

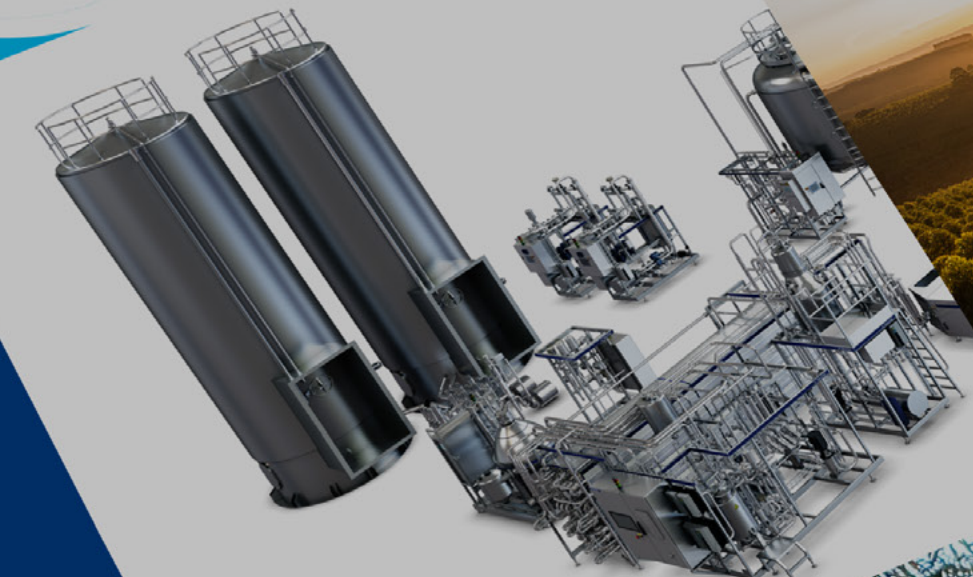


↓
39%
GHG reduction
in our operations
Scopes 1, 2 and business travel

66
million
children

in 44 countries
participated in **school
feeding programmes**

1.2
million
tonnes
of carton packages
collected and sent
for recycling



Committed to our future

Sustainability report FY22

Message from the CEO

As part of our continued commitment to the future and in line with our strategic ambition to lead the sustainability transformation, we have taken a holistic approach across five interconnected areas where we can contribute the most: food systems, circularity, climate, nature, and social sustainability.

The year 2022 was marked by considerable uncertainty and macro-economic challenges. The after-effects of COVID-19 remained, coupled with supply chain issues and rising input costs. Russia's invasion of Ukraine had both direct and indirect consequences. Weather events such as record heat waves, droughts and floods also had a far-reaching impact in several countries. All these factors have affected the global community in different ways, especially with an inflationary environment that is driving food prices and the cost of living up, resulting in food insecurity in many parts of the world.

Against this backdrop, the role of the food industry has become even more important

- to feed a growing population sustainably. Being a leading food processing and packaging solutions company, we see ourselves at the forefront, strongly committed to support our customers in keeping food supply chains running, supporting the well-being and welfare of our employees and the communities we operate in, while mitigating our environmental impact.

The current operating environment has emphasised the need for innovative and integrated solutions that can meet the scale and speed of change required to strengthen food security, decarbonise food systems and fight climate change, in a way that leaves no one behind. Therefore, as

part of our continued commitment to the future and in line with our strategic ambition to lead the sustainability transformation within our industry, we have taken a holistic approach across five interconnected and interdependent areas where we can contribute the most: food systems, circularity, climate, nature, and social sustainability.

Towards that end, we have been accelerating our efforts to help build resilient and sustainable food value chains that improve livelihoods, reduce environmental impact, and, ultimately, help provide healthy diets to the global community. For decades, our technology and solutions have contributed to making



Adolfo Orive,
President & CEO,
Tetra Pak

food accessible even in remote areas with insufficient cold chains, protecting the quality and safety of perishable foods, while extending their shelf life¹.

In parallel, we have been investing heavily to significantly enhance the sustainability profile of our packaging and processing solutions. For instance, we plan to invest €100 million annually over the next five to ten years in the research and development of packages that are made with a simplified material structure, to strengthen recyclability and increase renewable content, without compromising on food safety².

Additionally, we intend to invest up to €40 million annually to increase the collection and recycling of carton packages³ and support the ambition of upcoming regulations to enable a step change in the industry's transformation.

Decarbonising⁴ food systems is another critical priority, for which we have taken a complete value chain perspective – from working upstream with our suppliers on raw materials, decreasing greenhouse gas (GHG) emissions in our own operations, to working with customers downstream on the impact of their operations, sold equipment and end-of-life.

Last year, we crossed a new milestone in our journey to develop the world's most sustainable food package⁵, by testing a new fibre-based barrier with the aim to replace the aluminium foil layer – a first within food carton packages distributed under ambient conditions. We made significant progress in our net-zero journey and achieved 39% reduction in GHG in our own operations⁶ while our efforts to support collection and recycling helped send 1.2 million tonnes⁷ of carton packages for recycling globally.

Furthermore, to manage and mitigate our impact on nature, we have been collaborating with our suppliers⁸ and customers to champion responsible sourcing practices, contribute to global water resilience⁹ as well as conserve and restore ecosystems¹⁰.

We remain committed to respecting human rights across our operations and the value chain, in line with the [UN Guiding Principles on Business and Human Rights](#).

Maintaining focus on promoting diversity, equity and inclusion (DE&I) within our organisation, we continued to progress in several areas – improving women representation in senior positions and in leadership programmes; driving awareness and actions around fostering inclusiveness; initiating and accelerating various programmes to expand our DE&I agenda, going beyond gender and towards securing equal opportunities for all.

In the last year, we responded swiftly through contributions in cash and kind, to situations requiring urgent humanitarian relief efforts, for instance during the war in Ukraine and the natural disasters in Pakistan, Syria and Türkiye.

We are proud of our team and the stakeholders we work with, whose hard work, drive and passion have ensured supply chain continuity amidst increasing challenges, serving as an inspiration to us all. With a strong commitment to the future, we will continue to drive ourselves and others to work ever more closely and find sustainable solutions to the challenges we face as a society. After all, this is core to our purpose: “We commit to making food safe and available, everywhere. And we promise to protect what's good: food, people, and the planet.”

¹ <https://www.tetrapak.com/campaigns/go-nature-go-carton/overview/foodsystems>

² <https://www.tetrapak.com/campaigns/go-nature-go-carton/sustainable-solutions/packaging>

³ <https://www.tetrapak.com/campaigns/go-nature-go-carton/overview/circularity>

⁴ Our decarbonisation efforts focus on avoiding and mitigating GHG emissions correlated to our products and company, and carbon compensation to balance unavoidable residual emissions through nature-based solutions and other initiatives. Scope 1 and 2 GHG emissions combined were reduced by 27% compared to our 2019 baseline. Tetra Pak operations = Scopes 1, 2 and business travel, our value chain = Scopes 1, 2 and 3.

⁵ This means creating cartons that are fully made of renewable or re-cycled materials, that are responsibly sourced, thereby helping to protect and restore our planet's climate, resources and biodiversity; contributing towards carbon-neutral production and distribution; are convenient and safe, therefore helping to enable a resilient food system; and are fully recyclable.

⁶ <https://www.tetrapak.com/sustainability/measuring-and-reporting/sustainability-performance-data>

⁷ For the reported carton packages collected for recycling we use, where available, official publicly available data from renowned sources such as governmental agency, registered recovery organization, nationwide industry association, NGO etc. reported on a regular basis using a consistent approach.

⁸ <https://www.tetrapak.com/campaigns/go-nature-go-carton/actions/decarbonisation>

⁹ <https://www.tetrapak.com/about-tetra-pak/stories/sustainable-water-management>

¹⁰ <https://www.tetrapak.com/campaigns/go-nature-go-carton/overview/biodiversity>

Executive summary

We continuously monitor our environmental and social sustainability progress and review our targets and actions to make sure they meet our ambitions and are in line with best practices and the latest science. Each chapter in this Report describes the work we are doing to address the challenges across the five focus areas of food systems, nature, climate, circularity, and social sustainability, including our ambitions, progress and next steps.



Highlights

66 

MILLION CHILDREN

in 44 countries participated in school feeding programmes

43,939

FARMERS

(96.2% smallholders) delivered milk to dairies in 22 Dairy Hub projects

NEW PROCESSING METHOD

for soya drinks

TECHNOLOGY TO TRANSFORM

brewer's spent grain into a plant-based beverage

Ambition

Contribute to secure, resilient, and sustainable food systems¹ that provide access to safe, affordable, and nutritious food, and minimise food loss and food waste across our value chain

Actions & Targets

Advocate for secure, resilient, and sustainable food system solutions and form or join alliances supporting systems-level change

Continue to deliver high performance food processing technology and packaging solutions that play a role in giving more people access to safe and nutritious food, and in reducing food loss and waste

Reduce food waste of our best practice processing lines by 50% by 2030 compared to 2019

What's next

- In 2023, establish four food system transformation pathways and targets.
- Continue developing innovative food processing technologies to support food and beverage manufacturers in creating nutritious foods, including sustainable ingredients, plant-based, and alternative protein substitutes.
- Expand participation in existing School Feeding Programmes and support the implementation of new programmes in markets where vulnerable children need access to nutritious foods.
- Enhance the impact of the Dairy Hub model by continuing to build sustainable programmes thereby further cascading knowledge and technical training to dairy farmers.
- Continue to enhance transparency, accountability, and quality control across the entire food processing and packaging value chain.

¹ Crippa, M. et al. Food systems are responsible for a third of global anthropogenic GHG emissions. (2021). Source: <https://www.nature.com/articles/s43016-021-00225-9>



Circularity 2022

Highlights

~€30

MILLION INVESTED IN collection and recycling of carton packages

1.2M¹

MILLION TONNES

of carton packages collected and sent for recycling

2022

Testing of a fibre-based barrier to substitute the aluminium foil layer in aseptic cartons

Ambition

Drive circular solutions² by designing recyclable food and beverage packaging, using recycled and renewable materials, and expanding collection and recycling to keep materials in use and out of landfills

Actions & Targets

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

Design packaging that is attractive to paper recyclers by increasing paper content and by offering effective recycling solutions for the non-fibre component

Further drive the collection and recycling of carton packages worldwide by investing up to €40 million annually in the next few years

What's next

- Follow the Ellen MacArthur Foundation's (EMF) principles of circular economy, ensuring that we drive circular economy systematically throughout businesses, set circularity targets and measure progress.
- Invest up to €100 million per year over the next five to ten years to further reduce the environmental impact of paper-based carton packages, including the

research and development of packages that are made with a simplified material structure and increased renewable content.

- Take a leading role in industry collaborations to create a material agnostic, standard definition and assessment of what constitutes a recyclable package to enable homogeneity in design for recycling guidelines across geographies

- Contribute to achieving a 70% recycling rate carton package target in the European Union by 2030, fulfil national recyclability criteria in all countries we sell packaging, and fulfil EMF's Global Commitment
- Continue deployment of attributed recycled polymers to achieve a minimum of 10% recycled plastics in packages sold in Europe by 2025



Climate 2022

Highlights

39% ↓

GHG emissions reduction in our operations

84%

renewable energy consumption in our operations

131

KILO TONNES OF CO₂ SAVED

by buying more plant-based plastic compared to the level of CO₂ which would have been emitted if using fossil-based plastic⁶

Ambition

Take action on mitigating climate change by decarbonising³ our operations, products, and our value chain

Actions & Targets

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

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

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

By 2050, work together with our suppliers, customers and other stakeholders to achieve net-zero GHG emissions across our value chain (scopes 1, 2 and 3)¹² compared to our 2019 baseline

What's next

- Drive our base materials⁴ suppliers to get certified against the new SBTi Corporate Net-Zero Standard⁵
- Continue the deployment of the eBeam technology and expanding its usage into future generations of filling machines to further reduce energy consumption as well as product and packaging waste.
- Run an environmental risk and impact analysis on our Services Supply Network sites starting with the Development Center in Lund, Sweden

¹ For the reported carton packages collected for recycling we use, where available, official publicly available data from renowned sources such as governmental agency, registered recovery organization, nationwide industry association, NGO etc. reported on a regular basis using a consistent approach.
² In line with the circular economy definition of Ellen MacArthur Foundation. "The circular economy is a systems solution framework that tackles global challenges like climate change, biodiversity loss, waste, and pollution". Source: <https://ellenmacarthurfoundation.org/topics/circular-economy-introduction/overview>
³ Our decarbonisation efforts focus on avoiding and mitigating GHG emissions correlated to our products and company, and carbon compensation to balance unavoidable residual emissions through nature-based solutions and other initiatives.

⁴ Base materials are the materials we use to produce the packaging we sell to food and beverage producers, including paperboard, polymers, aluminium foil and inks.
⁵ World's first framework for corporate net-zero target setting in line with climate science and consistent with limiting global temperature rise to 1.5°C.
⁶ Based on climate accounting internal calculations (volume x emission factor) considering 72.7 kilo tonnes of plant-based plastic purchased in 2022. To calculate the avoided emissions number, we use a third-party emission factor for the plant-based polymers from public available lifecycle assessment by Braskem. Source: https://www.braskem.com.br/portal/imgreen/arquivos/LCA%20PE%201m%20green%20bio-based_FINAL%20EN.pdf

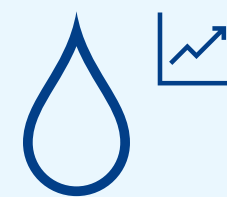


Nature 2022

Highlights

RENEWABLE POLYMERS

First Procedure for Responsible Sourcing of Renewable Polymers published



Water value-chain analysis completed to better understand our water footprint and water-related risks

87

HECTARES OF LAND,

the equivalent of 136 football fields, restored through the Araucaria Conservation Programme in the Brazilian Atlantic Forest

Ambition

Act for nature through responsible sourcing practices and strategic partnerships to conserve and restore biodiversity, mitigate and adapt to climate change, and contribute to global water resilience¹

Actions & Targets

Manage the impact of our value chain on nature through the implementation of a nature strategy

Maintain our CDP Forests and Climate Change A-List leadership ranking

Reduce the water consumption of the best practice processing lines by 50% by 2030 compared to 2019 supported by setting 9 water reduction targets for Tetra Pak facilities

What's next

- In 2023, disclose the results of our nature impact assessment and strategy, continue implementation of the strategy and start monitoring our progress against its targets.
- Revise our timber legality due diligence system to comply with the EU regulation on deforestation-free supply chains.
- In 2023, make our first CDP Water disclosure and set a target for reducing water use in our own operations by 2030
- Contribute to the sustainability of local water resources, as a private sector member of the Alliance for Water Stewardship
- Continue to progress with The Araucaria Conservation Programme in Brazil



Social sustainability 2022

Highlights



Initiated a process to assess and prioritise risks to people across our value chain in line with the UN Guiding Principles on Business and Human Rights



Increased women in senior management from 18% in 2021 to 22% in 2022, while share of women of all employees is 23%

HUMANITARIAN ASSISTANCE

Provided assistance and donations to support people and communities affected by humanitarian crises in Ukraine, Pakistan, Türkiye and Syria

Ambition

To respect human rights across our operations and value chain, creating positive social impact²

Actions & Targets

Create action plans to address salient human rights risks across our value chain, along with targets and KPIs

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

Continue to invest in training on inclusive leadership for managers and mentoring programmes driving gender equity and inclusiveness by 2030 compared to 2019

Sustain investment in Future Talent Programmes and enable world-class training and development for all our employees

What's next

- Develop action plans to prevent and mitigate priority human rights issues across our supply chain, own operations and collection and recycling
- In 2023, join World Business Council for Sustainable Development's Tackling Inequality project to further inform and advance our work on social sustainability

Our Workforce

- Expand support of mental wellbeing through the Mental Wellbeing Programme
- Expand focus on DEI work, beyond gender, by identifying and removing barriers to equal opportunities
- Continue efforts to increase the number of women in senior and factory positions

Supply chain workers

- Update our Supplier Code of Conduct to strengthen requirements in line with our overall sustainability strategy.
- Enhance our risk assessment processes, integrating human rights considerations into our annual supplier surveys and our due diligence on specific supplier categories
- Engage with informal waste collectors to inform market specific action plans in pilot countries

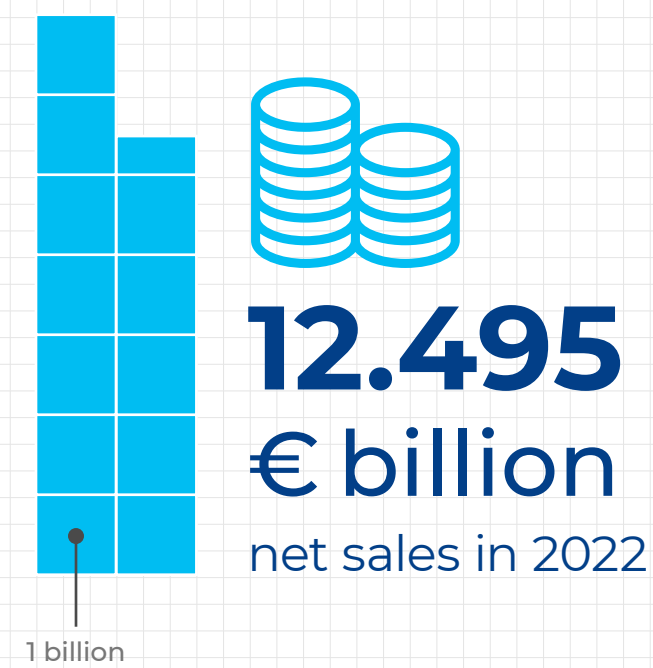
¹ "The private sector can play a critical role in building system resilience, as businesses can drive resilience at the local level (on-site resilience), through their supply chains (supply chain resilience) and beyond their operation (system resilience)". Water Resilience Assessment Framework Corporate Guidance https://www.globalcompact.de/fileadmin/user_upload/Water_Resilience_Assessment_Framework.pdf

² By positive impact we mean driving better outcomes for our workforce, workers and communities in our supply chain, workers in collection and recycling and people in our value chain affected by climate change and the transition to net-zero in the areas of labour, discrimination, hazardous working conditions and sustainable income, among others

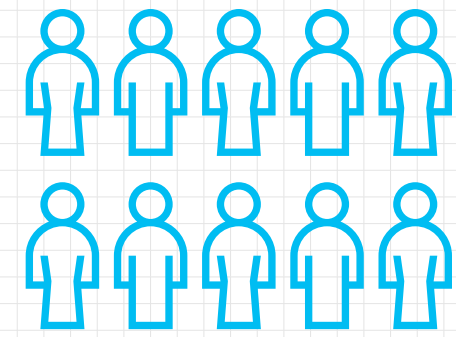
About us

Our company in numbers

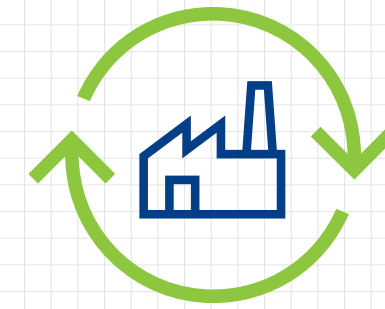
Figures as of January 1st 2023



Countries in which Tetra Pak had sales in 2022



23,733
employees



Collaborating with **~ 200**
recycling facilities



87
Sales offices

6
Customer innovation centres

8
Technical training centres

6
Research & Development Centres

52
Production plants

27
Market companies

193
billion

Tetra Pak® packages sold in 2022



1.2 million tonnes of carton packages collected and sent for recycling

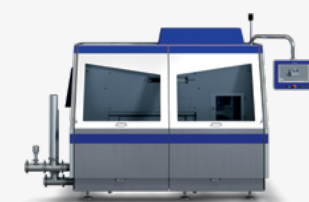
Tetra Pak is a world leading food processing and packaging solutions company. Working closely with food and beverage manufacturers and our suppliers, we provide safe, innovative, and resource efficient products and solutions that each day meet the needs of hundreds of millions of people in more than 160 countries. We are part of the Tetra Laval Group, which also includes Sidel and De Laval, all focused on technologies for the efficient production, packaging, and distribution of food.

[READ MORE](#)

DELIVERED IN 2022



206
Filling machines



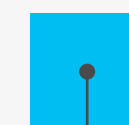
2,665
Processing units



671
Downstream equipment

IN OPERATION

103,322
Processing units in operation



22,757
Downstream equipment



8,959
Packaging machines

Our approach to sustainability

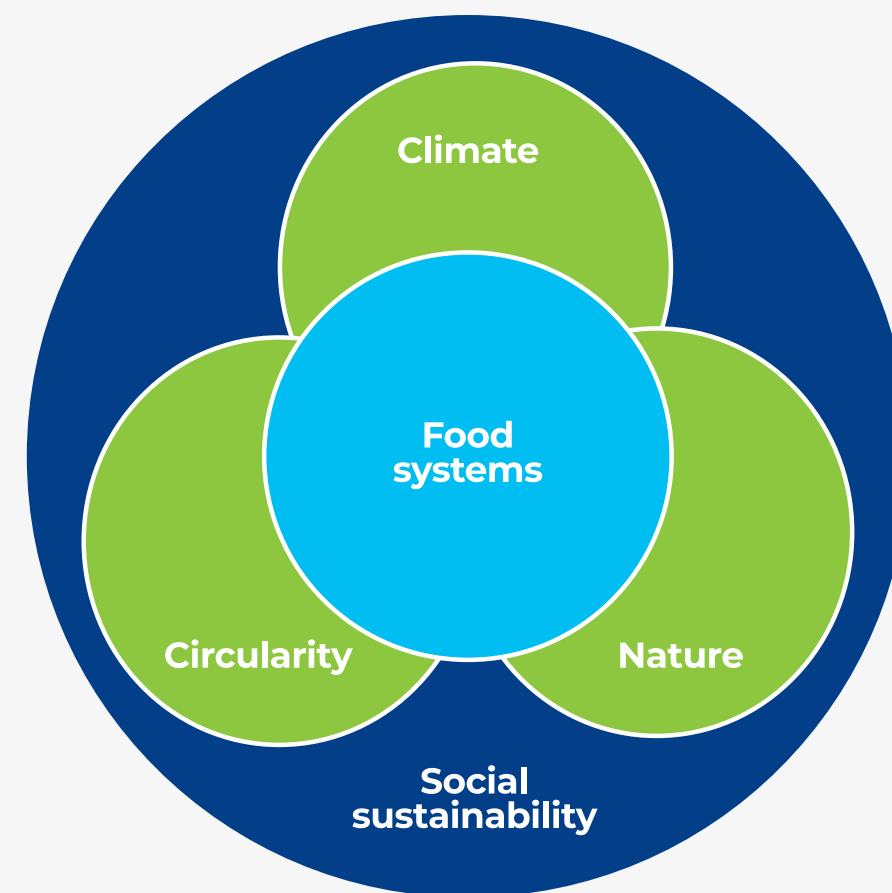
Our approach to sustainability is embodied by our purpose “we commit to making food safe and available, everywhere and we promise to protect what’s good - protecting food, people and the planet”.

Our purpose guides our business decisions, unifies our people, and continues to be the driving force behind our innovations. It is central to our Strategy 2030 and its four pillars of quality, sustainability, integration and optimisation, and innovation.

Our approach to sustainability takes into consideration the expectations of our stakeholders, and the environmental, social and governance (ESG) topics that are most material to our industry. At the heart of our sustainability approach, we consider the interconnections

and interdependencies of five focus areas, which are aligned with our purpose and where Tetra Pak can contribute the most: food systems, nature, climate, circularity, and social sustainability.

Food.
People.
Planet.



Food systems lie at the heart of our sustainability agenda. With a population of 8 billion that is steadily growing, the world needs more food and therefore secure¹, resilient² and sustainable³ food systems⁴. Currently, our food systems are facing a “triple challenge”⁵ to ensure food security and nutrition, support the livelihoods of millions of farmers and others, and expand food production without exerting more pressure on natural resources. Global food systems today account for over 30% of

global greenhouse gas (GHG) emissions⁶ contributing to climate change. With the world working towards limiting global warming to 1.5°C, there is a need to decarbonise food systems – and find ways to produce, process, package and distribute more food sustainably, in order to address the climate crisis. This should be done without increasing the amount of waste generated – today, 1/3 of the food

produced is lost or wasted globally⁷ – and the global economy has consumed 70% more new materials than the Earth can safely replenish since 2015⁸. We must move away from the linear “take-make-waste” consumption model toward a circular economy. However, reducing waste is not enough. There is a need to help protect and restore ecosystems – not only to ensure biodiversity but also to mitigate climate change.

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

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

³ Sustainable food systems mean growing, producing, processing, packaging, distributing and consuming food without negatively impacting the planet. Source: <https://www.oecd-ilibrary.org/sites/c6fd4d2f-en/index.html?itemId=/content/component/c6fd4d2f-en>

⁴ All the elements and activities related to producing and consuming food, as well as their effects, including economic, health, and environmental outcomes.

⁵ Source: <https://www.oecd.org/food-systems/understanding/triple-challenge/>

⁶ Crippa, M. et al. Food systems are responsible for a third of global anthropogenic GHG emissions. (2021). Source: <https://www.nature.com/articles/s43016-021-00225-9>

⁷ The World Food Programme: 5 facts about food waste and hunger. (2020). Source: <https://www.wfp.org/stories/5-facts-about-food-waste-and-hunger>

⁸ Circularity Gap Report: FIVE YEARS of the Circularity Gap Report (2022). Source: <https://www.circularity-gap.world/2022>

Humanity has caused the loss of 83% of all wild mammals and 50% of all plants¹, largely driven by how global food systems² are operating. The conversion of natural ecosystems for crop production or pasture account for 90% of tropical deforestation³ and 70% of water use globally⁴.

Underpinning all of this is social sustainability as people's income, livelihoods, and wellbeing are impacted by global value chains. While businesses can worsen people's vulnerability, respecting human rights can increase their resilience. However, the increasing incidence of forced labour, extreme poverty, and unsafe working conditions threaten the rights of workers and communities⁵.

We believe that addressing the interconnected nature of these areas requires strong, proactive system-wide collaboration among industry stakeholders. We are ready to play a leading role in this transformation within the food and beverage industry, taking a holistic approach to sustainability. Tetra Pak's dedicated sustainability leadership team, advisory panel, and professionals work to ensure we can deliver on the ambitious aims of our strategy. Clear routes of reporting and accountability



Working throughout the whole value chain is important – from food production to the end-consumer. For instance, by reducing carbon emissions at every stage of the food supply chain or bringing innovations to the market to reduce food loss and waste. Tetra Pak is a good example with its collaboration with multiple partners like the United Nations Food and Agriculture Organisation's Committee on World Food Security.

Johan Rockström,
Joint director of the Potsdam Institute for Climate Impact Research (PIK), Professor in Earth System Science at the University of Potsdam and Professor in Water Systems and Global Sustainability, at Stockholm University

provide the necessary guidance and oversight from the team delivering outcomes to those at the executive level.

Our sustainability priorities

Tetra Pak remains committed to monitoring, managing, and reporting on our five focus areas. As part of this commitment to openness and transparency, we regularly conduct a formal, independent materiality assessment to ensure we are addressing those topics of greatest relevance, for our customers, business, society, and the environment. In 2021 we engaged AccountAbility, an independent Environmental, Social, and Governance (ESG) Advisory firm, to support us in updating our materiality assessment to identify the most important sustainability topics for us to focus on. See these topics to the right.

[READ MORE](#)

Our focus areas	Our material topics
Food systems	<ul style="list-style-type: none"> Food safety & quality Food access, availability & resilience Food loss & waste
Circularity	<ul style="list-style-type: none"> Circularity & recycling
Climate	<ul style="list-style-type: none"> Climate & decarbonisation
Nature	<ul style="list-style-type: none"> Water management Responsible sourcing of raw materials Biodiversity & nature
Social sustainability	<ul style="list-style-type: none"> Talent attraction, development & engagement Human rights Diversity & inclusion Employee health, safety & wellbeing Business ethics Responsible marketing & communication

¹ Source: https://www3.weforum.org/docs/WEF_Nature_Economy_Report_2020.pdf
² Benton, T.C., et al. (2021). Food system impacts on biodiversity loss: Three levers for food system transformation in support of nature. Chatham House. Source: https://www.chathamhouse.org/sites/default/files/2021-02/2021-02-03-food-system-biodiversity-loss-benton-et-al_0.pdf
³ Pendrill, Florence, et al. "Disentangling the numbers behind agriculture-driven tropical deforestation." Science 377.6611 (2022): eabm9267.
⁴ The State of the World's Land and Water Resources for Food and Agriculture – Systems at Breaking Point. Synthesis Report 2021. Rome (2021), 10.4060/cb7654en
⁵ International Labour Organisation: 50 million people worldwide in modern slavery. (2022). Source: https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_855019/lang-en/index.htm