak is in the process of establishing a management system ensuring all business processes are clear and easy to understand for all employees. On an annual basis we do a compliance risk assessment for the Elopak Group.

Does your company report on how it addresses adverse impact on human rights, labor rights and anticorruption – where such risks exist – and the results of its actions taken?

Elopak's human rights risk assessment is described in this report.

Is the board and top management kept informed about risks, and progress and results reached in the management of these?

The BoD receive regular updates on relevant areas related to sustainability, such as human rights and climate risk assessments. This is also part of strategy processes and the annual business plan process.

Are the above-mentioned steps of policy commitment, risk assessment, implementation, tracking, and reporting performed on a regular and iterative basis to cover changes in risk exposure that can trigger more in depth assessment and enhanced mitigation?

Elopak is in the process of implementing a management system ensuring all business processes are clear and easy to understand for all employees. This system will also ensure key processes (such as risk assessments) are regularly updated. Governing documents are available in an internal document management system with defined responsibilities and frequencies for updates.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

	2023			Substantial Contribution Criteria					Does Not Significantly Harm Criteria									
	Code	Turnover in € million[1]	Proportion of Turnover	Climate change mitigation	Climate change adaption	Water	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Circular economy	Biodiversity	Minimun safeguards	Proportion aligned/ eligible 2023	Proportion aligned/ eligible 2022	Category enabeling activity	Category transitional activity
Economic Activities (1)		€ million	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
N/A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
N/A	–	–	–	–	–	–	–	–							–	–		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	–	–	–	–	–	–	–	–							–	–		
A. Turnover of Taxonomy eligible activities (A.1+A.2)	–	–	–	–	–	–	–	–							–	–		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Turnover of Taxonomy non-eligible activies	–	1 132.04	100%															
Total	–	1 132.04	100%															

[1] As stated in Elopak Group financial statement note 3

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

	2023			Substantial Contribution Criteria					Does Not Significantly Harm Criteria									
	Code	Turnover in € million[1]	Proportion of Turnover	Climate change mitigation	Climate change adaption	Water	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Circular economy	Biodiversity	Minimun safeguards	Proportion aligned/ eligible 2023	Proportion aligned/ eligible 2022	Category enabeling activity	Category transitional activity
Economic Activities (1)		€ million	%	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
N/A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
				EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)										
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
N/A	–	–	–	–	–	–	–	–							–	–		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	–	–	–	–	–	–	–	–							–	–		
A. CapEx of Taxonomy eligible activities (A.1+A.2)	–	–	–	–	–	–	–	–							–	–		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
CapEx of Taxonomy-noneligible activities	–	34.84	100%															

[2] As stated in Elopak Group financial statement note 13

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

	2023			Substantial Contribution Criteria					Does Not Significantly Harm Criteria									
	Code	Turnover in € million[1]	Proportion of Turnover	Climate change mitigation	Climate change adaption	Water	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Circular economy	Biodiversity	Minimun safeguards	Proportion aligned/ eligible 2023	Proportion aligned/ eligible 2022	Category enabeling activity	Category transitional activity
Economic Activities (1)		€ million	%	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
N/A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
				EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)										
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
N/A	–	–	–	–	–	–	–	–							–	–		
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		–	–	–	–	–	–	–							–	–		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		–	–	–	–	–	–	–							–	–		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
OpEx of Taxonomy-noneligible activities	–	28,39	100%															

[3] Consists of direct non-capitalized costs related to maintenance of production equipment, maintenance on buildings, expenses related to short-term leasing and research and development cost

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