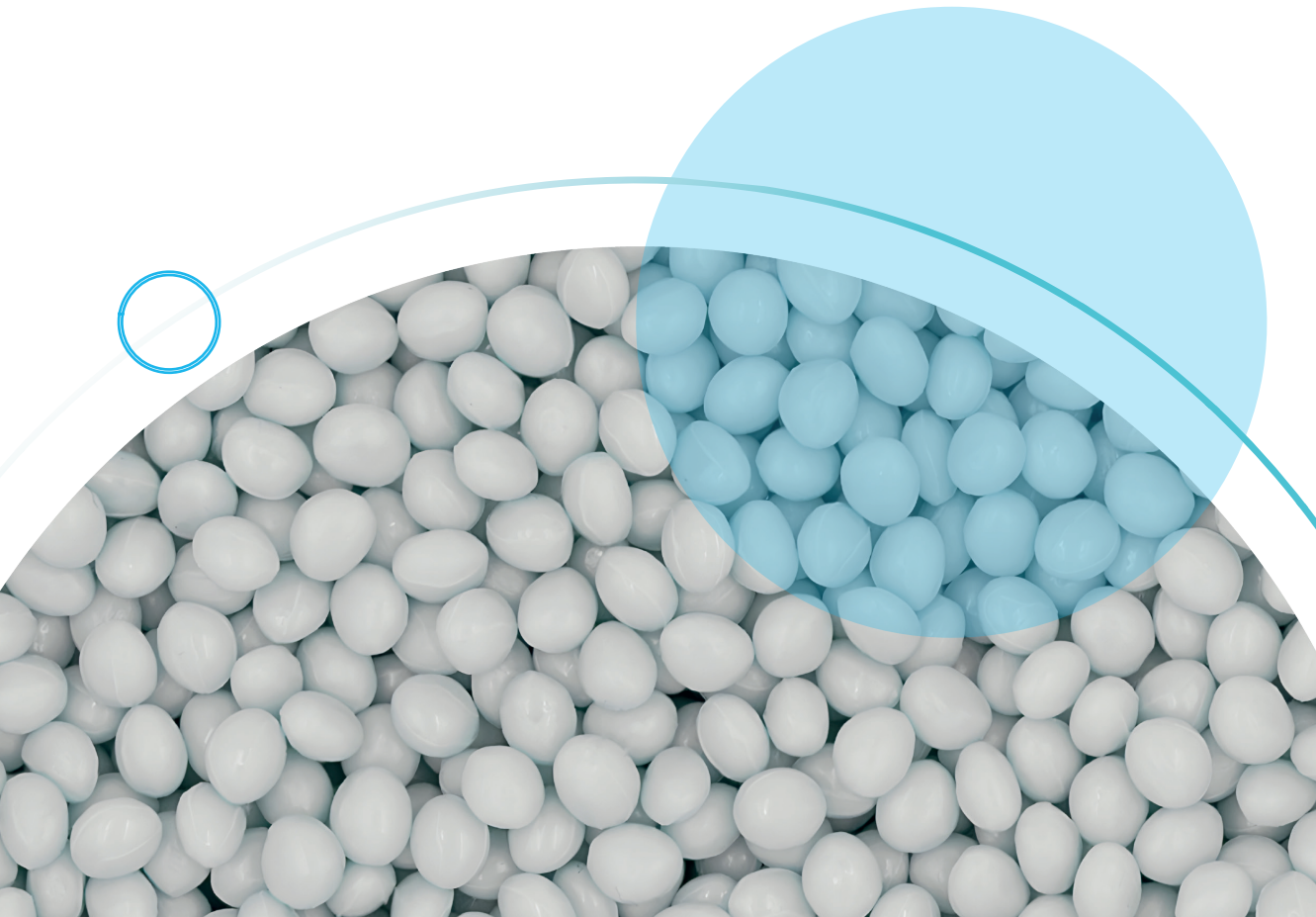
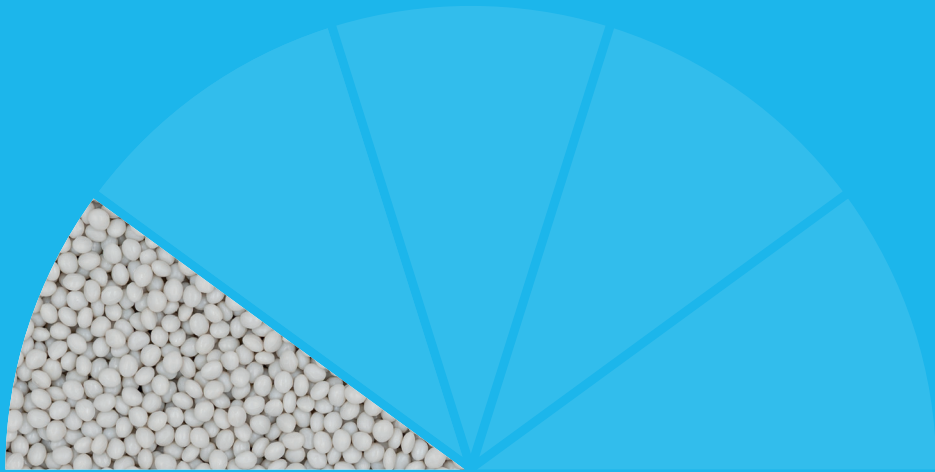


aloxe

Aloxe Group ESG Policy

SEPTEMBER 2024





Introduction

Founded in 2021, Aloxe plays a pivotal role in Europe's emergent circular economy by transforming discarded PET plastics into high-quality recycled raw materials to supply the fast-growing sustainable packaging market.

With state-of-the-art plants strategically situated in France, Italy, and Poland, Aloxe is committed to shape a greener and more responsible future becoming Europe's PET recycling champion.

The circular economy for plastics is still in its infancy industrially. While there are numerous initiatives and projects underway, the development of fully organized value chains remains a work in progress.

There is a will:

that of the two founders to pool their experience together to help solve an environmental and economic problem. Aloxé produces high quality resin at an industrial scale for demanding clients shifting towards net zero carbon emissions: especially the food & beverage and cosmetic sectors, searching for new solutions for bottles, trays, and containers to substantially shrink their ecological footprint.

There is a way of doing things:

showing boldness, perseverance, respect, and generosity, our core values, working in unison with our suppliers, customers, stakeholders, investors and employees to truly contribute at our level to the decarbonation of the industry.

At the heart of our operations lies a comprehensive Environmental, Social, and Governance (ESG) policy that propels us towards a more promising future.

From an environmental perspective,

the core of our business consists in producing low carbon recycled plastics

from bottle waste, therefore preventing the depletion of natural resources, reducing plastic pollution, and minimizing CO₂ emissions. According to SRP (Syndicat national des Régénérateurs de matières Plastiques). The use of RPET granules is more advantageous than the same mass of virgin PET granules in the following ways: 7 times less CO₂ equivalent emissions and 5 times less use of fossil resources.

Starting with our cutting-edge technology to our responsible waste management practices, we take every step to curtail our impact on the planet.

Yet, our commitment extends beyond the environment. Through employee initiatives and customer engagement, we aim to promote and share our values, creating a positive ripple effect that resonates through all the stakeholders we touch.

Finally, transparency is the cornerstone of our governance practices. Upholding ethical conduct, responsible decision-making, and thorough accountability, we ensure that our actions align with our principles. Our commitment to transparent governance not only builds trust but also sets an example for responsible business practices. Aloxé is a portfolio company of Ara Partners.





Environment

1.1. Climate and Energy

Energy and Carbon

1.2. Material circularity

Material efficiency and waste

1.3. Ecosystem

Water and Wastewater
Biodiversity impacts

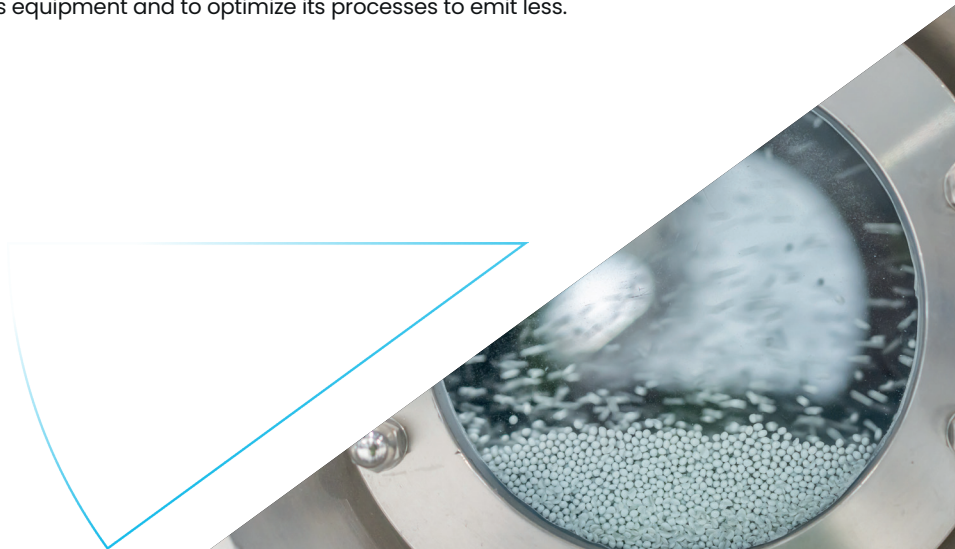
1.1

Climate and Energy

Energy and Carbon

This section relates to the carbon footprint of our company and our impact on climate change. A key objective of Aloxe is to contribute to the decarbonization of the packaging industry. By recycling plastics, we reduce the total production of virgin plastics which relies on extracting and refining crude oil, a resource-intensive process that generates substantial carbon emissions. The production of recycled PET compared to virgin PET is responsible for a 85% savings in carbon emissions. This can be attributed to a combination of factors including the utilization of post-consumer waste compared to fossil resources, the reduced and limited energy consumption of the manufacturing process, and the localized resource utilization. This is why the adoption of recycled PET contributes significantly to mitigating climate change, fostering a more sustainable plastic production industry.

But the success of our company cannot only be about reducing the emissions of our customers. While Aloxe may be a young firm with sustained growth as top priority, we are actively implementing diverse strategies to minimize the impact of our own operations on the planet. When we acquire a new production site, our initial focus is to upgrade its equipment and to optimize its processes to emit less.



1.2

Material circularity

Material efficiency and waste

Recycled PET addresses the disposal issue by repurposing plastic waste into valuable raw materials, reducing landfill emissions and promoting a circular economy. Our purpose is to mitigate this plastic pollution and avoid plastic to end disposed improperly in the environment. As things stand, too much plastic packaging ends up in landfills or is being incinerated. This is why we advocate the introduction of the deposit system in France and in other European countries where they have not yet been introduced. In a country equipped with a deposit-refund scheme where plastic packaging waste is collected separately, collection rates can reach more than 90%. Introducing a collection channel dedicated to plastic beverage bottles (vs a multi-waste recycling bin) not only increase the volume of bottles collected, but also considerably improve the recycling levels as it avoids significant sorting and cleaning steps.

However, our own processes also generate waste. In our journey towards sustainability, material efficiency optimization within our plants is one of our main points of focus. As we produce raw material out of waste, improving material efficiency, for us, means minimizing waste.

We invest extensively in state-of-the-art mechanical recycling technologies that enable us to recover and repurpose a greater proportion of plastic waste input thanks to precise sorting and cleaning processes, ensuring the highest quality of recycled materials while minimizing material losses. By instituting stringent waste management practices, we aim to significantly diminish the volume of waste generated during the process.

In our manufacturing process, various streams of industrial waste are generated. Any material that cannot be reused or reclaimed by another company undergoes meticulous assessment for potential reintroduction into value chains. This strategic initiative aims to reduce landfilling and incineration, in line with our sustainability goals and responsible resource management practices. To support these efforts, we have established a specialized technical team tasked with evaluating the circularity performance at our sites and devising action plans to minimize waste streams and enhance recycling partnerships with third-party entities. Any remaining waste is managed responsibly through safe disposal methods.

Any remaining waste is managed responsibly through safe disposal

1.3

Ecosystem

Water and Wastewater

This section relates to the sustainable and safe use of water resources and proper wastewater treatment, two important topics for Aloxe as our industrial process requires a high consumption of water and as we recognize the importance of water as a finite and precious resource.

With two plants equipped with washing lines to clean post-consumer bottles that enter as waste, it is our priority to manage water efficiently. Whenever possible, we have systems that recycle and reuse water, reducing the demand for freshwater inputs and minimizing wastewater generation. Wastewater is also treated on site so that we can ensure the effective removal of pollutants and contaminants before devolving water in the networks. We adhere to local regulations for wastewater discharge, setting stringent standards to protect local ecosystems and communities.

Our commitment to responsible water management fosters trust and goodwill among the communities we operate in, strengthening our social bonds with those around us.

Biodiversity impacts

Another key objective of Aloxe's recycled resin supply business is to avoid plastic pollution that harms biodiversity, and to safeguard ecosystems and marine life from this pollution.

We are convinced that our recycling activity prevents plastic waste from entering the environment and, most critically, the oceans. As the use of post-consumer recycled content in bottle packaging increases, a positive cycle unfolds: more bottles are collected and repurposed as valuable resources, leading to a reduction in plastic waste threatening biodiversity.

We also adopt meticulous waste management practices at our plants, within the legal framework of each country where we operate.



2



Social

2.1. Employee well-being

Employee health and safety
Diversity and inclusion
Employee's satisfaction
Whistleblowing

2.2. Customer impact

Customer satisfaction

2.1

Employee well-being



This Policy sets out the fundamental principles embedded in our business operations and culture to ensure that we have a positive social impact on our employees, clients and communities. It is our corporate responsibility to uphold these principles throughout our entire organization. We expect all stakeholders, including customers, suppliers and subcontractors, to be aligned with them wherever we operate. Our guiding values, showing boldness, perseverance, respect, and generosity are the cornerstone of this policy.

Employee health and safety

It is Aloxe priority to maintain a safe and healthy workplace environment for all our employees, that complies with all applicable laws, regulations, and internal policies. We recognize that our employees are our most valuable assets, and their safety is non-negotiable. We view it not only as a legal obligation but as an ethical responsibility that shapes the foundation of our operations. Within the dynamic context of our manufacturing plants, it is an everyday concern, and we believe that long-term success can only be achieved if health and safety are acknowledged and protected.

Our objective is 0 incident. To do so, we have implemented a comprehensive array of strategies, dedicated responsible resources to steer all safety procedures and protocols designed to foster a secure and healthy environment within our manufacturing plants:

- Providing rigorous training at all sites each year to implement a stronger safety culture. We equip our employees with the knowledge and skills they need to identify and mitigate risks. Regular training sessions empower them to make informed decisions that prioritize their safety and that of their colleagues.

We organize for example a safety day each year across all of our sites to dedicate one full day to safety awareness.

- Conducting periodic behavioral and working conditions audit. Hazard assessments are necessary to identify potential risks and implement measures to mitigate them. Our goal is to anticipate challenges and prevent incidents before they occur. Regular maintenance and inspections also ensure that our workplace environment is always in optimal condition, minimizing the potential for accidents.
- Providing employees with improved personal protective equipment . We perform regular audits to make sure of the appropriate usage of personal protective equipment.
- Implementing a global tracking policy, so that all sites have the same system and language to measure near misses and accidents. A dedicated team is responsible for monitoring and comparing the performance of each production facility and puts in place safety training accordingly.

Diversity and inclusion

Above all, Aloxe wishes to guarantee and promote equal opportunities and progression in all aspects of employees' professional lives (position, responsibility, development of skills, salaries, working environment, accessibility, etc.).

Aloxe recognizes the difference in each personal situation, whether it concerns gender, age, family situation, sexual orientation, belonging to a community, a race, an ethnicity, political orientations, activities union membership, religious beliefs, physical appearance, state of health, disability, and many other aspects which make each employee a unique

individual on a personal level and capable of bringing value to the work that is entrusted to him.

By recognizing this difference, Aloxe is committed to guaranteeing everyone a fulfilling work environment and equal opportunities for their professional development.

We also wish to affirm that an individual cannot be discriminated based on who they are and their history, and that their strict professional qualities count in their role within society and in the way in which they accomplished their missions.

Particular attention must also be paid to vulnerable populations for whom specific integration measures may exist in local labor law and which Aloxe wishes to include in its workforce: young people or seniors, disabled workers, workers having trouble in professional integration.. Our values must be reflected in our actions with these populations by demonstrating a real desire for inclusion and offering everyone professional development. At Aloxe, all these principles must translate into actions:

- Communication to all staff of this charter for everyone's adherence.
- Opening a channel (see 2.1.4 Whistleblowing) to report situations perceived as inappropriate in relation to these principles, with the aim of learning and understanding the situations for the organization, and for the implementation of necessary adjustments which may go as far as the sanction of the persons incriminated.
- Finally, considering gender parity in the recruitment process and in pay equity.
- Particular attention to vulnerable populations who will be the subject of specific initiatives (for example, use where possible of resources in the field of adapted work).

These first actions constitute the beginning of the path for a growing organization like ours and should allow us to create a working environment favorable to everyone.

We are convinced that our success lies in the combination of common goals and the tapestry of perspectives, experiences, and backgrounds that our team brings to the table, and that greater diversity will enrich us, fostering a thriving and innovative workplace culture.

Employee's satisfaction

The Group encourages the personal and profes-

sional growth of its employees by fostering a positive work environment. We are confident that some initiatives to enable a healthy work-life balance such as flexible working hours and smart working can contribute to employee well-being, productivity, and retention. Aloxe Executive Management Team coordinates efforts to identify, report and address employee satisfaction and promote a dialogue on these issues. Our corporate culture is built on respect, collaboration, and open communication.

In that context, we commit to running an engagement survey every two years that covers the entire staff base, and get anonymous feedback on important matters, such as the company's strategy, values and social situation.

Additionally, during the annual performance interviews, we provide all employees with the opportunity to give feedback on their roles, workload, job satisfaction, and aspirations. We value the voices of our employees as a driving force for positive change. We believe that all individual's insights and experiences are essential for shaping a better workplace.

Whistleblowing

Addressing concerns or engaging in 'whistleblowing' occurs when an employee or external party brings to Aloxe's attention any suspected misconduct. The whistleblowing framework encompasses conduct expected by Aloxe as outlined in this policy, as well as any violations of applicable laws.

We actively promote open communication by encouraging employees to communicate their concerns directly with the appropriate contact within the organization, such as their manager or finance manager. Our dedication to accessible leadership underscores our commitment to resolving issues collaboratively and transparently, fostering an environment where employees feel empowered to raise concerns responsibly.

All matters raised will be internally investigated by a dedicated independent committee. The results of the investigation may be reported to the Managing Directors who will be responsible for deciding on appropriate actions to be taken.

2.2

Customer impact

Customer satisfaction

We believe that long-term business success can only be achieved if customer satisfaction is high. Satisfied customers are more likely to remain loyal, advocate for our brand, and foster long-term partnerships. Their trust is a testament to the quality of our products and our services.

In that context, we commit to run every two years customer satisfaction surveys that will cover the key customers and get anonymous feedback on important matters, such as the quality of our product, the level of services we offer, and the values that we promote.



3



Governance

3.1. Corporate governance

- Privacy and data security
- Purchasing
- Fraud
- Anti bribery and corruption

3.2. Business resilience

3.1

Corporate governance



Privacy and data security

At Aloxe, privacy and data security are acknowledged and protected. In today's digital age, we understand our responsibility to protect the personal and sensitive information entrusted to us by our stakeholders, including customers, employees, and partners.

Personal data is any information that relates to an identified or identifiable living individual. Different pieces of information, which are collected together can lead to the identification of a particular person, and also constitute personal data.

Sensitive data is, among personal data, information about political opinions, sexual orientation, trade-union commitments, ethnicity, genetic or biometric information. This data is subject to reinforced protection and is not allowed to be processed.

We are committed to complying with all applicable law, especially General Data Protection Regulation (GDPR) legislation to protect personal identity information and ensure it is processed, stored and handled in full compliance with the law. We implemented robust measures for data security, to protect data from unauthorized access, disclosure, alteration, and destruction. Access is restricted to authorized personnel who have a legitimate need to access it.

Purchasing

Aloxe purchasing policy is focused on ensuring that ethics and compliance checks are conducted on vendors and customers, and, under a separate process, potential joint venture partners and acquisition targets to make sure that they share our business principles.

Collaboration with a corrupt or unethical partner would expose Aloxe to significant ethics, compliance, financial and reputational risks. It is therefore vital that we know who we are dealing with, are confident that they share the same business standards as us and that the contractual and remuneration terms are adequate to protect Aloxe.

In order to adequately control our risk, our aim is to carry out vetting before starting any new relationship with third parties. Before entering regular business with a vendor, Aloxe performs minimum standards check to make sure the partner is aligned with our company principles regarding environmental and social aspects. This is how we build a trusted ecosystem of reliable suppliers. In addition, we must also make sure that we put in place periodical practical controls with our main suppliers to ensure that they respect the law regarding working conditions and product traceability.

Fraud

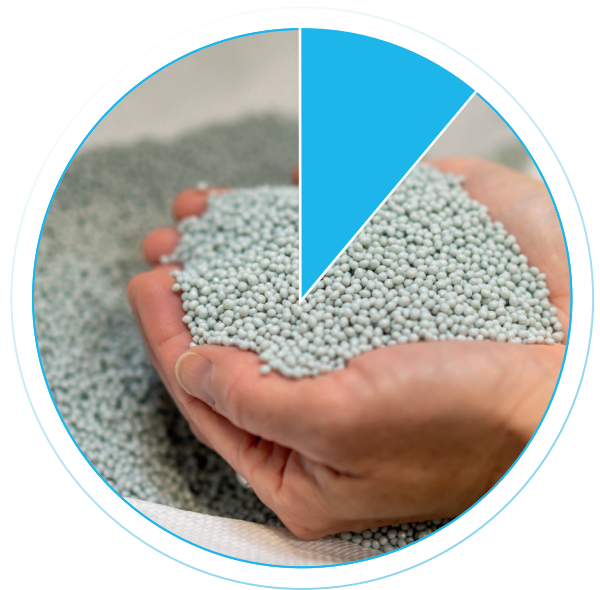
Fraud can be defined as any act of intentional or willful dishonesty to gain individual advantage. It is a criminal activity. Fraud includes actions ranging from direct theft from Aloxe assets to embezzlement, misuse of property, corruption, compliance fraud, financial fraud and expense fraud. It also covers when a supplier provides Aloxe with items which are not in line with those requested, and mislabeling of products.

Fraud is not permitted under any circumstances by Aloxe. Aloxe employees must report any suspicion of fraud or improper financial behavior immediately, either to their line manager or local Finance or HR representatives. If these reporting options are not appropriate, then concerns can also be raised via our whistleblowing system.

Anti bribery and corruption

Bribery is the offer, giving or receipt of a financial or non-financial advantage (such as a gift) to bring about the improper performance of a person in a position of trust. Corruption is the abuse of power for private benefit. Bribery and corruption are illegal the world over and can have sanctions for both individuals and companies. Bribery and corruption can take many forms, for example hiring a customer's relative in return for business. We must ensure that we do not give, offer or receive anything which could, from an outsider's perspective, reasonably be perceived as a bribe. Aloxe has a zero-tolerance policy on bribery and corruption.

This includes 'facilitation payments', which are typically small payments (including non-financial, 'in kind' payments) made to speed up routine government actions, such as customs clearance. The only exception for facilitation payments is where not doing so would put an employee's life and/or safety in danger. In this instance the payment may be made but must be immediately reported to the Group CFO and appropriately recorded in books and records. Likewise, any requests for bribes or facilitation payments must be immediately reported to the Group CFO.



3.2

Business resilience

Privacy and data security

Our strategy is to produce high-end recycled PET plastic to meet the growing demand from the food, pharmaceutical and cosmetics industries. This is driven by consumer demand and new regulations 2022/1616 such as the European directive that tightens the rules regarding the usage of single use plastics and mandates a paradigm shift in plastic bottle production. By 2025, 25% of new PET plastic bottles manufactured in Europe must contain at least 25% of recycled plastic content. This directive underscores the growing urgency to fight plastic waste, presenting us with a unique opportunity to provide a sustainable solution to this issue.

This regulatory environment converges with the ambitious sustainability goals of FMCG companies, driving robust demand for rPET. As a testimony of their commitment to societal and environmental challenges, most FMCGs pledged to incorporate even more than 25% recycled content in their packaging by 2025, up to launching whole lines of products made out of 100% rPET. Aloxe produces and supplies recycled PET in Europe but could move into other resins and/or new regions if there is demand for it.



A photograph of an Aloxe building and a tall industrial tower, partially obscured by a large, semi-transparent blue fan-shaped graphic that originates from the center of the page. The building has the 'aloxe' logo on its facade.

Conclusion

In 2021, Aloxe embarked on an exciting journey, emerging as a pivotal player in Europe's circular economy. Our core values - boldness, perseverance, respect, and generosity unite us with our clients, suppliers, investors and employees in having a positive global impact on the planet and society.

As we continue our journey towards a more sustainable future, we commit to continuously enhance our practices in environmental, social, and governance domains. We understand that the pursuit of ESG goals requires an ongoing endeavor, and we are dedicated to fostering a culture of continuous improvement in all aspects of our operations.

ALOXE GROUP ESG POLICY
SEPT. 2024 1st EDITION



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